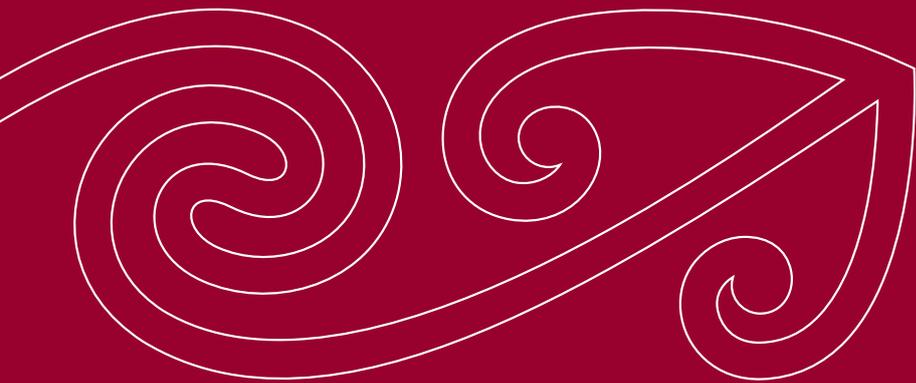




Annual Report
For year ended 30 June 2014





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

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OCTOBER 2014



PŪRONGO Ā-TAU
ANNUAL REPORT OF



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

MŌ TE MUTUNGA O TE TAU I TE
30 O NGĀ RĀ O PĪPĪRI 2014
FOR THE YEAR ENDED 30 JUNE 2014



MINISTER FOR MĀORI DEVELOPMENT

I am honoured to present to you the Annual Report of Te Puni Kōkiri
for the year ended 30 June 2014.

A handwritten signature in black ink, appearing to read 'Michelle Hippolite'.

Michelle Hippolite
Chief Executive

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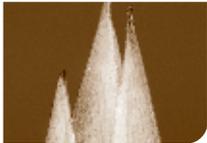
Audit New Zealand
Wellington
on behalf of the Auditor-General

Bankers

Westpac

Rārangi Take

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Mai Te Toihautū

From the Chief Executive

Kua huri anō te tau, moe mai e te hunga mate, tēnā tātou te hunga ora, ngā iwi o te motu. He maha ngā kaupapa mahi i tutuki i tērā tau, me te mea whakahirahira, i hangaia tētahi 'whare' me ngā tikanga hou mō roto, mō waho, mō ngā mahi a Te Puni Kōkiri.

I am pleased to provide the Annual Report for the year ended 30 June 2014 which details Te Puni Kōkiri financial and non-financial performance; and progress towards outcomes set out in the 2013 Statement of Intent.

This account of our performance has been set against a backdrop of continued work to design an operating model to take the Ministry forward; marked by the appointment of a new executive leadership team in the first six months of 2014.

Guided by the work of an Ohu or hot-housing approach, the Executive Team has drawn on the metaphor of 'building a whare' to introduce new ways of working internally and externally; and to give greater clarity to our key priorities.

The building of a whare highlights the interwoven nature of the elements required to develop a strong outcomes and priorities framework; and the collaboration of effort required to ensure our priorities have the desired impacts.

The work of the Ohu has also:

- identified our key stakeholders and partners;
- produced a performance measurement framework to enable Te Puni Kōkiri to tell a stronger performance story; and
- developed a strategic narrative giving context to the importance of our work to the future of Aotearoa New Zealand.

These will influence ongoing efforts to refocus Te Puni Kōkiri as an organisation that is adept and skilled to support Crown and iwi, hapū, whānau relationships; bolster state sector effectiveness and responsiveness to Māori; strengthen Māori skills, learning and education; and our cultural and economic wealth.

This report elucidates many significant achievements in the past 12 months, several of these are worthy of specific mention:

- Te Puni Kōkiri led the New Zealand government delegation to the United Nations Permanent Forum on Indigenous Issues in May 2014. Mandated to deal specifically with indigenous peoples' issues, the Forum provides a legitimate role for Te Puni Kōkiri to frame government advice to the UN about developments in relation to Māori;
- Advice to Ministers on mandate and ratification issues regarding claims of historical significance; leading and participating in a number of formally established Crown-Iwi post-settlement relationships; and involvement in the Constitutional Review carried out in 2013;
- Supporting state sector effectiveness to Māori through the provision of resources to assist agencies to develop their performance and accountability documents; and a framework to self-assess and improve their practice;

- Coordinating consultation and the development of a new Māori Language Strategy; consultation related to the review of the Māori Community Development Act 1962; and new arrangements proposed for Māori land owners under Te Ture Whenua Māori Act 1993;
- A Whānau Ora 'commissioning for results' approach which led to the selection of three non-government agencies responsible for working with whānau to increase their capability; and commission innovative local-level programmes;
- International engagements in China and South East Asia to improve Māori exporting business opportunities and contribute to the Government Business Growth Agenda and *He Kai Kei Aku Ringa*. This has been complemented by our research on Māori exporting performance; work with Statistics New Zealand to further develop Māori business measures; and partnering in the development of the first of several new regional Māori economic development strategies strongly linked to *He Kai Kei Aku Ringa*.
- Te Puni Kōkiri continues its role in support of the prestigious Ahuwhenua Trophy Competition which this year showcased high calibre Māori dairy farming entities with the three finalists hailing from Taranaki and the Bay of Plenty; and
- An impressive 350 Māori cadetships across key industry sectors; and a unique graduate programme for Māori already working in the infrastructure sector to take up management and leadership positions.

Te Puni Kōkiri pays tribute to our retiring Ministers, Hon. Dr Pita Sharples and Hon. Tariana Turia. Our acknowledgments also to the retiring Māori Affairs Select Committee chair and former Minister of Māori Affairs, Hon Tau Henare. All three leave behind a formidable and



enduring legacy that has indelibly shaped and changed the political, economic, social and cultural fabric of Aotearoa New Zealand.

Finally, I would like to acknowledge the leadership and commitment of all Te Puni Kōkiri staff throughout the country for their unstinting service and support over the past year.

Ka mahi tahi mātou katoa, ki te whakatinana i ngā kaupapa here hei painga mō ngai Māori.

Ngā mihi

Michelle Hippolite
Chief Executive



He Kupu Whakataki

Introduction

Te Puni Kōkiri's purpose is to support Government to strengthen Treaty of Waitangi partnerships and facilitate iwi, hapū and whānau Māori to succeed at home and globally. This is consistent with our long term vision of *iwi, hapū and whānau Māori succeeding as Māori*.

Te Puni Kōkiri was established under the Ministry of Māori Development Act 1991, and began operating on 1 January 1992. The Ministry's two main responsibilities as set out in that Act included:

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

The 22 years since its establishment has seen Te Puni Kōkiri successfully:

- lead and influence public policy affecting Māori;
- assist the Government to manage its relationships with Māori;
- monitor aspects of government performance with respect to Māori;
- deliver a discrete set of programmes on behalf of the Government; and
- partner Māori initiative with investment and facilitation to support the priorities and aspirations of Māori.

Transforming Te Puni Kōkiri

As Te Puni Kōkiri looks to the future, we also need to think about what is happening outside of the Ministry and the impact this has on our ability to do our job well. In order for us to continue to deliver on our outcomes and achieve better results, for Māori, we will need to be well positioned to work within the changing environment around us.

In 2013 we identified three medium to long-term outcomes, or *Mua*, and we have focused over the past 12 months in aligning the Ministry's policy and operational work programme to ensure gains and achievements for Māori across each of these domains:

- **He Ara Whakamua** – the Crown, iwi and Māori collectives enjoy relationships that support their shared and respective duties, interests and aspirations;
- **Whāinga ki Mua** – Māori are more secure, confident and expert in their own culture; and
- **Oranga ā Mua** – Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.

As we indicated in our 2013 Annual Report, these long-term outcomes reflect several inter-related dimensions. These include: the ongoing and evolving Treaty of Waitangi-based relationships between the Crown and Māori; the importance of Māori language and culture to Māori well-being and to New Zealand's national identity; and creating an environment within which our most vulnerable families and communities can realise improved and sustainable results and outcomes.

Our 2013 Statement of Intent described the three main ways in which we work across the public sector, and the decisions by Cabinet in November 2013 further endorsed this approach:

- **Ārahitanga** – by providing strategic leadership advice and guidance to Ministers and the state sector;
- **Whakamaherehere** – by providing evidence-based advice to Ministers and agencies; and
- **Auahatanga** – by developing innovative trials and investments to test policy and programme models designed to promote better results for Māori.

At that time, Cabinet also confirmed Te Puni Kōkiri's role in providing strategic leadership and guidance to Ministers and the State sector on the Crown's partnerships and relationships with iwi, hapū and whānau Māori. A key focus in the period immediately after these decisions has been the design of an operating model to take the Ministry forward.

The first six months of 2014 has seen the appointment of our new leadership team and the implementation of stage one of our new operating model. The Executive Team has moved to introduce new ways of working and to clarify the key priority areas for the organisation, and already, we are starting to work differently and smarter, and interacting differently both within Te Puni Kōkiri as well as outside our organisation.



Statement of Responsibility

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

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion:

- the financial statements and statement of service performance fairly reflect the financial position and operations of Te Puni Kōkiri for the year ended 30 June 2014;
- and the forecast financial statements fairly reflect the forecast financial position and operations of the department for the financial year to which they relate.

Signed by



Michelle Hippolite
Chief Executive
30 September 2014

Countersigned by:



Michelle Ewington
Chief Financial Officer
30 September 2014

Te Puni Kōkiri Outcome Framework 2013–2014

He Ara Whakamua:

The Crown, iwi and Māori collectives enjoy relationships that support the shared and respective duties, interests and aspirations

We will need to know we are succeeding when:

High Quality Relationships

- Crown–Māori Relationships are formed appropriately to address matters of mutual significance.
- Crown–Māori Relationships demonstrate the principles of mutual respect, good faith and the recognition of each other's contribution.

Partnership and Participation

- The Māori authorised voice is effectively provided for in central and local government decision-making processes of significance to Māori rights and interests.
- Māori rights and interests are clearly identified and understood, and fairly and transparently balanced against other interests.
- Māori are participating more in local and central government electoral processes.

Key outputs included:

- Policy advice.
- Supporting mandate & ratification processes within Treaty settlements.
- Supporting the Government's Business Growth Agenda.
- Ministerial appointment processes.
- Legislative change processes.

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Whāinga ki Mua:

Māori are more secure, confident, and expert in their own culture

We will need to know we are succeeding when:

Protecting, Maintaining and Developing Taonga Māori

- More Māori people can speak the Māori language.
- More Māori people are affiliated with their iwi.
- Māori people are engaging more often with their Marae.
- The Māori cultural estate is protected and enhanced as Māori people identify and manage their connection to their ancestral lands, wāhi tapu and other physical taonga.

Key outputs included:

- Policy advice.
- Developing and implementing the Government's Māori Language Strategy.
- Supporting Māori broadcasting and ICT development.
- Entity Monitoring.
- Investing in Marae as hubs of cultural practice.

Oranga ā Mua:

Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members

We will need to know we are succeeding when:

- More Māori report that they are satisfied or very satisfied with their life.
- More Māori live longer.
- More Māori are employed.
- Few Māori live in poverty.
- Māori education outcomes are increasing.
- Improved financial performance of Māori enterprises.

Key outputs included

- Policy advice.
- Support for the Government's Better Public Service priority areas and Business Growth Agenda.
- Land management.
- Māori Wardens.
- Iwi housing support.
- Whānau Ora.



Impact Measures

He Ara Whakamua

He Ara Whakamua		
The Crown, iwi and Māori collectives enjoy relationships that support their shared and respective duties, interests and aspirations		
Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Crown Māori relationships demonstrate the principles of mutual respect, good faith and the recognition of each other's contribution.	<ul style="list-style-type: none"> all <i>historical</i>¹ settlements completed by 2014. 	<p>Te Puni Kōkiri has continued to work closely with the Office of Treaty Settlements to ensure delegated Ministers receive appropriate advice on:</p> <ul style="list-style-type: none"> the nature and calibre of the mandates that are submitted to them for recognition; and the extent to which claimant communities support either the settlement packages being negotiated, or the post-settlement governance arrangements that have been arrived at to receive these assets. <p>The incoming Minister for Treaty of Waitangi negotiations is expected to confirm the new date for the completion of historical Treaty of Waitangi settlements following the 2014 General Election.</p>
Crown Māori relationships are formed appropriately to address matters of mutual significance.	<ul style="list-style-type: none"> <i>(very few)</i>² contemporary claims registered by Post settlement Governance Entities. <p><i>(new measure)</i></p>	<p>Although we had initially identified this indicator as one means by which the strength and well-being of post-settlement Treaty relationships could be demonstrated, Te Puni Kōkiri has since identified a range of other mechanisms which we consider better represent this outcome. These include (for example):</p> <ul style="list-style-type: none"> the Annual Iwi Leaders Forum held at Waitangi each year with the Prime Minister and other senior portfolio Ministers; meetings convened under the post-settlement relationship agreement(s) protocols; the ongoing engagement and relationship visits between the Attorney General (as the Minister responsible for monitoring the government's post-settlement commitments) and settled iwi; the Iwi Leaders Advisory Groups formed to engage on key policy issues including Water, Natural Resources, Whānau Ora and Social Policy; and the day to day engagements between the Minister of Māori Affairs and iwi, hapū and whānau Māori throughout Aotearoa, New Zealand.

1 This particular SOI measure refers to the Ministry's role in supporting *historical* Treaty settlement negotiations.

2 At the heart of this particular measure was the sense that a significant number of contemporary claims could indicate that the relationship dynamics between the Crown and settled groups was found wanting.

He Ara Whakamua
 The Crown, iwi and Māori collectives enjoy relationships that support their shared and respective duties, interests and aspirations

Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Māori are participating more in local and central government electoral processes and the Māori authorised voice is effectively provided for in central and local government decision making processes.	<ul style="list-style-type: none"> an increase in the number of Māori voting in the Māori electorates from 58.2% recorded in 2011. 	Updated data for this measure will become available following the 2014 General Election.
	<ul style="list-style-type: none"> an increase in the number of Māori MP's from the 16.5% recorded in 2011. 	Updated data for this measure will become available following the 2014 General Election.
We have promoted processes to achieve more frequent and more meaningful consideration of iwi and Māori perspectives across local and central government.	<ul style="list-style-type: none"> all (100%) Ministerial decision-making on key relevant issues informed by our advice. <p><i>(new measure)</i></p> <p><i>*Te Puni Kōkiri input is one of the many sources of guidance and advice available to our Minister(s) and upon which they rely when making decisions. Rather than seek to extrapolate the extent to which our advice has exclusively informed their decision making, we have chosen instead to focus in this Report on the ways in which we work to promote processes to achieve meaningful progress, including consideration of iwi and Māori perspectives across each of our strategic outcome areas.</i></p>	<p>Te Puni Kōkiri consistently seeks information about iwi, hapū and whānau Māori perspectives on key issues, to inform our policy advice to the Minister of Māori Affairs. This information is collected through our regional network on an ongoing basis.</p> <p>In addition to leading engagement with iwi, hapū and whānau Māori on key Māori Affairs policy development including, for example, the government's consultation on matters arising under the Māori Community Development Act, and the review of Te Ture Whenua Māori Act (2013); and proposals for a new Māori Language Strategy (2014), we also play an essential role in supporting our colleague agencies to undertake consultation on a full range of government policy initiatives.</p> <p>The Ministry also continues to maintain and update its <i>Te Kāhui Māngai</i> website http://www.tkm.govt.nz/ to assist local councils and others engaging with iwi and hapū by providing information, including relevant contact details for representatives of the iwi and hapū that exercise kaitiakitanga within each rohe.</p>



He Ara Whakamua

The Crown, iwi and Māori collectives enjoy relationships that support their shared and respective duties, interests and aspirations

Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Our advice on Treaty claim negotiation mandates and settlement ratifications supports the progress and durability of Treaty settlements.	<ul style="list-style-type: none"> all (100%) claimant groups progress through the settlements process following mandate and ratification decisions. <i>(new measure)</i> 	<p>In addition to providing Ministers with appropriate advice on matters relating to mandate and ratification, we have worked closely with claimant communities to inform them of the requirements of the Crown's mandating process; supported groups seeking to develop robust mandate strategies; and where appropriate, assisted claimant communities to work through any issues which may otherwise undermine their abilities to secure a durable mandate.</p> <p>We also play a role in assisting groups in the development of their post settlement governance entities.</p> <p>Throughout the 2013/14 year, Te Puni Kōkiri, in association with the Office of Treaty Settlements, provided formal advice to delegated Ministers on:</p> <ul style="list-style-type: none"> 12 mandates; and 18 ratification processes. <p>Each group that was the subject of this advice was then able to move through to the next stage of the historical Treaty settlements process. Specific information on the status and progress of groups currently in historical Treaty negotiations can be found on the website of the Office of Treaty Settlements: www.ots.govt.nz</p>
Our co-ordination of Whole of Government Settlement Accords' implementation supports the positive development of Crown-iwi post settlement relationships.	<ul style="list-style-type: none"> no (0) formal compliance complaints in relation to these Accords. <i>(new measure)</i> full (100%) compliance with the requirements of the Māori Affairs Accords. <i>(new measure)</i> 	<p>Pleasingly, there have been no formal complaints registered to date with Te Puni Kōkiri taking an active role in engaging with all of the parties. Any implementation-related concerns are able to be resolved in a manner which enables open, honest and timely engagement.</p> <p>Rather than compliance, our work over the past 12 months has focused on establishing an implementation framework for the Accords, including the mechanisms by which any complaints under the Crown-Iwi post settlement relationship Accords would be registered.</p>

Impact Measures

Whāinga ki Mua

Whāinga ki Mua		
Māori are more secure, confident, and expert in their own language and culture		
Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
More Māori people can speak the Māori language.	<ul style="list-style-type: none"> an increase in the proportion of Māori adults with some ability to speak te reo Māori from 42% in 2001.³ 	<ul style="list-style-type: none"> Te Kupenga reported that 55% of Māori adults have some ability to speak te reo Māori: an increase since 2001.
More Māori people are affiliated with their iwi.	<ul style="list-style-type: none"> an increase over time in the proportion of Māori who know their iwi. 	<ul style="list-style-type: none"> Te Kupenga reported that 89% of Māori knew their iwi. <p><i>Te Kupenga is the first official survey to explicitly ask respondents whether they knew their iwi. Previous results published from the Census categorise those of Māori descent who do not state an iwi as having no knowledge of their iwi.</i></p>
Māori people are engaging more often with their Marae.	<ul style="list-style-type: none"> an increase over time in the proportion of Māori engaging with marae. 	<ul style="list-style-type: none"> Te Kupenga reported that 34% of Māori had been to their ancestral marae in the last 12 months. <p><i>This is the first official measure for this indicator and provides a baseline for this outcome going forward.</i></p>
Our state sector leadership and support for Māori language and culture policy, and related work supports Māori access to, acquisition, use and enjoyment of their language and cultural heritage.	<ul style="list-style-type: none"> an increase in the uptake of Māori language radio and television programming to: <ul style="list-style-type: none"> ✓ 37% (for radio) Et ✓ 70% (for television). 	Te Kupenga reported that 75% of Māori adults had watched Māori television programming in the last twelve months, and 34% had listened to iwi radio during this period.
	<ul style="list-style-type: none"> at least 75% of participants in key language and cultural programmes, services and events perceive an increase in their Māori language acquisition and use as a consequence. 	<p>To avoid overlaps with Te Kupenga (the Māori Social Survey 2013), the Māori Language Impact Survey was not conducted in 2013/14. As a result, this data has not been collected since the last survey undertaken in 2010.</p> <p>At that time, 66% of people with increased Māori language skills attributed some of those gains to watching the Māori Television Service, and 64% attributed some gains to listening to iwi radio.</p>

³ Results from Te Kupenga have replaced previous Census results because these measures align more closely with the desired outcomes. The previous measure of some ability to speak te reo Māori (as reported in Te Kupenga) is the 2001 Health of the Māori Language.



Whāinga ki Mua		
Māori are more secure, confident, and expert in their own language and culture		
Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Active Māori leadership in the retention, practice and development of their language and cultural heritage utilising customary and contemporary platforms.	<ul style="list-style-type: none"> an enabling environment for more Māori leadership across at least two key cultural heritage domains. 	<p>In the 2013/14 year, Te Puni Kōkiri selected <i>New Zealand Wars Commemorations</i> and <i>Waka Development</i> as the two cultural heritage domains where we would seek to support an enabling environment for Māori leadership.</p> <p><i>New Zealand Wars Commemorations</i></p> <p>The 2013/14 year saw a series of commemorations to mark the 150th anniversary of the New Zealand Wars (Waikato and Tauranga Campaigns). These commemorations were led by Waikato-Tainui, Ngāti Maniapoto, Ngāti Ranginui, Ngāi Te Rangi and other interested iwi. Te Puni Kōkiri provided advice and funding to the iwi forum, logistical and secretariat support, and liaised with relevant government agencies on an ongoing basis.</p> <p><i>Waka Development</i></p> <p>In 2013/14, our efforts to support Māori to lead <i>Waka Development</i> were focused on our support for the establishment of Te Wānanga a Kupe-Mai-Tawhiti (a wānanga dedicated to the retention and transmission of knowledge and practices associated with traditional waka building, voyaging and navigation). In addition, we supported a number of waka regatta.</p>

Whāinga ki Mua

Māori are more secure, confident, and expert in their own language and culture

Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Our advice on and support for iwi and hapū interests in their shared cultural estates promotes ways to improve access, use and development arrangements by the estate owners.	<ul style="list-style-type: none"> an increase over time in the level of iwi, hapū and whānau Māori (self-reported) strength of connection to their tūrangawaewae. 	<p>Te Puni Kōkiri contributes to this impact through an ongoing work programme to support: marae development; iwi festivals and events; iwi mandates; the maintenance of iwi registers; and support for iwi radio. These activities all provide opportunities for people to connect with their iwi and, through their iwi, to their tūrangawaewae.</p> <p>The Māori Social Survey 2013 (Te Kupenga) shows that: 36% of Māori adults felt strongly or very strongly connected to their tūrangawaewae.</p> <p><i>This is the first official measure for this indicator and provides a baseline for this outcome going forward.</i></p>
	<ul style="list-style-type: none"> increases in the extent to which iwi and hapū are able to be more actively engaged with natural resources as a result of significant new mechanisms that provide for their interests. increases in the satisfaction of iwi resource managers with their relationship with local council. 	<p>Te Puni Kōkiri has had significant input into the development of the proposed Resource Management Act reforms including proposed reforms to the freshwater management regime. This included development of provisions requiring councils to establish a formal agreement with iwi regarding input into council planning processes prior to initiating these.</p> <p>Our advice on proposed Resource Management Act amendments was also informed by the data collected through the <i>Kaitiaki Survey</i> undertaken by Te Puni Kōkiri in 2013. Further achievements during this period include provisions to ensure iwi authorities have a mandated role in any collaborative processes proposed in respect of fresh water planning.</p> <p>We also provided input into the development of the National Policy Statement and National Objectives Framework to support the recognition of Māori values and interests in these policies.</p>



Whāinga ki Mua

Māori are more secure, confident, and expert in their own language and culture

Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
<p>We will promote processes to achieve more frequent and more meaningful consideration of iwi and hapū perspectives in policy development and decision making across local and central government.</p>	<ul style="list-style-type: none"> all (100%) Ministerial decision-making on key relevant issues is informed by our advice. <p><i>*As discussed previously, Te Puni Kōkiri input is one of the many sources of guidance and advice available to our Minister(s) and upon which they rely when making decisions. Rather than seek to extrapolate the extent to which our advice has exclusively informed their decision making, we have chosen instead to focus in this Report on the ways in which we work to promote processes to achieve meaningful progress, including consideration of iwi and hapū perspectives across each of our strategic outcome areas.</i></p>	<p>As signalled previously, Te Puni Kōkiri consistently seeks information about iwi, hapū and whānau Māori perspectives on key issues, to inform our policy advice to the Minister of Māori Affairs. This information is collected through our regional network on an ongoing basis.</p> <p>Further examples of how Te Puni Kōkiri ensures iwi and hapū perspectives are considered in development of policy and by Ministers can be seen in our work with the Department of Internal Affairs on the development of the Local Government Amendment Bill (No 3) which passed in August 2014.</p> <p>Our <i>Te Kāhui Māngai</i> website http://www.tkm.govt.nz/ is also a key tool in assisting local councils and others engaging with iwi and hapū regarding Resource Management Act and other processes. The site provides information, including relevant contact details, for representatives of the various iwi and hapū that exercise kaitiakitanga and other functions within a particular rohe.</p>

Impact Measures

Ōranga ā Mua

Ōranga ā Mua		
Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.		
Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
More Māori report that they are satisfied or very satisfied with their life.	<ul style="list-style-type: none"> an increase in the proportion of Māori satisfied with their lives overall from 81.8% in 2010. 	The 2012 General Social Survey reported that 80.5% of Māori were satisfied or very satisfied with their lives: a decrease since 2010. ⁴
Māori live longer.	<ul style="list-style-type: none"> an increase in Māori life expectancy from the 74.7 years reported in 2010-12. 	Statistics New Zealand publishes Māori life expectancy approximately every five years. At this stage we expect an update to this figure around 2018.
More Māori are employed.	<ul style="list-style-type: none"> an increase in the proportion of Māori in employment from 55.2% (December 2012). 	The June 2014 Household Labour Force Survey reported 58.8% of Māori as being employed: an increase since June 2013. ⁵
Fewer Māori households live in poverty.	<ul style="list-style-type: none"> a decrease in the proportion of Māori households in bottom income quintile decrease from 25.1% in 2010. 	The New Zealand Income Survey 2013 reported some 25.6% of Māori households in bottom income quintile: an increase since 2010.
Māori education outcomes are increasing.	<ul style="list-style-type: none"> an increase in the proportion of Māori with a post-school qualification from the 27.9% originally recorded in 2006.⁶ 	As discussed in note 6 below, this data is no longer reported in general terms but is instead aligned to the NQF. In terms of the NQF, some 13.1% of Māori had a qualification of level 5 or above on the framework in 2006. The 2013 Census reported however that 16.4% of Māori have a highest qualification of level 5 or above: an increase since 2006.

4 The stated (2010) figure for life satisfaction has since been revised by Statistics New Zealand. For more information see: http://stats.govt.nz/browse_for_stats/people_and_communities/Households/nzgss_HOTP2012/Data%20Quality.aspx#revisions

5 Due to the seasonal pattern in employment, annual changes are the best indicator for progress. The most recent employment rate figures show an annual change of 2.8 percentage points from June 2013 (56.0%) to June 2014 (58.8%).

6 Statistics New Zealand has changed its standard outputs for Highest Qualification to align with levels on the National Qualifications Framework (NQF). Additionally, improvements in qualification coding may mean that some results are no longer comparable with previous results. We expect updated results for Māori with a post-school qualification will be available with the release of QuickStats about education and training (June quarter 2015). <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-maori-english/education.aspx>



Ōranga ā Mua Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.		
Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Improved financial performance of Māori enterprises.	<ul style="list-style-type: none"> an increase in the financial performance of key Māori enterprises. 	<p>The development of a new tier-one statistic which would have been used to support this measure has not yet been progressed by Statistics New Zealand. Te Puni Kōkiri has however, continued to provide financial analysis mentoring to Māori/Māori businesses through the Māori Business Facilitation Service and to invest in governance and management training initiatives for Māori enterprises.</p> <p>Positive outcomes have been indicated.</p>
We will have established strong evidence on contribution of whānau-centred approaches to improving whānau outcomes.	<ul style="list-style-type: none"> 90% of Whānau Ora collectives reporting on whānau-centred approaches and their impact on whānau transformation. 	97% of our Whānau Ora providers and collectives submitted reports that detail their whānau-centred approaches and improvements to whānau capability through Whānau Ora.
	<ul style="list-style-type: none"> at least 65% of engaged whānau taking steps to improve their outcomes. 	At the time of measuring, some two-thirds (66%) of whānau had taken active steps to improve their wellbeing through whānau planning, by achieving goals and aspirations across a range of social, economic and cultural areas. ⁷
We will have consolidated a network of community-based service approaches that directly supports family-led and family-centred transformation.	<ul style="list-style-type: none"> 90% of Whānau Ora providers transformed to provide Whānau-centred approaches. 	90% of our Whānau Ora providers and collectives have adopted a range of strategies to transform their services so they are more demonstrably whānau-centred. These include: whānau planning; navigational approaches; whānau capability building activities; service innovation and accessibility improvements; workforce development; and collaboration.

⁷ The above measurement, which is based on a reporting period 1 April 2013 through 31 March 2014, was taken in the fourth quarter and reflects an indicative result only, with the systems to formally validate this impact still under development until this time.

Ōranga ā Mua

Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.

Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Increased collaboration – Sectors beyond social development and primary health will be active participants in the Whānau Ora Approach and its implementation.	<ul style="list-style-type: none"> at least one new lead sector agency participating in Whānau Ora at a national and a regional level. 	<p>Our collaboration with national lead sector agencies over the last 12 months has focused instead on the Commissioning for Whānau Results initiative approved by Cabinet in July 2013.</p> <p>This has seen Te Puni Kōkiri foster relationships with the Ministry for Pacific Island Affairs, and the Ministry of Business, Innovation and Enterprise to support the joint sector selection process for the three new Whānau Ora commissioning agencies.</p>
Consideration of Māori needs and aspirations in social and economic policy development.	<ul style="list-style-type: none"> all (100%) Ministerial decision-making on key social and economic policy issues informed by our advice. <p><i>*As discussed above, Te Puni Kōkiri input is one of the many sources of guidance and advice available to our Minister(s) and upon which they rely when making decisions. Rather than seek to extrapolate the extent to which our advice has exclusively informed their decision making, we have chosen instead to focus in this Report on the ways in which we work to promote processes to achieve meaningful progress for Māori across each of our strategic outcome areas.</i></p>	<p>Te Puni Kōkiri continues to play a key role in supporting and implementing the Government's Business Growth Agenda. The last 12 months has seen the Ministry:</p> <ul style="list-style-type: none"> contribute to a range of actions under the Building Exports, Natural Resources and Skilled and Safe Workplaces work streams; and lead the government's Te Ture Whenua Māori Act Review. <p>A key priority has been support for the devolution of <i>He kai kei aku ringa</i> – the Crown-Māori Economic Growth Partnership, including the Strategy and Action Plan.</p> <p>This involves identifying and facilitating a range of opportunities for increased collaboration across government, and between government and Māori, as well as monitoring the effectiveness of government programmes in supporting Māori economic development.</p>



Ōranga ā Mua Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.		
Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Good public service measurement and reporting on Māori outcomes.	<ul style="list-style-type: none"> at least five different contexts in which sector Ministers and agencies were informed of opportunities for improved engagement, planning, service delivery and performance reporting for Māori. 	<p>Te Puni Kōkiri's role in supporting effective public service measurement and reporting on Māori outcomes can be demonstrated on a number of fronts:</p> <ul style="list-style-type: none"> Publication of resources for the State sector including: <ol style="list-style-type: none"> Effectiveness for Māori Measurement and Reporting Framework: A resource for State Sector Agencies; and Effectiveness for Māori Measurement and Reporting Framework: A case study of Careers New Zealand Whānau Decision Making Project. Performance measurement and evaluation advice – provided to numerous agencies including the Treasury; Tertiary Education Commission; the Ministry of Social Development; Careers New Zealand; and the Ministry of Business, Innovation and Employment. Contribution to the implementation of the Children's Action Plan through participation in Children's Workforce working group and in the development of a predictive risk model. Our membership of the Early Learning Taskforce which is tasked with increasing levels of ECE participation.

Ōranga ā Mua

Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.

Desired Outcomes	Measures / Goals	Our Progress and Achievements
	<i>We hoped to see:</i>	
Evidence of good practice of trial initiatives.	<ul style="list-style-type: none"> • both our evaluation reports and those from our trial initiatives detailing good practice are produced and disseminated. 	<p>The past 12 months has seen the completion of the following evaluation projects:</p> <ul style="list-style-type: none"> ✓ <i>Kaitoko Whānau</i> programme, the findings of which were reflected in the Fact Sheet published December 2013; ✓ <i>Māori Tourism Capability Report</i>, published in August 2014; and ✓ <i>Growing Māori Assets</i> initiative, published in September 2014. <p>In addition we have continued to trial a range of initiatives which demonstrate opportunities to improve Māori outcomes. During this period we supported:</p> <ul style="list-style-type: none"> • <i>Intergenerational Success</i> – we supported 100 single Māori mothers to receive tailored support to move into meaningful training and/or employment opportunities. • <i>Labour market participation through cadetships</i> – we partnered with employers to increase Māori participation and advancement in growth industries, supporting 350 Māori. • <i>Māori Leadership in the Infrastructure Industry</i> – we supported 43 Māori men and women to achieve NZQF Level 4 National Certificate in Business (First Line Management) qualifications through Wahine Toa and Tama Toa programmes. • <i>Māori in Infrastructure Industry Training</i> – we have supported 245 Māori to be recruited and supported (including training and mentoring) in the civil infrastructure industry, and 5 Māori to commence Diploma-level industry qualifications. • <i>Steps to Success</i> – we have distributed over 2000 <i>Steps to Success</i> resource kits in Waikato, Auckland, Northland, Christchurch and Wellington, to increase informed rangatahi and whānau demand for education/qualifications. • <i>Enabling Māori Boys' Literacy</i> – we have supported 83 Māori boys, spanning Years 5-11 from 5 schools around Wellington, to participate in the Fast ForWord Reading Intervention Programme, to improve their critical cognitive, language and literacy skills.



Independent Auditor's Report

To the readers of the financial statements, non-financial performance information and schedules of non-departmental activities of Te Puni Kōkiri for the year ended 30 June 2014

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

We have audited:

- the financial statements of the Ministry on pages 58 to 87, that comprise:
 - the statement of financial position, statement of departmental commitments, statement of departmental contingent assets and liabilities, and statement of departmental unappropriated expenditure and capital expenditure as at 30 June 2014;
 - the statement of comprehensive income, statement of movements in taxpayers' funds, statement of cash flows, statement of departmental expenditure and capital expenditure against appropriations, statement of departmental unappropriated expenditure and capital expenditure, and reconciliation of net operating surplus to cash flows from operating activities for the year ended 30 June 2014; and
 - the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Ministry that comprises the statement of service performance on pages 28 to 53 and the report about outcomes on pages 11 to 23; and
- the schedules of non-departmental activities of the Ministry on pages 88 to 98 that comprise:
 - the schedule of non-departmental assets, schedule of non-departmental liabilities, schedule of non-departmental commitments and schedule of non-departmental contingent assets and liabilities as at 30 June 2014;

- the schedule of non-departmental revenue, non-departmental expenses, statement of non-departmental expenditure and capital expenditure against appropriations and statement of non-departmental unappropriated expenditure and capital expenditure for the year ended 30 June 2014; and;
- the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 58 to 87:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Ministry's:
 - financial position as at 30 June 2014;
 - financial performance and cash flows for the year ended on that date;
 - expenses and capital expenditure incurred against each appropriation administered by the Ministry and each class of outputs included in each output expense appropriation for the year ended 30 June 2014; and
 - unappropriated expenses and capital expenditure for the year ended 30 June 2014; and
- the non financial performance information of the Ministry on pages 11 to 53:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Ministry's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:
 - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and

- its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.
- the schedules of non-departmental activities of the Ministry on pages 88 to 98 fairly reflect, in accordance with the Treasury Instructions:
 - the assets, liabilities, contingencies, commitments and trust monies as at 30 June 2014 managed by the Ministry on behalf of the Crown; and
 - the revenues, expenses, expenditure and capital expenditure against appropriations and unappropriated expenditure and capital expenditure for the year ended on that date managed by the Ministry on behalf of the Crown.

Our audit was completed on 30 September 2014. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities. The procedures selected depend on our judgement, including our assessment of risks of

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

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, non-financial performance information and the schedules of non-departmental activities. Also we did not evaluate the security and controls over the electronic publication of the financial statements, non-financial performance information and the schedules of non-departmental activities.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

- financial statements and non-financial performance information that:



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

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

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, non-financial performance information and the schedules of non-departmental activities and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with, or interests in, the Ministry.

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

This audit report relates to the financial statements, statement of service performance and schedules of non-departmental activities of Te Puni Kōkiri for the year ended 30 June 2014 included on Te Puni Kōkiri's website. The Chief Executive is responsible for the maintenance and integrity of Te Puni Kōkiri's website. We have not been engaged to report on the integrity of Te Puni Kōkiri's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and schedules of non departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and schedules of non departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non departmental activities. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and schedules of non departmental activities as well as the related audit report dated 1 October 2014 to confirm the information included in the audited financial statements, statement of service performance and schedules of non departmental activities presented on this website.

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



Phil Kennerley

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand



 STATEMENT OF
SERVICE PERFORMANCE



Statement of Service Performance

For the year ended 30 June 2014

Introduction

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the *Information Supporting the Estimates of Appropriations and Information Supporting the Supplementary Estimates* for the year ending 30 June 2014. This Service Performance Statement reports against those output objectives.

A key focus for Te Puni Kōkiri during this period has been our work with other agencies to help ensure the government's service design and delivery is effective for Māori. This ongoing role is vital for improving the economic and social well-being of Māori. Our new operating model has seen the Ministry working actively over the last 12 months to align our work programmes, engagements and activities towards the achievement of our medium to long-term outcomes or *Mua* towards the following five broad areas of focus or '*kaupapa*':

- Crown – iwi, hapū and whānau Māori relationships;
- State sector effectiveness for Māori;
- Strengthening Māori economic wealth;
- Strengthening Māori cultural wealth; and
- Skills, Learning and Education.

Our Kaupapa

Crown Iwi, Hapū and Whānau Māori Relationships

Relationships between the Crown and iwi, hapū and whānau Māori are not confined to the Treaty relationship. Rather, they exist both across a wide range of interests and areas of government activity; operate at a number of levels – national, regional, local and sector-based; and traverse a range of contexts, including the Treaty of Waitangi, constitutional, cultural, economic and social issues, each with their own unique set of circumstances, dynamics and pressures.

On the international stage, the Regional Director, Te Tairāwhiti accompanied the Minister of Justice, the Hon Judith Collins to the United Nations Human Rights Council in Geneva for the Universal Periodic Review where she delivered interventions on behalf of the New Zealand government on Whānau Ora, Child Poverty and New Zealand's Constitutional Advisory Panel. As a mechanism of the United Nations Human Rights Council, the Universal Periodic Review is a process used to examine the human rights performance of all 193 member nations, including New Zealand.

As part of our continued international work programme, Te Puni Kōkiri led the Government's delegation to the United Nations Permanent Forum on Indigenous Issues in May 2014. As well, in October 2013, we joined other member states and indigenous representatives at the Ad-Hoc Working Group established under Article 8j of the Convention on Biological Diversity held in Montreal.

At the national level, hearings by the Waitangi Tribunal inquiring under urgency into the WAI 2417, (the New

Zealand Māori Council, Māori Community Development Act 1962) claim, took place in March 2014. Over the course of a week, key Te Puni Kōkiri staff members talked to briefs of evidence, and responded to questions from counsel and Tribunal members on the events leading up to and surrounding the proposed review of the Māori Community Development Act 1962, as well as the establishment and the focus of the Māori Wardens project currently administered by Te Puni Kōkiri.

Te Puni Kōkiri has continued to both lead and participate in a number of formally established Crown-Iwi post-settlement relationships. This has seen the Ministry provide advice and guidance to other agencies on engagement activities with iwi under their respective portfolio agreements, as well as having direct involvement in supporting these activities at a local level. Our role in providing advice to delegated Ministers on mandate and ratification issues also saw us similarly involved in this space, from working directly, on occasion, with claimant groups seeking to meet the requirements of the Crown’s mandating and ratification processes, through to providing advice on matters ranging from mandate strategies to appropriate governance models for a post-settlement environment.

Additionally, we have continued to provide support and advice to the government as part of its consideration of the report presented by the Independent Constitutional Advisory Panel.

At a regional level, key successes during the last 12 months included the Poukai Pēpi programme. Our Waikato office worked with Waikato-Tainui and the Ministry of Education to deliver Early Childhood Education support, promotion and information at

Poukai.⁸ This initiative was mentioned by the State Services Commission as an excellent example of iwi and Government agencies working together in innovative ways to reach a common goal.

State Sector Effectiveness

Research, statistical analysis and regional intelligence

Given the relatively youthful composition of the Māori population, it is critical that the state sector continues to develop its effectiveness for Māori. With Māori making up an increasingly larger proportion of New Zealand’s workforce, our contribution to the economy increases similarly. Accordingly, Māori success, particularly in education, skills and employment is essential for New Zealand’s future economy. Currently, the state sector’s services are clearly capable of being more effective for Māori. Most socio-economic indicators show that despite outcomes for Māori having improved over time they have deteriorated relative to outcomes enjoyed by non-Māori.

During 2013/14, Te Puni Kōkiri has focussed attention on supporting the state sector to improve its effectiveness for Māori.

The *Measuring performance and effectiveness for Māori: Key themes from the literature* report was launched in 2013. This report aims to help improve how Government agencies measure and report on significant mainstream expenditure for Māori. Since its launch we have continued to respond to agency and sector requests for assistance to implement the report’s findings. Significantly, central agencies have also been formally promoting the report in the guidance materials

⁸ Poukai are an annual series of hui amongst Kiingitanga marae, mainly in the Waikato region, which provide an opportunity for the movement’s supporters to engage with the head of the Kiingitanga movement, to acknowledge those who recently passed on, and to share a meal with the poor, ill and the recently bereaved.



prepared to assist the state sector in developing their performance and accountability documents. This represents a huge achievement for Te Puni Kōkiri, given that the last time accountability guidance specifically mentioned Māori was in 2005.

We have also delivered on a monitoring report outlining the extent to which agencies will meet the government's Better Public Service targets for Māori. This includes a future work programme for Te Puni Kōkiri.

During the final quarter of 2013/14, in a further effort to strengthen state sector performance systems for Māori, we published an: *"Effectiveness for Māori Measurement and Reporting Framework – A Resource for State Sector Agencies"* and an accompanying case study of Careers New Zealand's *"Whānau Decision-Making Project"*

The framework is intended to assist state sector agencies, or groups of agencies, to self-assess and improve their practice in measuring and reporting on their effectiveness for Māori. The case study provides real life examples of some of the principles of the Framework in action. It shows how Careers NZ trialled, evaluated and reported on its *Whānau Decision-Making Project* through gathering of qualitative data about the preferences and experiences of whānau with this service.

Performance measurement and evaluation advice was also provided to a number of agencies including the Treasury, Tertiary Education Commission, The Ministry of Social Development, The Families Commission, Careers New Zealand, and the Ministry of Business, Innovation and Employment.

Better Public Services

Te Puni Kōkiri has also been an active participant in developing collaborative culture within the Better Public Services environment. Agencies are asked to do things differently, focus on the needs and expectations of customers, and have the courage to do different and innovative things to achieve results. With Māori yet to enjoy commensurate results across any of the social sector Better Public Service result areas, Te Puni Kōkiri is taking the opportunity to work collaboratively with public service agencies to assist them to better respond to the needs and aspirations of Māori as they work to achieve the targets set by the Better Public Services Result Areas.

Whānau Ora

In July 2013, as part of the on-going development of the Whānau Ora approach, the scope of Whānau Ora was broadened to focus on more direct support for whānau capability-building. Building on earlier progress in whānau-centred service delivery, this new phase of Whānau Ora focuses on directly enhancing whānau and family capability to be self-managing. It has resulted in a shift from Government-directed service delivery to a more community-driven investment in Whānau Ora outcomes.

To this end, Cabinet agreed to a 'commissioning-for-results' approach as the best mechanism to deliver improved outcomes and results for whānau and families, and approved Te Puni Kōkiri's procurement of three non-government commissioning agencies.

Throughout the intervening 12 months, Te Puni Kōkiri conducted a series of processes to engage three commissioning agencies whose role is to identify

and fund innovative programmes from a range of organisations and providers throughout Aotearoa New Zealand. The three non-government agencies, *Te Pūtahitanga o Te Waipounamu* responsible for the South Island; *Pasifika Futures*, responsible for supporting and building the capability of Pasifika families and communities; and *Te Pou Matakana* responsible for the North Island, are now in the early stages of commissioning local-level programmes and working with whānau and families to increase capability.

The last 12 months has also seen continued investment in Whānau Ora approaches. This investment has contributed to real change and development in the way Whānau Ora providers and collectives work with whānau and support improved whānau outcomes. There are currently a mix of 47 Whānau Ora providers and collectives representing more than 160 health and social service providers. Whānau Ora collectives deliver whānau-centred health and social services to 8,916 whānau made up of 41,952 whānau members. This includes over 4,000 whānau (and 20,000 whānau members) receiving intensive support from navigators.

Building whānau capability to be self-managing is a key element of provider collectives' Whānau Ora approaches. Whānau Ora 'navigators' and whānau planning continue to be important drivers of whānau empowerment and self-management. Almost all provider collectives have developed an approach based on a whānau navigator model. Navigators have actively encouraged practitioners and colleagues to build whānau capability rather than just resolve issues themselves.

For example, navigators have linked with clinical services to bring health care into whānau goal setting, providing wrap-around services that increase access to effective health care and a better understanding of the health system as a whole. This move has included building the awareness of Whānau Ora amongst other organisations to work in a whānau-centred way, thereby maximising the opportunities for whānau to engage as broadly as possible.

Whānau planning has also proven to be an effective tool for whānau to focus on addressing immediate needs and working towards aspirational goals. Collectives have highlighted innovative approaches to working with whānau on key priority areas including employment, youth leadership/development, and cultural competency. Identifying the barriers through good planning processes and working towards goals has seen whānau supported into training programmes, wrap-around support provided by way of career planning, and becoming licensed drivers through the provision of drivers licensing programmes.

A number of innovative service delivery initiatives have been progressed through collectives. Targeted education and training programmes, such as parenting programmes, financial planning, computers in homes, pre-entry nursing programme, and career planning and placements have been provided by Collectives. These programmes support whānau aspirations – both large and small.

Rangatahi is also a priority group for the Whānau Ora collectives. Many providers hold specific youth contracts, which they are working to enhance through whānau-centred approaches. This includes initiating



leadership programmes, strengthening rangatahi knowledge of tikanga, involving whānau members when working with rangatahi, and supporting access to a broad range of health and social services.

Following the government's refocus of Whānau Ora the Regional Leadership Groups concluded their work in December 2013, as did the Whānau Ora Governance Group in March 2014. The continued dedication and commitment of all of these leaders and experts in their fields has been pivotal in assuring the success of the Whānau Ora approach in its first three years. Further, it has created the strong foundations from which the three successor agencies will be able to further effect the values and whānau and family-centred imperatives at the heart of this approach, across our service provision into the future.

Te Puni Kōkiri continues to work towards completing all existing Whānau Ora investments with providers and collectives to their agreed conclusion. The last of these investments will be completed in 2016.

Integrated Whānau Social Assistance

Our two Integrated Whānau Social Assistance programmes *Kaitoko Whānau* and its companion initiative *Ōranga Whānau* have played a key role in supporting whānau and families who, despite facing either immediate crisis and/or experiencing a range of hardships, do not appear to be accessing the full range of service, resources and assistance that is available to them. The programmes, which see selected Māori social service providers engage advocates to (in the case of *Kaitoko*) work alongside whānau to assist them to cope with immediate problems and to develop plans and strategies to build their resilience and respond to

future strains. The *Ōranga* kaimahi play a similar role, supporting young parents to develop the skills they need to ensure their babies' health and well-being.

Māori Wardens

Direct funding support to Māori Wardens continues to assist with day to day operational costs and local-level training. A greater understanding of financial management and accountability practices has been observed among the Wardens groups particularly in terms of the processing and reporting of funds. These successes are largely attributable to the relationships between the Regional Coordinators and the way in which they have continued to work closely with and provide assistance to the Wardens at a community level.

In the past 12 months the Māori Wardens Project has placed a heightened focus on encouraging Māori Wardens to take greater responsibility in the management and administration of their own training needs. This year has seen the introduction of a national *Induction* programme which the Warden groups themselves have been supported to roll out directly. This has involved a revised modular training programme rather than the previous three day block-course which continues to be delivered by the Police.

Strengthening Māori Cultural Wealth

The past 12 months has seen the achievement of a number of significant milestones in terms of this key focus area. Following consideration by Cabinet in late 2013 on a suite of proposals for a new Māori Language Strategy, Te Puni Kōkiri convened a series of regional consultation hui on the government's proposals including suggested institutional arrangements for the three Māori language entities within Vote: Māori Affairs.

After a detailed analysis of the feedback and submissions which followed, the Minister of Māori Affairs sought Cabinet agreement to: a revised Māori Language Strategy including five key result areas; changes to the Māori Language Act to, among other matters, affirm the status of the Māori language as a taonga of iwi and Māori; and the establishment of Te Mātāwai, a representative iwi Māori body to oversee the governance of the three Vote Māori Affairs language entities.

This work culminated in the introduction of a new Māori Language Bill on 3 July 2014 – a fitting tribute to a retiring Minister who has dedicated much of his professional and personal life to the growth and development of te reo Māori.

May 2014 saw the completion of the first stage of the joint Statistics New Zealand / Te Puni Kōkiri initiative *Te Kupenga* – the Māori Social Survey. The first release of information from *Te Kupenga 2013* provides overview statistics on four areas of Māori cultural well-being:

- wairuatanga (spirituality);
- tikanga (Māori customs and practices);
- te reo Māori (the Māori language); and
- whanaungatanga (social connectedness).

As we touched upon in our Impact Analysis earlier in this Report, the results have been uplifting and *Te Kupenga* has provided a level of depth and affirmation to our understanding of the value and place that te reo me ōna tikanga Māori has in the lives of iwi, hapū and Māori throughout Aotearoa New Zealand.

The confirmation in Budget 2014 that \$30 million would be made available for the establishment of an

Information and Communications Technology Fund to support Māori economic development and Māori language and culture was a further gain for Māori. Te Puni Kōkiri has been working closely over the last six months with key stakeholders both across the government and within the ICT sector to develop the policy settings for this initiative. The Fund, which is intended to support Māori economic development and Māori language and culture, will be administered by Te Māngai Pāho and is expected to 'go live' in July 2015.

Budget 2014 also saw agreement by the Government to increased funding for iwi radio. Since its inception in the mid-1980s, iwi radio has not only played a critical role in ensuring te reo Māori remains available to and connects whānau Māori across and beyond Aotearoa New Zealand, it has provided vibrant impetus for language development in a range of settings, from kōhanga through to tertiary learning institutions, homes and communities.

The marking and sharing of significant events that have impacted on the building of our nation, plays a critical part of the development and celebration of our national identity. Te Puni Kōkiri's support over the last 12 months for the 150th anniversary commemorations of the New Zealand War campaigns in the Waikato–Tainui and Tauranga Moana regions has provided the Ministry with an opportunity to recognise and share in the acknowledgements taking place across seven sites in the Waikato and Tauranga regions where lives were lost during the New Zealand Wars.

During the past year, Te Puni Kōkiri has also continued its successful maara kai initiative which has seen support to community gardens located in kura, kōhanga



reo and marae across the country. Maara kai have proven valuable in teaching both children and adults traditional and modern gardening practices as well as fostering community cohesion and resilience.

We have also provided support to a wide range of community focused sporting and cultural events such as Kaumātua Olympics, Manu Kōrero, and Matariki celebrations across the country.

Strengthening Māori Economic Wealth

A Competitive and Productive Māori Economy

Over the last 12 months we have promoted a range of initiatives aimed at improving Māori export businesses' engagement internationally, with a particular focus on China and South East Asia. This work contributes to the achievement of the Government's Business Growth Agenda and *He kai kei aku ringa*. The Minister of Māori Affairs led an arts and culture-focused delegation to China in February 2014, and a large Māori business delegation to Malaysia to participate in New Zealand Week in March. In support of this Te Puni Kōkiri has also completed research to enable Māori export performance to be better understood over time, and we look forward to having a continued role in assisting Māori enterprises to build their developing connections in these exciting markets.

Te Puni Kōkiri's role in ensuring our colleague agencies have the ability, knowledge and information to respond effectively to Māori aspirations, extends to the business sector. To this end, we have continued to support the Ministry of Business, Innovation and Employment with the development of the outcomes and monitoring framework for the *He kai kei aku ringa* action plan.

As one of a suite of economic development initiatives taking place in the Bay of Plenty region, in February 2014 Te Puni Kōkiri provided support to a conference for land owners seeking to learn how to access the low temperature heat from geothermal resources under their land, and in turn to utilise geothermal potential for commercial use.

After two years of development and the input of more than 200 iwi and Māori business representatives, the first regionally coordinated Māori Economic Development Strategy was also launched in the Bay of Plenty in February 2014. The strategy, *He Mauriohooho*, which has strong links with *He kai kei aku ringa*, has been developed under the Bay of Connections framework in partnership with Te Puni Kōkiri. The Ministry is also providing support in the Taitokerau and Waikato regions for the development of similar Māori economic development strategies.

Our Māori Business Facilitation Service has also played a key role in supporting initiatives with a focus on promoting Māori business growth – as envisaged by *He kai kei aku ringa*. He Kākano, a collaborative project between Dunedin-based tertiary institutions and Ngāi Tahu for which the Service provided funding support and advice, has made some significant strides in fostering Māori entrepreneurship with the establishment of a participant's register for higher tertiary study to Masters and Doctorate level in business and economic development-related fields.

He Kākano has also sought to provide a connection point between researchers and innovators across the various tertiary institutions in the Otago region, which, we are confident will, in time, prove to be a model for other centres.

We also worked closely with the Nexus Energy Group based in Levin, Horowhenua which was seeking to develop its innovative waste recycling technology business with a view to building a single plant with a 600 tonne daily capacity.

The recycling plant which takes sorted and unsorted household, garden and general commercial waste uses novel, patented hydro-mechanical separation and multi-stage anaerobic digestion processes to give near 100% recovery from the waste streams. This technology converts the organic materials to produce biogas and high quality soil conditioners.

Te Puni Kōkiri is also supporting a number of initiatives designed to enhance primary sector effectiveness. These include forestry feasibility studies in parts of the Central North Island and Te Taitokerau which may lead to the development of plantation forests on unproductive Māori land. The Ministry is also working with Māori organisations in the beef and sheep industry to assess farm land use or develop supply chains options for their products. Similar work is underway with Māori honey producers.

Optimising Our Land Assets

As the agency responsible for administering Te Ture Whenua Māori Act 1993, Te Puni Kōkiri has played a central role in supporting the design of legislative and institutional arrangements that will further enable Māori land owners to achieve their aspirations, and permit optimal utilisation of their land.

In 2012, the Associate Minister of Māori Affairs established an independent panel to make legislative recommendations to improve the Māori land tenure

system to better support the achievement of Māori land owner aspirations and Māori land utilisation.

In addition to providing administrative and expert technical assistance to the panel Te Puni Kōkiri has also had responsibility for leading the policy and legislative work programme arising from the panel's recommendations. This included the development of a series of submissions seeking Cabinet agreement to the panel's proposals, and to the supporting institutional arrangements for a proposed new legislative framework for Māori land tenure.

Subject to confirmation by the incoming government as to its new legislative programme, we expect the *Te Ture Whenua Māori Bill* will be in a position to be introduced by December 2014.

We have also supported the development of papakāinga workshops which continue to have a positive impact on Māori participation in the housing market and relationships have been built with key agencies and the banking sector to enable papakāinga development. The quality of papakāinga proposals received following participation in the workshops suggests the workshops have clearly enhanced both the viability of groups seeking to become social housing providers, and the range of organisations seeking to participate and develop their own land for housing purposes.



Resource Management

We have continued to provide advice and support to the *Government's resource management reforms* – with a focus on improving Māori participation in plan processes; and its *freshwater reforms* – by providing input to the development of the National Policy Statement on Freshwater. As members of a number of key natural resource sector groups, we were well placed to ensure our policy makers remained informed on issues and values of significance to iwi, hapū and Māori. Supporting iwi and hapū to develop their capacity to participate in Resource Management Act processes was also a significant feature of our work in this space.

Te Puni Kōkiri was also proud to have had a role in supporting the prestigious Ahuwhenua Trophy – BNZ Māori Excellence in Farming Award held in June 2014.⁹ The Award was won by Te Rua o Te Moko Ltd, an amalgam of four separate Māori trusts that have all combined their resources to create an economically and environmentally sustainable dairy operation in the Taranaki region. As speakers on the night noted, Māori farming was the real winner and it was encouraging to learn how Māori farmers were embracing their history of innovation to inform modern day best-practices in areas like governance, environmental sustainability, and skill development.

Strengthening Māori Skills, Learning and Education

The past 12 months has seen our Cadetships initiative continue to flourish with some 350 cadetship places across the following sectors: (103) in the Energy sector; (185) in the Infrastructure Sector; (13) in the

Commercial Infrastructure Sector; (15) in the Primary Infrastructure Sector; (12) in the Telecommunication Sector; (15) in the Food Processing Sector and (7) in the Transport/Logistics Sector.

The State Services Commission has featured the cadetships initiative as a "Celebrating Success Story" on the Better Public Services page on its website. The State Services Commissioner commended the initiative as a 'great example of a collaborative and innovative approach between a Government agency and the private sector to help Māori find meaningful and sustainable employment'. Furthermore it is seen as an example of success because it is able 'to tackle hard problems, work across agency boundaries and design services with and for the people of New Zealand'.

The Cadetship Initiative continues to receive positive comments in both the public and private sectors.

We also commenced a Māori boys' literacy initiative to support 83 Māori boys to participate in a six month Fast ForWord Reading Intervention Programme. This is an educational software product designed to improve the critical cognitive, language and literacy skills of children/young people. The boys span Years 5 to 11 and come from Hato Paora College, Fielding; Tui Glen Primary, Stokes Valley; Epuni Primary School, Lower Hutt; Wainuiomata College, Wainuiomata; and Hutt Intermediate School, Lower Hutt.

In recognition of the lack of rangatahi and whānau understanding of NCEA, Te Puni Kōkiri commissioned the development and trial of a range of interactive resources, to increase informed whānau demand for education/qualifications. This approach, of

⁹ The Ahuwhenua Trophy – BNZ Māori Excellence in Farming Award acknowledges and celebrates business excellence in New Zealand's important pastoral sector. This competition is held annually, alternating each year between dairy and sheep & beef. This year the competition was for Māori dairy farmers.

co-constructing innovative resources with rangatahi and whānau, built on learnings gained in the development of our Māori Future Makers website (www.maorifuturemakers.com). Rangatahi and whānau reported that existing resources were unhelpful, generic/untailored, and lacking in interactivity and 'fun' to engage all whānau members.

At the Waikato-Tainui Games on 1 February 2014, the Minister of Māori Affairs launched the 'Steps to Success' resources, to complement their efforts to support whānau and improve education outcomes in their rohe, and acknowledge the involvement of Waikato-Tainui rangatahi and whānau in the development of the resources. The resources include: a board game (to make learning about NCEA fun for all whānau members); a flip-out wallet-sized reference card for parents; fridge magnets for rangatahi to track their achievement of NCEA credits; and a DVD featuring 15 prominent Māori providing inspirational messages for rangatahi and whānau.

Almost 2000 *Steps to Success* resource kits were distributed in Waikato (at the Tainui Games), Auckland (at the Polyfest), Northland (at the Te Hiku Careers Expo) and Christchurch (at the Regional Kapa Haka competitions). Te Puni Kōkiri is currently working with iwi and education providers in Wellington and Tairāwhiti/Hawkes Bay to identify appropriate events through which to distribute the resource kits.

Te Puni Kōkiri was actively involved in social sector trials with iwi, community groups and government agencies in the Tairāwhiti, Waikato and Te Arawa regions in particular, to develop strategic plans and action plans for innovative youth initiatives. This has

involved assessing outcomes for population groups, (in this case rangatahi – young people) and facilitating planning workshops along this basis.

We have also been actively involved in the design of the Māori and Pacific Trades Training Initiative, ensuring that knowledge gained through our support of *He Toki ki te Rika* (Inspiring Māori Leadership in Trades) informs the implementation of this initiative. As members of the Steering Committee we have contributed to the design of the Request for Proposals (advertised on GETs in September 2013) and associated assessment processes, and all communications materials. We have also shared information on the initiative through Te Puni Kōkiri, employer and tertiary provider networks.

In September 2013, the Minister of Māori Affairs attended the InfraTrain New Zealand Wahine Toa and Tama Toa graduation. 20 wāhine and 23 tāne received their New Zealand Qualifications Framework Level 4 National Certificate in Business (First Line Management) qualifications. The Wahine Toa and Tama Toa programmes were designed to support Māori to take up leadership positions within the infrastructure industry, and are the first of their kind in Aotearoa New Zealand.



Policy Advice and Related Outputs MCOA (M46)

The scope of this appropriation involved the provision of policy advice and related outputs to include:

- Ministerial services to allow Ministers to discharge portfolio responsibilities; and,
- Second opinion advice and contributions to policy advice led by other agencies to support decision-making by Ministers on matters relating to Crown-Māori Relationships and Māori Development.

Output Performance Measures and Standards

Assessment of Performance	Target Standard	Actual Standard
Output Class 1: Policy – Crown Māori Relationships		
Treaty Settlements		
Provide advice, facilitation and brokerage to support governments goal of settling all historic claims by 2014 on mandate and representation, governance and settlement ratification, protection mechanism and settlements policy:		
<ul style="list-style-type: none"> • Mandate and ratification decisions reflect Te Puni Kōkiri advice and is provided within agreed timeframes 	95% of decisions reflect advice and within agreed timeframes	Mandate Et ratification decisions – 100% Within agreed Timeframes – 97.75%
<ul style="list-style-type: none"> • Policy advice provided to Minister of Māori Affairs on settlement offers 	100% of all settlement offers	100%
Governance		
<ul style="list-style-type: none"> • Māori Community Development Act Review – completion of consultation with key stakeholders 	Consultation completed by December 2013	Consultation completed December 2013
<ul style="list-style-type: none"> • Undertake direct consultation with key stakeholders on amendments to existing, or new, Māori Affairs legislation 	100% of key stakeholders consulted	100%
<ul style="list-style-type: none"> • Provide support as required to the process for the Consideration of Constitutional Issues 	Report to the Minister of Māori Affairs by 30 June 2014	Reported to Minister November 2013
Relationships with iwi, hapū and Whānau Māori		
<ul style="list-style-type: none"> • Provide leadership, guidance and risk management advice on critical aspects of government's relationships with iwi, hapū and Whānau Māori 	To the satisfaction of the Minister of Māori Affairs	3.4 out of 5 (where 3 is satisfactory)

Assessment of Performance	Target Standard	Actual Standard
Output Class 2: Policy – Māori Development		
Statutory Monitoring		
<ul style="list-style-type: none"> A sample set of monitoring reports is independently assessed against the following criteria (on a scale of 1-5 each): relevant, robust, representative and timely 	Average score of 3.5	4.3
Research		
<ul style="list-style-type: none"> An independent assessment of a sample set of research/statistical reports across each Wāhanga are assessed as achieving against the four criteria being: relevance, representative, methodologically robust and timely – on a scale of 1 to 5 	External Assessment – average score of 3.5	4.2
Support for the Māori Economic Growth Partnership – He Kai Kei Aku Ringa		
<ul style="list-style-type: none"> Support government actions contributing to the implementation of <i>He kai kei aku ringa</i>, including actions for which the Ministry is a key agent 	Report to the Ministers of Māori Affairs and Economic Development by 30 June 2014	Report dated 4 July 2014
Support for Better Public Service Targets		
<ul style="list-style-type: none"> Provide advice to contribute to the achievement of the government's BPS targets 1-8 	Report to the Minister of Māori Affairs by 30 June 2014	Report dated 31 July 2014
Review of the Māori Language Sector and Strategy		
<ul style="list-style-type: none"> Support the implementation of review findings as agreed by Cabinet and within agreed timeframes 	Implementation activities achieved within 95% of timeframes	Measure replaced at Supplementary Estimates (as per measure below)
<ul style="list-style-type: none"> <i>The Cabinet paper about the Māori Language Strategy consultation confirmed by 20 December 2013</i> 	<i>Māori Language Strategy Cabinet paper completed by 20 December</i>	<i>Completed 22 November 2013</i>
<ul style="list-style-type: none"> <i>Consultation hui completed and analysis provided to the Minister of Māori Affairs by 31 March 2014</i> 	<i>Report to the Minister of Māori Affairs by 31 March 2014</i>	<i>Completed 28 March 2014</i>



Assessment of Performance	Target Standard	Actual Standard
Output Class 1 and Output Class 2: Common Indicators for Policy Advice		
Advice is in accordance with the requirements of the Policy Guide and Cabinet Manual - Evidenced by:		
<ul style="list-style-type: none"> Policy advice (briefing papers and cabinet related documents) provided on time 	95% meets timeframes	MoMA – 96.75% MOWO – 82% AMoMA – 75%
<ul style="list-style-type: none"> Technical quality of policy advice assessed by a review (with a methodical robustness of at least 90%) and reported as a percentage of the maximum possible score 	External Assessment - minimum score of 7 (of 10)	6.9
<ul style="list-style-type: none"> The satisfaction of the Minister of Māori Affairs with the policy advice service, as per the common satisfaction survey and reported as a percentage of the maximum possible score 	External Assessment - minimum score of 7 (of 10)	Confirmed score of 76%
<ul style="list-style-type: none"> The total cost per hour of producing outputs (original) 	\$130	\$138
<ul style="list-style-type: none"> The total cost per hour of producing outputs (updated)¹⁰ 		\$138
<ul style="list-style-type: none"> Output Class 1 and Output Class 2: Timeliness of Policy Advice 	95% meets timeframe	97% of our Policy Advice was determined to have met the required timeframes

¹⁰ The Total Cost per Output Hour formula has recently been updated by the Treasury to better align it with the amended definition of policy advice costs.

Total Cost per Output Hour	Original Formula	Updated Formula
	Total Policy Advice Costs Total Policy Output and Non-Policy Output Hours	Total Policy Advice Costs Total Policy Output excluding Non-Policy Output Hours

The result remains unchanged across both formulae as Te Puni Kōkiri did not include non-policy output hours in its original utility rate calculations

Assessment of Performance	Target Standard	Actual Standard
Output Class 3: Ministerial Servicing		
Written Correspondence		
Replies to:	100% within timeframes	PQ's – 100%
<ul style="list-style-type: none"> • Parliamentary questions; • Official Information Act requests to Ministers, and 		OIA – 80%
<ul style="list-style-type: none"> • Ministerial letters 	95% within timeframes	87% of our Ministerial Correspondence was determined to have met the required timeframes
Nominations and Appointments		
Coordinate the Minister of Māori Affairs' statutory responsibilities and interests in Government appointed Boards and organisations including the key appointments to the Māori Land Court Judges, Waitangi Tribunal, Māori Trustee, and members of Te Māngai Pāho, Te Taura Whiri i Te Reo and the Māori Television Service		
<ul style="list-style-type: none"> • Co-ordinate appointment processes within agreed timeframes 	95% of timeframes met	100%
<ul style="list-style-type: none"> • Provide nominations for state sector boards and committees 	95% of timeframes met	99.25%
Entity Monitoring		
<ul style="list-style-type: none"> • Monitor quarterly performance in accordance with requirements set out in the accountability documents • Provide advice to responsible Minister's on the respective performance of these entities 	100% of timeframes met	93.75%



Financial Performance *(Figures are GST Exclusive)*

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000	30-Jun-14 Mains Estimates \$000	30-Jun-14 Supp Estimates \$000
22,803	Revenue Crown	23,008	22,943	23,008
-	Revenue Other	-		300
22,803	Total Revenue	23,008	22,943	23,308
22,224	Total Expenses	22,386	22,943	23,308
579	Net Surplus/(deficit)	622	-	-

Operations Management (M46)

The scope of this appropriation involved the provision of services that supported Māori development through the design, delivery, and management of community investment programmes, the Māori Business Facilitation Service, and management of land administered under Part 2 of the Māori Affairs Restructuring Act 1989.

Output Performance Measures and Standards

Assessment of Performance	Target Standard	Actual Standard
Māori Potential Funds		
Refers to the management and administration of the three Non-Departmental Expenses: Whakamana (Leadership), Mātauranga (Knowledge) and Rawa (Resources). Additional performance measures for these appropriations are found in Part 2.2		
<ul style="list-style-type: none"> Funding recipients sampled annually are satisfied with the level of Te Puni Kōkiri service in administrating/ managing the investment process on a scale of 1 to 5 	Minimum score of 3	4.49
<ul style="list-style-type: none"> Initiatives funded achieve contracted deliverables 	90%	95.76%
<ul style="list-style-type: none"> Initiatives funded achieve contracted timeframes¹¹ 	80%	54.36%
Iwi Housing Support		
Refers to the management of the Special Housing Action Zones (SHAZ) programme funded through the Non-Departmental Output Expense: Iwi Housing Support, the details of which are found in Part 2.2		
<ul style="list-style-type: none"> Facilitation and capacity building investment to enable Māori housing to fully meet the criteria for Government's social housing fund initiatives, and other support; or productively engage with other capital funders 	Minimum of 8 projects	Measure amended at Supplementary Estimates (as per measure below)
<ul style="list-style-type: none"> Facilitation and capacity building support to enable Māori housing providers/projects to fully meet the criteria for Government's social housing fund initiatives, or productively engage with capital funders 	Minimum of 8 projects supported	A total of 42 projects were supported during the 2013/14 year

¹¹ Measures related to initiatives meeting contracted deliverables and timeframes were based on data drawn from Te Puni Kōkiri's contract management system on 1 July 2014. The measure for contract deliverables was based on the percentage of funded initiatives that were not subject to contract variation or termination. The measure for contracted timeframes was based on the percentage of funded initiatives where administrative processes had not been completed for a payment or associated report due on or before 30 June 2014.

Assessment of Performance	Target Standard	Actual Standard
Land Management Unit		
Refers to the return of all Te Puni Kōkiri administered Māori land blocks to owner administration, to the stage where each blocks' individual file can be closed		
<ul style="list-style-type: none"> Closure of all remaining files (2013/14) 	100%	A total of six files were returned to owner administration during 2013/14 (representing 16% of total files). Closure of the remaining 32 files is expected to occur on a case by case basis as the capacity of the respective owners to assume administrative responsibility for these land-blocks increases.
Māori Business Facilitation Service (MBFS)		
<p>The MBFS provides assistance to Māori owners of small and medium enterprises and collective entities with access to information, advice, and mentoring support to enhance business to develop, grow new businesses, and sustain economic performance of existing businesses.</p> <p>Administer the Māori Business Facilitation Service through:</p>		
Existing businesses complete the MBFS continuum (from client engagement through to the mentoring phase)	At least 120 to 150 existing businesses	Measure removed at Supplementary Estimates
<ul style="list-style-type: none"> New businesses start trading through the support of MBFS 	80	Measure amended at Supplementary Estimates (as per measure below)
<ul style="list-style-type: none"> New businesses start trading through the support of MBFS 	<i>A minimum of 40 businesses start trading</i>	53 businesses were identified as having started trading following engagement with the MBFS ¹²
<ul style="list-style-type: none"> Māori owners of small and medium enterprises engaged through MBFS provide positive feedback on the service provided on a scale of 1 to 5 	Minimum score of 3.5	4.45

¹² This measure refers to the following MBFS clients: (i) Māori with a new business idea that started trading after completing the mentoring interventions; and (ii) Māori with a new business trading at limited capacity (i.e. testing the market & operating less than 12 months) that were able to scale-up and trade commercially. Start-up status confirmed through contact with the client/other evidence from the Companies Office and media publication (including for example printed material, audio, and electronic/online platform such as social media, Facebook, LinkedIn, blogs).

Financial Performance *(Figures are GST Exclusive)*

30-Jun-13		30-Jun-14	30-Jun-14	30-Jun-14
Actual		Actual	Mains Estimates	Supp Estimates
\$000		\$000	\$000	\$000
11,917	Revenue Crown	12,601	14,026	12,601
311	Revenue Other	108		52
12,228	Total Revenue	12,709	14,026	12,653
11,495	Total Expenses	12,549	14,026	12,653
733	Net Surplus/(deficit)	160	-	-



Relationships and Information

The scope of this appropriation involved the strengthening of relationships with Māori, with an emphasis on brokerage, co-ordination and facilitation to assist Māori to achieve their economic, social and cultural aspirations.

Output Performance Measures and Standards

Assessment of Performance	Target Standard	Actual Standard
Provision of high quality and timely brokerage, facilitation, information and other support to state sector agencies, local government, non-government organisations and others to engage with and encourage Māori inclusion and access to resources and services, evidenced by:		
<ul style="list-style-type: none"> Positive feedback on a scale of 1 to 5 through an annual stakeholder survey 	Minimum score of 4	4.56
<ul style="list-style-type: none"> Regional based facilitation and brokerage activities have led to enhanced Crown-Māori relationships 	A minimum of 500 examples across all regions	Measure amended at Supplementary Estimates (as per measure below)
<ul style="list-style-type: none"> Provide brokerage, facilitation, information and other support to state sector agencies, local government and non-government entities to engage with and support Māori inclusion, and access to resources and services generally, and to assist the Treaty settlement process in particular 	500	A total of 1,057 engagements were recorded during the 2013/14 year

Financial Performance *(Figures are GST Exclusive)*

30-Jun-13		30-Jun-14	30-Jun-14	30-Jun-14
Actual		Actual	Mains Estimates	Supp Estimates
\$000		\$000	\$000	\$000
7,594	Revenue Crown	7,645	7,785	7,645
-	Revenue Other	-	-	-
7,594	Total Revenue	7,645	7,785	7,645
7,519	Total Expenses	7,645	7,785	7,645
75	Net Surplus/(deficit)	-	-	-

Integrated Whānau Social Assistance (M46)

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

Output Performance Measures and Standards

Assessment of Performance	Target Standard	Actual Standard
Kaitoko Whānau and Ōranga Whānau Programmes		
Manage the Whānau Social Assistance programme to place a number of whānau advocates (community workers) into vulnerable Māori communities, referred to as Kaitoko Whānau and Ōranga Whānau:		
<ul style="list-style-type: none"> Vulnerable whānau are connected to appropriate and essential support services 	Minimum of 800 whānau during the period	Measure amended at Supplementary Estimates (as per measure below)
<ul style="list-style-type: none"> Vulnerable whānau are connected to appropriate and essential support services 	<i>Minimum of 800 whānau engagements during the period</i>	A total of 2,789 whānau engagements took place across both the Kaitoko and Oranga programmes through 2013/14
Māori Wardens Programme		
A programme to enhance the capacity and capability of Māori Wardens through enhanced training and improved resources:		
<ul style="list-style-type: none"> Prerequisite induction training is provided to new Māori Wardens 	90% of new Māori Wardens	Measure amended at Supplementary Estimates (as per measure below)
<ul style="list-style-type: none"> <i>A consistent induction programme is provided to new Māori Wardens prior to warranting</i> 	<i>100 new Māori Wardens</i>	Induction training was provided to 286 Wardens
<ul style="list-style-type: none"> Progressive training and development opportunities are provided to warranted Māori Wardens 	300 course attendances	There were 1,164 course attendances during 2013/14



Financial Performance *(Figures are GST Exclusive)*

30-Jun-13		30-Jun-14	30-Jun-14	30-Jun-14
Actual		Actual	Mains Estimates	Supp Estimates
\$000		\$000	\$000	\$000
6,613	Revenue Crown	6,989	6,652	6,989
-	Revenue Other	-	-	-
6,613	Total Revenue	6,989	6,652	6,989
6,253	Total Expenses	6,956	6,652	6,989
360	Net Surplus/(deficit)	33	-	-

Whānau Ora Administration (M82)

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

Output Performance Measures and Standards

Assessment of Performance	Target Standard	Actual Standard
<p>This appropriation is established to administer the Whānau Ora service delivery approach through the Non-Departmental Multi-Class Output Appropriation "Whānau Ora-based Service Development", detailed in Part 2.2.</p>		
<p>Ministerial Advice</p>		
<p>Provision of advice to the Minister for Whānau Ora (the Minister) on policy settings, implementation progress, performance information, regional priorities and system issues:</p>		
<ul style="list-style-type: none"> To the satisfaction of the Minister based on a qualitative survey asking for feedback 	<p>Feedback remains positive</p>	<p>The Minister for Whānau Ora did not complete the Ministry's satisfaction survey</p>
<ul style="list-style-type: none"> Within agreed timeframes. 	<p>95% meets timeframes</p>	<p>87.25%</p>
<p>Whānau Ora Governance Group</p>		
<p>The Governance Group will lead the Whānau Ora Approach nationally, provide advice to the Minister on strategic priorities, Ministerial appointments, make recommendations to agencies on investments, provide oversight on progress with implementation and impacts, oversee relationships between agencies and providers, and represent Whānau Ora to key stakeholders at a national level:</p>		
<ul style="list-style-type: none"> To the satisfaction of the Governance Group based on a qualitative survey asking for feedback 	<p>Feedback remains positive</p>	<p>The Whānau Ora Governance Group completed its tenure in March 2014 before being invited to provide feedback to the Ministry</p>
<ul style="list-style-type: none"> Within agreed timeframes 	<p>95% meets timeframes</p>	<p>97.5%</p>

Assessment of Performance	Target Standard	Actual Standard
Whānau Ora Regional Leadership Groups		
Regional Leadership Groups will lead strategic change for Whānau Ora within their region, set regional priorities and develop regional plans, make recommendations on funded activities, provide advice to the Whānau Ora Governance Group, foster relationships between agencies and providers, and represent Whānau Ora governance at the local and regional level		
<ul style="list-style-type: none"> The number of strategic regional plans and priorities for coordination of and investment in activities that impact on improving outcomes for whānau within regions agreed to by the Governance Group 	10 regional plans	10 Plans were completed
<ul style="list-style-type: none"> The number of reports to the Whānau Ora Governance Group on impacts against priorities and activities identified in regional plans from each Regional Leadership Group 	4 consolidated quarterly reports	3 reports (The Regional Leadership Groups completed their tenure in December 2013)
Whānau Ora Delivery and Impacts		
<ul style="list-style-type: none"> The number of reports on the capability and performance of provider collectives in implementing whānau-centred services to the Minister 	No fewer than 4	4
<ul style="list-style-type: none"> The number of reports on progress with the Whānau Ora Youth Mental Health project and impacts on whānau to the Minister 	No fewer than 4	4
<ul style="list-style-type: none"> The number of reports to the Minister on the impacts of the Whānau Ora Approach on whānau and provider collectives utilising action research and evaluation information and analysis 	4 reports	4

Assessment of Performance	Target Standard	Actual Standard
Management of the non-departmental funding to ensure:		
• The percentage of initiatives funded from service delivery capability ¹³ that meet the agreed criteria and adhere to the accountability requirements	100%	100%
• WIIE Funds Contracts and initiatives meet deliverables	95%	95.25%
• WIIE Funds Contracts and initiatives meet timelines ¹⁴	80%	54.92%

Financial Performance *(Figures are GST Exclusive)*

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000	30-Jun-14 Mains Estimates \$000	30-Jun-14 Supp Estimates \$000
10,985	Revenue Crown	11,406	8,567	11,406
-	Revenue Other	-	-	-
10,985	Total Revenue	11,406	8,567	11,406
10,942	Total Expenses	11,283	8,567	11,406
43	Net Surplus/(deficit)	123	-	-

13 The Service Delivery Capability appropriation is intended to provide support for selected Whānau ora providers and collectives to implement their programmes of action and navigation approaches. Funding for this purpose is only expended once the recipients have satisfied the funding criteria established by Te Puni Kōkiri and set out in these providers' funding agreements.

14 Measures related to initiatives meeting contracted deliverables and timeframes were based on data drawn from Te Puni Kōkiri's contract management system on 1 July 2014. The measure for contract deliverables was based on the percentage of funded initiatives that were not subject to contract variation or termination. The measure for contracted timeframes was based on the percentage of funded initiatives where administrative processes had not been completed for a payment or associated report due on or before 30 June 2014.



Whānau Ora Commissioning Administration (M82)

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

Output Performance Measures and Standards

Assessment of Performance	Target Standard	Actual Standard
Ministerial Advice		
Provision of advice to the Minister for Whānau Ora (the Minister) on policy settings, implementation progress, performance information, regional priorities and system issues:		
<ul style="list-style-type: none">To the satisfaction of the Minister based on a qualitative survey asking for feedback	Feedback remains positive	The Minister for Whānau Ora did not complete the Ministry's satisfaction survey
<ul style="list-style-type: none">Within agreed timeframes	95% meets timeframes	95%

Financial Performance *(Figures are GST Exclusive)*

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000	30-Jun-14 Mains Estimates \$000	30-Jun-14 Supp Estimates \$000
-	Revenue Crown	750	-	750
-	Revenue Other	-	-	-
-	Total Revenue	750	-	750
-	Total Expenses	614	-	750
-	Net Surplus/(deficit)	136	-	-



Organisational Health and Capability

Our Workforce

We recognise that our people are our wealth and we want Te Puni Kōkiri to be a place where people are inspired and rewarded for their contributions. It is critical that we continue to entrench our values in our behaviours and attitudes and maintain a workforce under our new operating model that will enable us to meet the requirements of our new strategic direction.

Key Assessments of our Organisational Health

Te Puni Kōkiri has enjoyed a positive workplace culture for some time, with staff engagement being at or above the State Sector average over the past seven years. The results of our most recent external assessments (summarised in the table on page 55), across the full range of public sector indicators confirm that Te Puni Kōkiri continues to maintain both a capacity and a capability comparable to that of our colleague agencies.

The Transformational Change presented to Te Puni Kōkiri staff in June 2014, proposed further structural changes (these were subsequently confirmed in August 2014) to support the implementation of the Ministry's new operating model. Included among the drivers at the heart of these proposed changes, which will have an acknowledged impact on our workforce, is the need to:

- Uphold our vision and values;
- Improve our ability to deliver against our kaupapa;
- Make it easier for staff to connect with their peers across the Ministry;
- Leverage our existing strengths and build new capability where we need it; and
- Ensure we remain sustainable and financially viable over the medium term.

As our new structure becomes imbedded, we intend to progress a mix of targeted training and development across the Ministry to allow us to further build the necessary depth of skills and capabilities required to fulfil our confirmed role and function.

Measure / Review	Outcome / Result
2013/14 Stakeholder Surveys	<ul style="list-style-type: none"> • Key Regional Stakeholders Survey 13/14 – 4.56 out of possible 5. • MBFS Client Satisfaction Survey 13/14 – 4.45 out of possible 5. • MPF Client satisfaction 13/14 – 4.49 out of possible 5. • One of five government departments recognised by the Equal Opportunities Commission as leading in equal employment opportunities practice (2014).
Staff engagement survey May 2014	Significantly improved result compared with 2012 and significantly ahead of the State Sector Average.
SSC PIF Report	Undertaken in 2010. Of the 30+ agencies reviewed since then, Te Puni Kōkiri compares favourably. A self-review was completed in late 2013, preparatory to a future PIF review by external assessors.
SSC Human Resources Capability Survey Report	Released by SSC in October 2013. Compares Te Puni Kōkiri positively with the core public sector.
Treasury led Benchmarking Administrative and Support Services (BASS) report	Compares Te Puni Kōkiri favourably with other agencies with a similar profile. Trend data shows continual improvement in both efficiency and effectiveness over time.
Technical review of Policy Advice for year ended June 2014	NZIER Report: 6.9 out of a possible 10 (2013/14).
Independent Audit Ratings of our Management Control Environment	<p>Based on Audit NZ ratings for 2013/14</p> <ul style="list-style-type: none"> • Financial information, systems, and controls: <i>Good</i>; • Management control environment: <i>Good</i>; and • Service performance information, systems, and controls: <i>Needs Improvement</i>.



People Capability Strategy

Our new People Capability Strategy will build on the positive environment already in place and will include improvements to our Performance Framework. This will ensure we continue to have robust and timely information available to us on our current capabilities and common areas of development.

To assist us to transition successfully to our new operating structure, the strategy will provide a framework that will enable us to:

- continue to build our leadership capacity across the organisation, and to provide our staff with opportunities to not only build their analytical capabilities, but also their resilience in the face of change;
- consider the need to supplement or change existing systems to effectively monitor and review the depth of capability within core areas of the Ministry;
- ensure that our staff have the right mix of skills and capability so that we are best placed to move towards our strategic direction;
- harness the diverse skills, knowledge and talent of our people across kaupapa to get results and to be a performing agency where people want to work; and
- invest in staff and set up learning opportunities in areas such as critical thinking and financial acumen.

Equality and Diversity

We have staff who are passionate about their work and who bring a depth of knowledge and understanding to their assignments. We acknowledge that whakapapa, tikanga and other cultural connections are part of the "intelligence" that staff bring to their jobs and we welcome, respect and learn from that diversity.

Over 70% of our employees identify as Māori. We actively provide an environment where they are supported and encouraged in their aspirations as Māori. We will continue to recruit, nurture and grow Māori public servants to become leaders in their fields and to enhance the capability of the public sector.

We have a 60/40 gender ratio in favour of women within our senior management, reflecting the overall make-up of our workforce making Te Puni Kōkiri a leader in the public sector. We also have one of the lowest gender pay gaps in the Public Service. These measures demonstrate that the continued commitment to attracting a diversity of quality applicants for our vacancies, and retaining the talent we employ, is effective.

Our People Capability Strategy, will build on the key themes of equity in rewards; participation; fairness, respect and diversity. We will also continue to monitor key HR performance indicators and will ensure that fair and transparent performance management systems and processes are in place.



 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014



Financial Statements

For the year ended 30 June 2014

Statement of Comprehensive Income for the year ended 30 June 2014

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

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supps Estimates	30-Jun-15 Forecast* (Unaudited)
\$000s	Note	\$000s	\$000s	\$000s	\$000s
Income					
59,912	Crown	62,399	59,973	62,399	56,873
311	Other Revenue	108	-	352	176
60,223	Total Income	62,507	59,973	62,751	57,049
Expenses					
28,083	Personnel	31,332	33,749	32,493	33,589
29,340	Operating	29,106	24,775	29,114	22,011
640	Depreciation and amortisation	625	1,079	774	1,079
370	Capital charge	370	370	370	370
58,433	Total Expenses	61,433	59,973	62,751	57,049
1,790	Net Surplus / (Deficit)	1,074	-	-	-
-	Other comprehensive income	-	-	-	-
1,790	Total Comprehensive Income	1,074	-	-	-

Explanations of major variances against budget are detailed in note 16.

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

Statement of Financial Position as at 30 June 2014

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-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supps Estimates	30-Jun-15 Forecast* (Unaudited)
\$000s	Note	\$000s	\$000s	\$000s	\$000s
Assets					
Current Assets					
13,133		12,880	7,471	7,042	6,848
249	7	115	250	250	250
290		234	175	175	175
13,672		13,229	7,896	7,467	7,273
Non-current Assets					
2,306	8	2,133	2,288	2,487	2,736
16	9	378	291	446	466
2,322		2,511	2,579	2,933	3,202
15,994		15,740	10,475	10,400	10,475
Liabilities					
Current Liabilities					
6,811	10	4,095	3,184	3,279	3,184
-	12	2,959	-	-	-
1,790		1,074	-	-	-
2,348	11	2,659	2,300	2,200	2,300
10,949		10,787	5,484	5,479	5,484
Non-current Liabilities					
424	11	332	370	300	370
424		332	370	300	370
11,373		11,119	5,854	5,779	5,854
Taxpayers' Funds					
4,621		4,621	4,621	4,621	4,621
4,621		4,621	4,621	4,621	4,621
15,994		15,740	10,475	10,400	10,475

Explanations of major variances against budget are detailed in note 16.

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.



Statement of Movements in Taxpayers' Funds for the year ended 30 June 2014

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-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supps Estimates	30-Jun-15 Forecast* (Unaudited)
\$000s	Note	\$000s	\$000s	\$000s	\$000s
Balance at 1 July					
4,621	General funds	4,621	4,621	4,621	4,621
4,621	Taxpayers' Funds Opening Balance	4,621	4,621	4,621	4,621
Changes in Taxpayers' Funds					
Income and Expense for the Period					
1,790	Net surplus / (deficit) for the year	1,074	-	-	-
1,790	Total Income and Expense for the Period	1,074	-	-	-
Other Changes					
(1,790)	Repayment of surplus	(1,074)	-	-	-
(1,790)	Total Changes in Taxpayers' Funds	(1,074)	-	-	-
Balance at 30 June					
4,621	General funds	4,621	4,621	4,621	4,621
4,621	Taxpayers' funds as at 30 June	4,621	4,621	4,621	4,621

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

Statement of Cash Flows for the year ended 30 June 2014

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

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supps Estimates	30-Jun-15 Forecast* (Unaudited)
\$000s		\$000s	\$000s	\$000s	\$000s
Cash Flows from Operating Activities					
Receipts from:					
59,912	Crown	62,399	59,973	62,399	56,873
-	Department(s)	(3)	-	300	-
163	Other	81	-	52	176
Payments to:					
(27,966)	Suppliers	(29,187)	(25,931)	(32,209)	(22,951)
(28,102)	Employees	(31,027)	(33,319)	(32,567)	(33,319)
(370)	Capital charge	(370)	(370)	(370)	(370)
(414)	Goods and services tax (net)	465	600	3,446	544
3,223	Net Cash from Operating Activities	2,358	953	1,051	953
Cash Flow from Investing Activities					
Receipts from:					
680	Sale of property, plant and equipment	24	-	-	-
Purchase of:					
(1,728)	Property, plant and equipment	(468)	(485)	(885)	(1,248)
-	Other non-current assets	(377)	(100)	(500)	(100)
(1,048)	Net Cash from Investing Activities	(821)	(585)	(1,385)	(1,348)
Cash Flow from Financing Activities					
(3,418)	Repayment of surplus	(1,790)	-	(1,790)	-
(3,418)	Net Cash from Financing Activities	(1,790)	-	(1,790)	-
(1,243)	Net Increase / (Decrease) in Cash	(253)	368	(2,124)	(395)
14,376	Cash at the beginning of the year	13,133	7,103	9,166	7,243
13,133	Cash at the end of the year	12,880	7,471	7,042	6,848

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.



Reconciliation of net operating surplus to net cash flows from operating activities for the year ended 30 June 2014

The Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities shows the non-cash adjustments and other adjustments applied to the net operating surplus as reported in the Statement of Comprehensive Income on page 58 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 61.

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supps Estimates	30-Jun-15 Forecast* (Unaudited)
\$000s		\$000s	\$000s	\$000s	\$000s
1,790	Net Operating Surplus	1,074	-	-	-
	Add: Non-cash items				
640	Depreciation	625	1,079	774	1,079
640	Total non-cash items	625	1,079	774	1,079
	Add/(Less) movements in working capital items				
129	(Increase)/Decrease in debtors and receivables	171	-	95	-
(78)	(Increase)/Decrease in prepayments	-	-	-	-
1,038	Increase/(Decrease) in Creditors & Payables	-	(196)	89	(196)
-	Increase/(Decrease) in Provisions	263	-	365	-
(19)	Increase/(Decrease) in employee entitlements	219	70	(272)	70
1,070	Net movements in working capital	653	(126)	277	(126)
	Add/(Less) investing activity				
(277)	Loss/(Gain) on sale of fixed assets	6	-	-	-
(277)	Total investing activity	6	-	-	-
3,223	Net cash flow from operating activity	2,358	953	1,051	953

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

Statement of Departmental Commitments as at 30 June 2014

The Statement of Departmental Commitments shows the future contractual obligations (exclusive of GST) of Te Puni Kōkiri that will become liabilities if and when the terms and conditions of existing contracts are met.

Operating leases include lease payments for premises.

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.

Capital commitments relate to the purchase and development of a new Financial Management Information System.

30-Jun-13 Actual \$000s		30-Jun-14 Actual \$000s
	Accommodation lease commitments	
2,955	Less than one year	2,925
2,745	One to two years	2,609
7,242	Two to five years	7,091
2,315	More than five years	-
15,257	Total accommodation lease commitments	12,625
	Capital commitments	
-	Less than one year	259
-	One to two years	-
-	Two to five years	-
-	More than five years	-
-	Total other operating commitments	259
15,257	Total commitments	12,884

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

Lease commitments as lessor

During the year ended 30 June 2014, Te Puni Kōkiri leased office space to two other organisations. The future minimum contractual lease rental receipts are as follows:

30-Jun-13 Actual \$000s	30-Jun-14 Actual \$000s
Lease commitments as lessor	
- Less than one year	184
- One to two years	184
- Two to five years	551
- More than five years	-
- Total Lease commitments as lessor	919

Statement of Departmental Contingent Assets and Liabilities as at 30 June 2014

The Statement of Departmental Contingent Assets and Liabilities shows amounts at balance date that could potentially become assets or liabilities depending on the occurrence of one or more uncertain future events after 30 June 2014. It does not include general or unspecified business risks or conditions.

30-Jun-13 Actual \$000s	30-Jun-14 Actual \$000s
Contingent Liabilities	
40 Personnel claims	25
- Other Liability Claims	-
40 Total Contingent Liabilities	25
Contingent Assets	
- Nil	-
- Total Contingent Assets	-

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

Statement of Departmental Expenditure and Capital Expenditure appropriations for the year ended 30 June 2014

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

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supps Estimates	30-Jun-15 Forecast* (Unaudited)
\$000s		\$000s	\$000s	\$000s	\$000s
	VOTE: MĀORI AFFAIRS				
	Appropriation for classes of outputs				
7,519	Relationships and Information	7,645	7,785	7,645	7,433
11,495	Operations Management	12,549	14,026	12,653	13,628
10,942	Whānau Ora Administration	11,283	8,567	11,406	5,585
-	Whānau Ora Commissioning Administration	614	-	750	2,000
6,253	Integrated Whānau Social Assistance	6,956	6,652	6,989	6,600
	Policy Advice and Related Outputs Multi Class Output Appropriation (MCOA)				
8,590	• Policy - Crown Māori Relationships	7,847	7,214	8,595	-
12,089	• Policy - Māori Development	13,145	12,729	13,291	-
1,545	• Ministerial Servicing	1,394	3,000	1,422	-
	Policy Advice and Related Outputs Multi Category Output Appropriation (MCA)				
-	• Policy - Crown Māori Relationships	-	-	-	6,654
-	• Policy - Māori Development	-	-	-	12,149
-	• Ministerial Servicing	-	-	-	3,000
58,433	Total Appropriations for Classes of Outputs	61,433	59,973	62,751	57,049
	Departmental Capital Expenditure				
1,728	Te Puni Kōkiri - Capital Expenditure PLA	845	585	1,385	1,348

Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989
Nil (Nil for the year ended 30 June 2013).

Expenses and capital expenditure incurred in excess of appropriation
Nil (Nil for the year ended 30 June 2013).

Expenses and capital expenditure incurred without appropriation or other authority, or outside scope of appropriation
Nil (Nil for the year ended 30 June 2013).

Breaches of projected departmental net assets schedules
Nil (Nil for the year ended 30 June 2013).

Statement of Departmental Unappropriated Expenditure and Capital Expenditure as at 30 June 2014

There was no unappropriated expenditure for the year ended 30 June 2014 (Nil for the year ended 30 June 2013).

The accompanying notes form part of these financial statements.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.



Notes to the Financial Statements

Note 1: Statement of Accounting Policies

Reporting Entity

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

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

The primary objective of Te Puni Kōkiri is to provide services to the public as opposed to making a financial return. Accordingly, the department has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the department are for the year ended 30 June 2014. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 30 September 2014.

Statement of Compliance

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

Measurement base

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

Functional and Presentation Currency

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

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

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

Changes in Accounting Policies

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

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

The Ministry has not adopted any revisions to accounting standards during the financial year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that has not been early adopted, and which are relevant to the Ministry, is *NZ IFRS 9 – Financial Instruments*. This will eventually replace *NZ IAS 39 Financial Instruments: Recognition and Measurement*.

NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost

or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit.

The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Ministry is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS).

These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Ministry expects to transition to the new standards in preparing its 30 June 2015 financial statements.

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

about new or amended NZ IFRS that exclude public benefit entities from their scope.

The Ministry anticipates that these standards will have no material impact on the financial statements in the period of initial application. It is likely that the changes arising from this framework will affect the disclosures required in the financial statements. However, it is not practicable to provide a reasonable estimate until a detail review has been completed.

Significant accounting policies

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

The accrual basis of accounting has been used unless otherwise stated.

Revenue

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

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

Capital charge

The capital charge is recognised as an expense in the period to which the charge relates.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.



Financial Instruments

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

Te Puni Kōkiri is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenue and expenses in relation to financial instruments are recognised in the Statement of Comprehensive Income.

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

All foreign exchange transactions are translated at the rates of exchange applicable in each transaction. Te Puni Kōkiri does not carry any balances in foreign currencies.

Cash and cash equivalents

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

Debtors and other receivables

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

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

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

Property, Plant and Equipment

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

Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses.

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

Additions

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

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

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

Disposals

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

Subsequent costs

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

Depreciation

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

EDP Equipment	4 years	25%
Motor Vehicles	5 years	20%
Office Equipment	5 years	20%
Furniture and Fittings	5 years	20%
Leasehold Improvements	up to 12 years*	

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

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

Intangible assets

Software acquisition and development

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

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



portion of relevant overheads. Staff training costs are recognised as an expense when incurred.

Amortisation

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

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

Acquired software	3 1/3 years 30%
Internally generated software	3 1/3 years 30%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life or not yet available for use at the balance sheet date is tested for impairment annually.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on

the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the statement of comprehensive income.

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Ministry expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Te Puni Kōkiri recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Ministry anticipates it will be used by staff to cover those future absences.

The Ministry recognises a liability and an expense for performance payments where the Ministry has a

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

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

Provisions

The Ministry recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the

obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

Taxpayers' funds

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

Commitments

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

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

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part



of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Contingent Assets and Liabilities

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

Net Operating Surplus

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

Budget figures

The budget figures are those included in the Ministry's Forecast Financial Statement published in the Information Supporting the Estimates of Appropriation for the year ending 30 June 2014. In addition, the financial statements also present the updated budget information from the 2013/14 Supplementary Estimates. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Statement of cost accounting policies

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

Criteria for direct costs

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

Criteria for indirect costs

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

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

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

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

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below.

Long service leave

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

Critical judgements in applying the Ministry's accounting policies

Management has not exercised any critical judgements in applying the Ministry's accounting policies for the period ended 30 June 2014.

Forecast Financial Statements

With the commencement of the Public Finance Amendment Act, the Ministry's 2013/14 Annual Report must include forecast financial statements for the 2014/15 financial year. This is the first year that forecast financial statements have been included in the annual report.

The 2013/14 forecast financial statements have been prepared in accordance with *NZ FRS 42 Prospective Financial Statements*, and are based on the new Public Benefit Entity Accounting Standards. These statements, which are included as an additional column in the 2013/14 financial statements, have not been audited.

The forecast financial statements are based on the Ministry's 2014/15 Budget, as approved in the 2014/15 Estimates of Appropriations.

The significant assumptions underlying the forecast financial statements are that the functions performed by the Ministry, and the appropriations administered, will not change over the forecast period.

These statements were authorised for issue by the Chief Executive and the Chief Financial Officer of Te Puni Kōkiri on 25 July 2014.

Actual results for 2014/15 financial year are likely to differ, in some cases materially, from the forecast financial statements.

Information contained in these statements may not be appropriate for any other purpose than those disclosed above.



Note 2: Other Revenue

30-Jun-13 Actual \$000s		30-Jun-14 Actual \$000s
-	Rental Revenue	108
14	Māori Trustee - service fees	-
20	Other Revenue	-
277	Gain on Sale of Assets	-
311	Total Other Revenue	108

Note 3: Personnel Costs

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000	30-Jun-14 Budget \$000 (Unaudited)	30-Jun-15 Forecast* \$000 (Unaudited)
27,353	Salaries and Wages	30,335	32,813	32,706
730	Other Personnel Costs	997	936	883
28,083	Total Personnel Costs	31,332	33,749	33,589

The Budget for 2013/14 and Forecast for 2014/15 have been disaggregated to a more detailed level. These budgets have not been audited.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

Note 4: Operating Costs

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000	30-Jun-14 Budget \$000 (Unaudited)	30-Jun-15 Forecast* \$000 (Unaudited)
154	Audit fees for audit of financial statements	185	160	160
2,638	Operating lease rentals	2,591	2,500	2,579
118	Overseas and Pacific Travel	198	152	172
2,304	Domestic Travel	1,711	2,050	1,693
309	Printing, Books and Publicity	602	200	418
1,903	Contract Workers	1,639	1,500	1,200
4,447	Consultancy Fees	6,693	4,775	2,500
3,076	Research	2,432	1,800	613
1,926	MBFS Commission	2,016	1,800	2,000
4,475	Programmes	4,975	4,500	4,500
973	Telecommunications	927	900	930
302	Computer Related Expense	401	300	517
21	Koha	7	10	61
595	Conference/Hui	565	600	759
177	Legal Fees	673	400	329
107	Māori Wardens uniforms	131	150	130
1,507	Building Maintenance/Heat, Light & Power/Rates	1,427	1,200	1,200
456	Motor Vehicle running costs	219	200	220
272	Software Maintenance	329	280	327
-	(Gain)/Loss on Sale of Assets	6	-	-
266	Honoraria/Meeting Fees	274	250	322
1,500	Constitutional Review	-	500	800
1,814	Other Operating Costs	1,105	548	581
29,340	Total Operating Costs	29,106	24,775	22,011

The Budget for 2013/14 and Forecast for 2014/15 have been disaggregated to a more detailed level. These budgets have not been audited.

* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.



Note 5: Depreciation & Amortisation

30-Jun-13 Actual \$000s		30-Jun-14 Actual \$000s
113	EDP Equipment	165
470	Motor Vehicles	407
5	Office Equipment	8
27	Furniture & Fittings	23
-	Leasehold Improvements	7
25	Software Systems	15
640	Total Depreciation Costs	625

Note 6: Capital Charge

30-Jun-13 Actual \$000s		30-Jun-14 Actual \$000s
370	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 2014 was 8.0% (2012/13: 8.0%).	370

Note 7: Debtors and other Receivables

30-Jun-13 Actual \$000s		30-Jun-14 Actual \$000s
84	Debtors	115
165	GST refund	-
249	Total debtors and other receivables	115

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

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

	2013/14			2012/13		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	115	-	115	84	-	84
Total	115	-	115	84	-	84

The provision for impairment has been calculated based on a collective assessment of all receivables. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

There is a nil provision for impairment as at 30 June 2014 (Nil for 2012/13).



Note 8: Property, Plant and Equipment

	EDP Equipment \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Furniture and Fittings \$000s	Leasehold Improvements \$000s	Total \$000s
Cost or valuation						
Balance at 1 July 2012	897	2,268	256	1,136	2,216	6,773
Additions	85	1,594	40	9	-	1,728
Impairment losses	-	-	-	-	-	-
Disposals	-	(1,764)	-	-	-	(1,764)
Other Movements	-	-	-	-	(85)	(85)
Balance at 30 June 2013	982	2,098	296	1,145	2,131	6,652
Balance at 1 July 2013	982	2,098	296	1,145	2,131	6,652
Additions	434	-	-	25	10	469
Impairment losses	-	-	-	-	-	-
Disposals	-	(41)	-	-	-	(41)
Other Movements	-	-	-	-	-	-
Balance at 30 June 2014	1,416	2,057	296	1,170	2,141	7,080
Accumulated depreciation and impairment losses						
Balance at 1 July 2012	553	1,273	256	1,001	2,094	5,177
Depreciation expense	113	470	5	27	-	615
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(1,446)	-	-	-	(1,446)
Balance at 30 June 2013	666	297	261	1,028	2,094	4,346
Balance at 1 July 2013	666	297	261	1,028	2,094	4,346
Depreciation expense	165	408	8	23	7	611
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(10)	-	-	-	(10)
Balance at 30 June 2014	831	695	269	1,051	2,101	4,947
Carrying amounts						
At 1 July 2012	344	995	-	135	122	1,596
At 30 June and 1 July 2013	316	1,801	35	117	37	2,306
At 30 June 2014	585	1,362	27	119	40	2,133

Work in progress

There is no property, plant, and equipment in the course of construction in 2013/14 (2012/13 \$0.040m).

Note 9: Intangible Assets

	Acquired software	Internally generated software	Total
	\$000s	\$000s	\$000s
Cost or valuation			
Balance at 1 July 2012	1,137	380	1,517
Additions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Balance at 30 June 2013	1,137	380	1,517
Balance at 1 July 2013	1,137	380	1,517
Additions	377	-	377
Impairment losses	-	-	-
Disposals	-	-	-
Balance at 30 June 2014	1,514	380	1,894
Accumulated amortisation and impairment losses			
Balance at 1 July 2012	1,096	380	1,476
Amortisation expense	25	-	25
Disposals	-	-	-
Balance at 30 June 2013	1,121	380	1,501
Balance at 1 July 2013	1,121	380	1,501
Amortisation expense	15	-	15
Disposals	-	-	-
Balance at 30 June 2014	1,136	380	1,516
Carrying amounts			
At 1 July 2012	41	-	41
At 30 June and 1 July 2013	16	-	16
At 30 June 2014	378	-	378

The total amount of intangible assets in the course of construction (a new FMIS) is \$0.377m (2012/13 nil).

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



Note 10: Creditors and Payables

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000
6,811	Accrued Expenses	3,795
-	GST payable	300
6,811	Total creditors and payables	4,095

Note 11: Employee Entitlements

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000
	Current Liabilities	
1,381	Annual Leave	1,312
745	Salaries and Wages	888
42	Long Service Leave	279
180	Sick Leave	180
2,348	Total current portion	2,659
	Non-Current Liabilities	
424	Long Service and Retirement Leave	332
424	Total non-current portion	332
2,772	Total employee entitlements	2,991

For the calculation of long service leave, discount rates of 3.70% for year 1, 4.04% for year 2 and 5.50% for year 3 and onwards with a long term salary inflation factor of 3.5% were used. These rates and the model for calculations were provided by the Treasury.

Note 12: Provision for Restructure

The restructuring provision relates to stage two proposal for transforming the operating model of Te Puni Kōkiri, which was released on 17 June 2014 and confirmed with a decision document released on 22 August 2014.

	Provision for restructure (\$000)
Balance at 1 July 2012	-
Additional provisions made	-
Amounts used	-
Unused amounts reversed	-
Balance at 30 June 2013	-
Balance at 1 July 2013	-
Additional provisions made	2,959
Amounts used	-
Unused amounts reversed	-
Balance at 30 June 2014	2,959



Note 13: Related Party Transactions & Key Management Personnel

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

Significant transactions with government-related entities

Te Puni Kōkiri has received funding from the Crown of \$62m (2012/13 \$60m) to provide services to the public for the year ended 30 June 2014.

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

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

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

Te Puni Kōkiri also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2014 totalled \$1.740 million (2012/13 \$2.012 million).

These purchases included the purchase of electricity from Genesis and Meridian, legal services from Crown Law Office, air fares from Air New Zealand, postal services from New Zealand Post, ACC levies and capital charge paid to the Treasury.

Te Puni Kōkiri has received other revenue from entities related to the Crown. There was no revenue received from Te Tumu Paeroa (previously the Māori Trustee) for the year ended 30 June 2014 (2012/13 \$0.014 million).

As at 30 June 2014, Te Puni Kōkiri had \$0.113 million (2012/13 \$0.041 million) in trade receivables from entities related to the Crown.

Transactions with related parties

Te Puni Kōkiri staff

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

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

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

Key management personnel compensation

30-Jun-13		30-Jun-14
Actual		Actual
\$000		\$000
1,486	Salaries and other short-term employee benefits	1,352
41	Post-employment benefits	46
-	Termination benefits	310
1,527	Total key management personnel compensation	1,708

Key management personnel in 2013/14 include the Chief Executive and four Deputy Chief Executives, who are all members of the Executive Team. In 2012/13, the key management personnel included the Chief Executive, one Deputy Chief Executive and four Deputy Secretaries.

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

There were no related party transactions involving key management personnel in 2013/14 (nil 2012/13).

Note 14: Capital Management

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

The Ministry manages its revenue, expenses, assets, liabilities and general financial dealings prudently. Its equity is largely managed as a by-product of managing the above, as well as compliance with the Government budget processes and Treasury instructions.

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

Note 15: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2014" for an explanation of significant budget changes between the 2013/14 Main Estimates and 2013/14 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 498 and 503).



Note 16: Explanation for Significant Variances

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

Statement of Comprehensive Income (page 58)

Statement of Financial Performance	30-Jun-14 Actual \$000	30-Jun-14 Main Estimates \$000s	30-Jun-14 Variance \$000s
Personnel	31,332	33,749	(2,417)
Operating	29,106	24,775	4,331
Depreciation and amortisation	625	1,079	(454)

Personnel: The Main Estimates were budgeted on the full establishment of staff. During the year, a number of positions were not recruited to or remained vacant pending decisions on the Refocus of Te Puni Kōkiri.

Operating: The Main Estimates did not include a one-off funding top up of \$2.500 million in 2013/14 to fund the procurement, transition and establishment costs of the new Whānau Ora Commissioning approach. The actual expenditure also reflects higher contractor costs incurred to cover the vacancies being held.

Depreciation and amortisation: The timing of asset purchases relating to EDP hardware, leasehold improvements and the replacement of the current FMIS was later than forecast in the Main Estimates resulting in the reduced depreciation expense.

Statement of Financial Position (page 59)

Statement of Financial Position	30-Jun-14 Actual \$000	30-Jun-14 Main Estimates \$000s	30-Jun-14 Variance \$000s
Cash and cash equivalents	12,880	7,471	5,409
Creditors and other payables	4,095	3,184	911

Cash and cash equivalents: The increase in cash is largely due to carrying a higher level of Creditors and payables at year-end than in 2012/13.

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

Statement of Departmental Expenditure and Capital Expenditure Appropriations (page 65)

Statement of Departmental Expenditure and Capital Expenditure Appropriations	30-Jun-14 Actual \$000	30-Jun-14 Main Estimates \$000s	30-Jun-14 Variance \$000s
Departmental Expenditure			
Relationships and Information	7,645	7,785	(140)
Operations Management	12,549	14,026	(1,477)
Whānau Ora Administration	11,283	8,567	2,716
Whānau Ora Commissioning Administration	614	-	614
Integrated Whānau Social Assistance	6,956	6,652	304
Policy Advice and Related Outputs MCOA			
- Policy-Crown Māori Relationships	7,847	7,214	633
- Policy-Māori Development	13,145	12,729	416
- Ministerial Servicing	1,394	3,000	(1,606)

The increase in Whānau Ora Administration reflects the one-off funding top up of \$2.500 million to fund the procurement, transition and establishment costs of the new Whānau Ora Commissioning approach.

The Whānau Ora Commissioning Administration output is a new appropriation in 2013/14 to fund the implementation of the new Whānau Ora Commissioning approach.

The remaining variances between Main Estimates and Actuals reflect the changes made to align the resources with the planned work programme.



Note 17: Financial instrument

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

30-Jun-13 Actual \$000		30-Jun-14 Actual \$000
	Loans and receivables	
13,133	Cash and cash equivalents	12,880
249	Debtors and other receivables	115
13,382	Total loans and receivables	12,995
	Financial liabilities measured at amortised cost	
6,811	Creditors and other payables	4,095

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

Market risk

Currency risk

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

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

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

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

The Ministry works in accordance with the Treasury Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure.

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

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

Interest rate risk

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

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

Credit risk

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

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

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

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

Liquidity risk

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

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

Note 18: Subsequent Events

Stage two proposal for transforming the operating model of Te Puni Kōkiri was released on 17 June 2014.

The stage two was confirmed with a decision document released on 22 August 2014.



Non-Departmental Statements and Schedules for the year ended 30 June 2014

The following non-departmental statements and schedules record the income, expenses, assets, liabilities, commitments and contingent assets and liabilities that the Ministry manages on behalf of the Crown.

Schedule of Non-Departmental Revenue for the year ended 30 June 2014

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

30-Jun-13 Actual \$000s		30-Jun-14 Actual \$000s	30-Jun-14 Main Estimates \$000s	30-Jun-14 Supp. Estimates \$000s
	Current Revenue			
	Non-Tax Revenue			
228	Miscellaneous Receipts	136	10	10
228	Total Current Revenue	136	10	10
	Capital Revenue			
126	Gain on Sale of Properties	-	-	-
126	Total Capital Revenue	-	-	-
354	Total Crown Revenue	136	10	10

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

Schedule of Non-Departmental Expenses for the year ended 30 June 2014

The Schedule of Expenses summarises Non-Departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Expenditure and Capital Expenditure Appropriations on pages 90 to 91. Figures are GST exclusive.

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supp. Estimates
\$000s		\$000s	\$000s	\$000s
Non-Departmental Expenses				
Operating Annual Appropriations				
129,897	Non-Departmental Output Expenses	140,542	151,572	141,163
257	Benefits and Other Unrequited Expenses	417	480	480
5,473	Other Expenses to be Incurred by the Crown	6,408	6,575	6,610
135,627	Total Operating Annual Appropriations	147,367	158,627	148,253
15	Appropriations for Other Expenses	15	15	15
135,642	Total Non-Departmental Expenses	147,382	158,642	148,268

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.



Statement of Non-Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2014

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-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supp. Estimates
\$000s		\$000s	\$000s	\$000s
Operating Annual Appropriations				
Non-Departmental Output Expenses				
40,332	Māori Television Broadcasting	40,332	40,332	40,332
10,744	Māori Radio Broadcasting	10,744	10,744	10,744
1,808	Administration of Māori Broadcasting	1,808	1,808	1,808
5,204	Promotion of the Māori Language	8,850	7,204	8,850
453	Iwi Housing Support	456	456	456
16,611	Māori Television Channel	16,611	16,611	16,611
10,347	Māori Trustee Functions	10,347	10,347	10,347
968	Growing Māori Productivity and Export Growth	-	-	-
1,660	Strengthening and Promoting Māori Tourism	1,160	1,160	1,160
-	Commissioning Whānau Ora Outcomes	3,255	-	3,256
-	Establishment of a Whānau Ora Commissioning Approach	3,325	-	3,326
Whānau Ora-based Service Development MCOA				
24,618	Service Delivery Capability	22,663	36,300	22,663
3,919	Whānau Integration, Innovation and Engagement	4,267	8,400	4,400
28,537	Total Whānau Ora-based Service Development MCOA	26,930	44,700	27,063
Māori Potential Framework				
5,378	- Mātauranga (Knowledge)	5,355	5,668	5,668
2,484	- Whakamana (Leadership)	7,843	7,894	7,894
5,371	- Rawa (Resources)	3,526	4,648	3,648
13,233	Total Māori Potential Framework	16,724	18,210	17,210
129,897	Total Non-Departmental Output Expenses	140,542	151,572	141,163

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

Table continued...

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supp. Estimates
\$000s		\$000s	\$000s	\$000s
	Benefits and Other Unrequited Expenses			
257	Rangatiratanga Grants	417	480	480
257	Total Benefits and Other Unrequited Expenses	417	480	480
	Other Expenses to be Incurred by the Crown			
196	New Zealand Māori Council	196	196	196
1,170	Māori Wardens	1,067	1,178	1,178
626	Māori Registration Service	626	626	626
131	Te Pūtahi Paoho	131	131	131
-	Te Ariki Trust	-	21	21
1,867	Māori Women's Development Fund	1,867	1,867	1,867
7	Ōrākei Act 1991	7	7	7
4	Administrative expenses for Crown Land	5	49	49
500	Turanganui-a-Kiwa Capacity Building	500	500	500
55	New Zealand Wall Enhancement at UN	9	-	35
917	Impairment of Crown Land	-	-	-
-	Māori Language Research	2,000	2,000	2,000
5,473	Total Other Expenses to be Incurred by the Crown	6,408	6,575	6,610
135,627	Total Operating Annual Appropriations	147,367	158,627	148,253
	Appropriations for Other Expenses			
15	Payments to Trust Boards	15	15	15
15	Total Other Expenses	15	15	15
135,642	Total Non-Departmental Appropriations	147,382	158,642	148,268

Explanations of major variances against budget are detailed in Note 3.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.



Statement of Non-Departmental Unappropriated Expenditure and Capital Expenditure as at 30 June 2014

In terms of the Public Finance Act 1989, approval has been sought under section 26(c) from the Minister of Finance for unappropriated expenditure totalling \$0.007m for the year ended 30 June 2014 and \$0.007m for the year ended 30 June 2013.

30-Jun-13 Actual \$000s	30-Jun-14 Actual \$000s
Non-Departmental Other Expense	
7 Ōrākei Act 1991	7

Vote Māori Affairs has an ongoing appropriation of \$7,000 for Ōrākei Act 1991. The scope of this appropriation is "*Ōrākei Reserves Board fees and travel expenses in accordance with Section 29 of the Ōrākei Act 1991*".

This appropriation of \$7,000 is paid to the Auckland Council, (previously Auckland City Council) who provides administrative support for the Reserves Board.

On 1 February 2013, the Ōrākei Act 1991 was repealed, with the new Ngāti Whātua Ōrākei Claims Settlement Act 2012 coming into force.

Due to an oversight, neither the Ōrākei Act 1991 appropriation, nor its scope statement was updated to refer instead to the new Ngāti Whātua Ōrākei Claims Settlement Act 2012.

Technically, this means that a breach of appropriation occurred as the payments made after 1 February 2013 were outside the scope of the Ōrākei Act 1991 appropriation.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

Schedule of Non-Departmental Assets as at 30 June 2014

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-13 Actual	Note	30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supp. Estimates
\$000s		\$000s	\$000s	\$000s
Current Assets				
6,455	Cash	2,742	9,044	(2,775)
131	Accounts Receivable/Prepayments	32	-	-
6,586	Total Current Assets	2,774	9,044	(2,775)
Property, Plant and Equipment				
490	Land	490	1,835	490
490	Total Property, Plant and Equipment	490	1,835	490
7,076	Total non-departmental assets administered by Te Puni Kōkiri	3,264	10,879	(2,285)

Schedule of Non-Departmental Liabilities as at 30 June 2014

30-Jun-13 Actual		30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Supp. Estimates
\$000s		\$000s	\$000s	\$000s
Current Liabilities				
13,257	Creditors and Payables	7,807	4,321	4,321
Non-Current Liabilities				
425	Other Liabilities	425	-	-
13,682	Total Liabilities	8,232	4,321	4,321

Explanations of major variances against budget are detailed in note 3.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.



Schedule of Non-Departmental Commitments as at 30 June 2014

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.

The Ministry on behalf of the Crown has no non-departmental commitments as at 30 June 2014 (2012/13 nil).

Statement of Non-Departmental Contingent Assets and Liabilities as at 30 June 2014

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 2014. It does not include general or unspecified business risks or conditions.

Contingent liabilities

The Ministry on behalf of the Crown has no contingent liabilities as at 30 June 2014 (2012/13 nil).

Contingent assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2014 (2012/13 nil).

Notes to the Non-Departmental Financial Statements

Note 1: Statement of Non-Departmental Accounting Policies

These non-departmental statements and schedules record the expenses, revenue and receipts, assets and liabilities that Te Puni Kōkiri manages on behalf of the Crown.

The Non-Departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2013/14.

Basis of Preparation

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

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

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

Statement of Compliance

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

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2014.

Measurement System

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

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

Accounting Policies

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

Budget Figures

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

Revenue

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

Goods and Services Tax (GST)

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

Commitments

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

Note 2: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2014" for an explanation of budget changes between the 2013/14 Main Estimates and 2013/14 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 505 to 508).



Note 3: Explanation for Significant Variances

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

Statement of Non-Departmental Expenditure and Capital Expenditure (pages 90-91)

Appropriation	30-Jun-14 Actual \$000s	30-Jun-14 Main Estimates \$000s	30-Jun-14 Variance \$000s
Promotion of the Māori Language	8,850	7,204	1,646
Commissioning Whānau Ora Outcomes	3,255	-	3,255
Establishment of a Whānau Ora Commissioning Approach	3,325	-	3,325
Rawa (Resources)	3,526	4,648	(1,122)
Whānau Ora-based Service Development MCOA			
- Service Delivery Capability	22,663	36,300	(13,637)
- Whānau Integration, Innovation and Engagement	4,267	8,400	(4,133)

The appropriation for the Promotion of the Māori Language increased in 2013/14 due to a fiscally neutral transfer of the funding associated with the Community Based Language Initiative from Vote Education.

Two new Whānau Ora related appropriations were established in 2013/14; for purchasing the achievement of Whānau Ora Outcomes from non-government Commissioning Agencies (\$3.255 million) and to meet the one-off establishment costs of the three new Whānau Ora Commissioning Agencies (\$3.325 million).

The Rawa (Resources) appropriation variance is largely due to a \$1.000m contribution to Te Awa Tupua Putea for the Whanganui River Settlement.

The Whānau Ora-based Service Development MCOA variances primarily relate to a fiscally neutral transfer of \$10.000 million to Vote Health to lead the Whānau Ora Information Systems programme on behalf of Te Puni Kōkiri; and fiscally neutral transfers towards the establishment of the two new Whānau Ora Commissioning appropriations (\$7.637 million).

Schedule of Non-Departmental Assets

	30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Variance
	\$000s	\$000s	\$000s
Cash	2,742	9,044	(6,302)
Land	490	1,835	(1,345)

The Cash balance as of the Main Estimates included the Crown surpluses from previous years which have since been returned to the NZDMO.

The reduction in Land reflects the impact of the remeasurement of Land blocks that was actioned in the 2012/13 financial year.

Schedule of Non-Departmental Liabilities

	30-Jun-14 Actual	30-Jun-14 Main Estimates	30-Jun-14 Variance
	\$000s	\$000s	\$000s
Creditors and Payables	8,232	4,321	3,911

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

Note 4: Financial instruments

30-Jun-13 Actual		30-Jun-14 Actual
\$000		\$000
	Loans and receivables	
6,455	Cash and cash equivalents	2,742
	Financial liabilities measured at amortised cost	
13,257	Creditors and other payables	8,232



The Ministry's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry works in accordance with the Treasury Guidelines to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. The Ministry does not enter into any transactions that are speculative in nature.

Credit risk

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

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

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

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

Note 5: Related Party Transactions

Te Puni Kōkiri provides funding through the Crown appropriation process to other entities controlled, significantly influenced, or jointly controlled by the Crown. Funding to these government-related entities for the year ended 30 June 2014 totalled \$91 million (2012/13 \$85 million).

Note 6: Crown Entities

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

- Te Māngai Pāho
- Te Taura Whiri i te Reo Māori

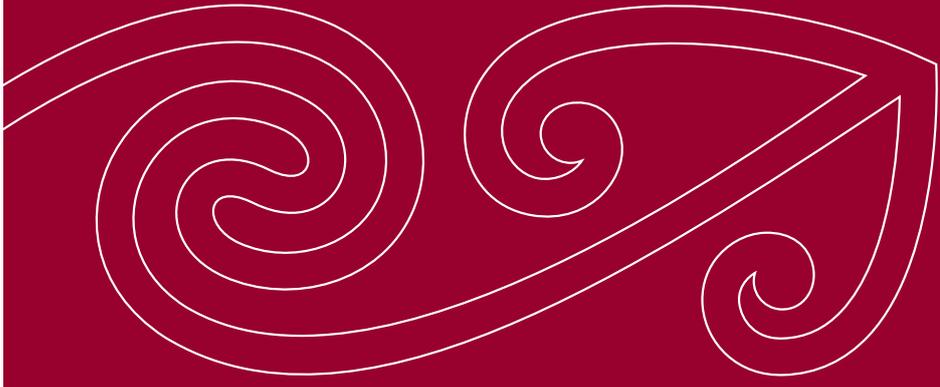
The investment in these entities is recorded within the Financial Statements of the Government on a line by line basis. No disclosure is made in this schedule.

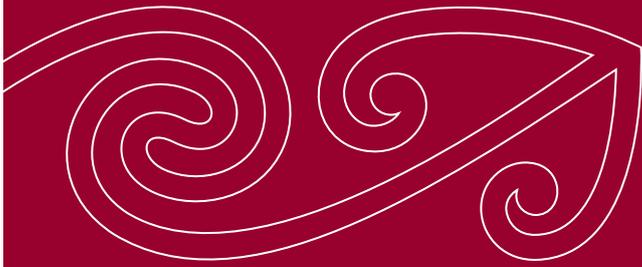
For information on financial performance and position of these organisations, please refer to the Annual Reports at the following websites:

Te Māngai Pāho:
www.tmp.govt.nz

Te Taura Whiri i te Reo Māori:
www.tetaurawhiri.govt.nz

Māori Television Service:
www.Māoritelevision.com





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