



# Pūrongo ā-tau **Annual Report**

For year ended 30 June 2017



## Cover

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Aorangi Māori Trust Board papakāinga residents, Taylor and Portlin Wilson, Waipatu, 2017.

Photo by Josie McClutchie.

The Aorangi Māori Trust Board are amongst those leading the way in papakāinga housing development with an 8 home papakāinga at Waipatu.

The owners and trustees identified developing their whānau land through providing affordable papakāinga housing for whānau.

The Trust secured funding support from Te Puni Kōkiri towards the project feasibility study and received advice and support towards the preparation of their proposal.

Tikanga Māori such as whanaungatanga, manaakitanga and arohatanga were a strong ingredient for the owners and trustees when considering design concepts for the papakāinga.

The papakāinga housing development has also provided skills and learning opportunities for whānau members with one whānau member securing a building apprenticeship.

Their story provides valuable lessons for today's aspiring whānau, hapū and iwi looking at papakāinga housing as a viable possibility for their whenua.



# **Pūrongo ā-tau**

## Annual Report of Te Puni Kōkiri

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Mō te mutunga o te tau i te 30 o ngā rā o Pipiri 2017  
For year ended 30 June 2017

Presented to the House of Representatives pursuant to section 44 (1) of the Public Finance Act 1989







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## Minister for Māori Development and Minister for Whānau Ora

I present to you the Annual Report of Te Puni Kōkiri for the year ended 30 June 2017.

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

**Michelle Hippolite**  
Toihautū | Chief Executive



# Papatohu

## Directory

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Wellington  
New Zealand  
on behalf of the Auditor-General

**Bankers:**

Westpac



# Rārangi Take

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# Mai i te Toihautū

## From the Chief Executive



Koto ake a waikamo i te aroha kōingongo ki ō tātou aituā. Kei te pīreireitanga o ngā whetū koutou huihui atu ai ki ngā mate o te wā, ā, tukuna tonu atu ai ki a Hine-nui-te-Pō, nō reira, haere koutou, haere, haere atu rā.

E oki te pō, nau mai te ao!

Kei ngā pā harakeke o te motu, tēnā koutou!

It has been a big year for Te Puni Kōkiri. More importantly, it has been a significant year of effort – and success – to deliver improvements to Māori.

Over the past year our focus has centred largely on five priority kaupapa.



### Whakapapa

**A focus on strengthening the relationships between whānau, hapū and iwi, especially as it relates to te ao Māori.**

We focused on more whānau speaking quality Māori. Building on the passage of Te Ture mō Te Reo Māori 2016 – the first dual language Act in which the te reo Māori version has precedence – we have supported the establishment of Te Mātāwai and development of Te Maihi Karauna (the Crown's Māori language strategy) which will complement Te Maihi Māori (the strategy for iwi and Māori being developed by Te Mātāwai).



### Whānau

**A focus on enabling whānau to thrive.**

We continue to focus on advancing a whānau-centred approach across all of our work, but specifically in relation to the Whānau Ora Commissioning Agencies and Partnership Group. This strength-based approach, which seeks to be transformational rather than transactional, is delivering important improvements in whānau health, education, housing, skills development and economic outcomes.



### Whare

**A focus on improving whānau housing.**

We focused on supporting a wide range of whānau housing initiatives such as housing repairs, supporting new infrastructure and house construction, and building capability and emergency housing responses, through the Māori Housing Network.





## Whenua

### A focus on Māori land reform and supporting whenua Māori development.

We focused on reforms to the legal system and infrastructure, to make them more supportive of Māori land owners' aspirations for whenua Māori. The key effort has been on the introduction of the Te Ture Whenua Māori Bill and investigating options for the establishment of a new Māori Land Service, both of which involved significant engagement with Māori across the motu.



## Whanaketanga

### A focus on lifting whānau, hapū and iwi prosperity in the regions.

We focused on direct contributions to the Government's regional growth programme through services to prospective and current Māori entrepreneurs and Māori asset owners.

These achievements, and others reflected in this Annual Report, are significant for a small Ministry servicing the Māori Development portfolio.

Significant increases in funding through Budgets 2015 and 2016 has required us to adapt and strengthen Te Puni Kōkiri. Decisions in late 2016 established an enhanced investment function – improving

our ability to design and deliver whānau-centred services and programmes to Māori – and also boosted our regional capability. Further increases in Budget 2017 shows an emphasis on auahatanga – developing and implementing innovative trials and investments. These will test policy and programme models that promote better results for iwi, hapū, and whānau Māori.

My final word is reserved for one of the most important developments in Te Puni Kōkiri: progress on embedding whānau-centred approaches and practices in our work. Through this we are working to understand the whānau experience, design programmes based on improving whānau outcomes, and recognise the importance of whānau to overall Māori success.

*Nō reira kei aku parepare, kei aku whakaruruhau, tēnā tātou katoa.*

**Michelle Hippolite**  
Toihautū | Chief Executive



## Our Part in Māori Development

Te Puni Kōkiri, established under the Ministry of Māori Development Act 1991, is a Ministry with a very wide span of responsibility.

Our role is to provide strategic advice on Māori policy issues, to be the principal advisor on Crown-Māori relationships, and to develop and implement innovative trials and investments that promote better results for Māori. Our areas of focus cover a broad range of sectors, spanning social, economic, natural resources and cultural policy.

To illustrate the sheer variety and breadth of responsibility, through the course of the year we have:

- assisted the Minister to advance legislative reform on whenua Māori – seeking to change the legal and supporting infrastructure for Māori land owners
- provided input into the establishment and approach of Oranga Tamariki – a significant systems change in the protection of rangatahi
- supported Māori businesses and entrepreneurs, including through trade missions, increasing the Māori contribution to the national economy
- approved repairs for 144 homes across the country – creating warmer, drier and healthier environments for whānau
- funded over 500 initiatives spanning support for cultural events, earthquake relief, land feasibility studies, māra kai (communal gardens), and much more.

We maintain a close relationship with whānau, hapū, iwi and Māori, particularly through our regional offices, as well as through leadership forums. These roles enable us to support government to strengthen Treaty of Waitangi partnerships and to help Māori to succeed at home and globally.

As an organisation tasked with bridging and further enabling the relationship between the Crown and iwi, hapū and whānau, we are guided closely by our values:

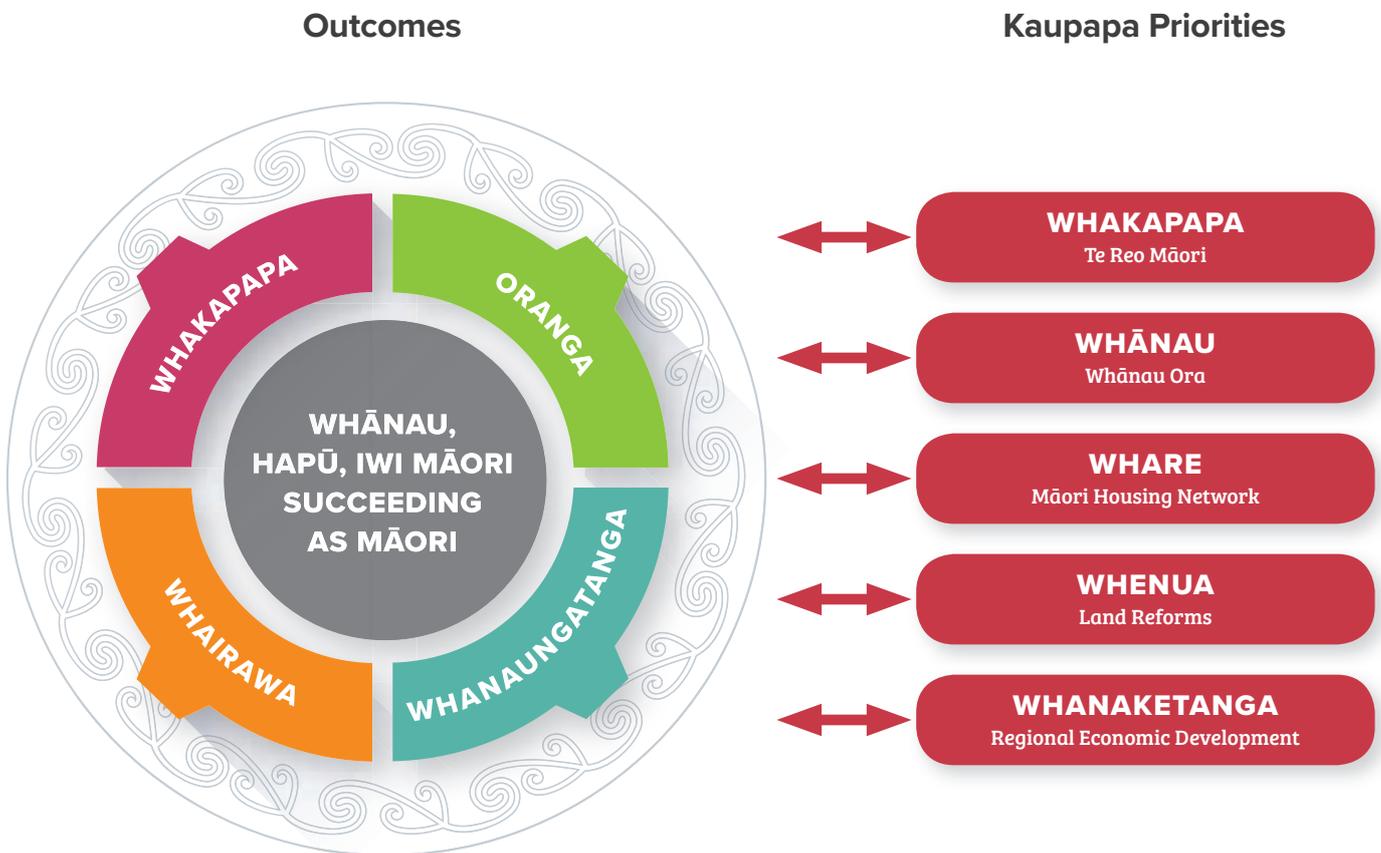
- **Te wero** – pursuing excellence
- **Manaakitanga** – valuing people and relationships
- **He toa takitini** – working collectively
- **Ture tangata** – being creative and innovative.

In response to efforts to more directly address challenges facing Māori, Te Puni Kōkiri has increased its emphasis on innovative trials and investments that promote better results for whānau. Whānau Ora is perhaps the best known example of this, however, Budgets 2015 and 2016 saw a step-change in funding focused on direct delivery and investments in Māori development, for example, additional funding to improve housing outcomes for Māori. This increase in direct investment has continued through Budget 2017 and will shape the year ahead.



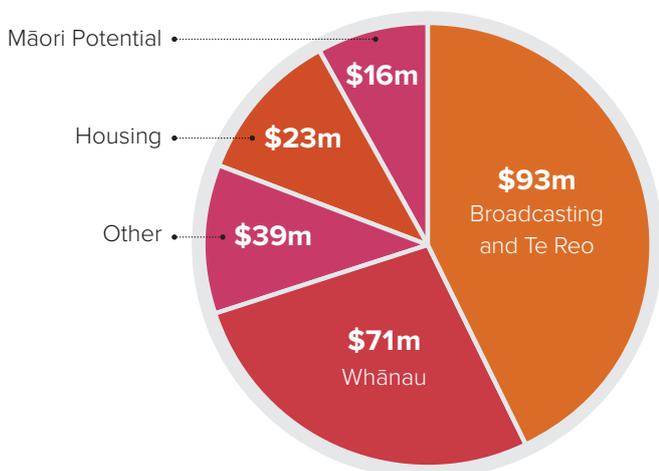
# Making a Difference – our Outcome Framework

Te Puni Kōkiri concentrates primarily on areas and issues where it has a particular role, mandate, or specific level of influence. These have been brought together under four high-level outcome areas. To achieve these outcomes, across 2016/17 Te Puni Kōkiri concentrated particular effort on five kaupapa priorities.



# Te Puni Kōkiri on a page

## Our Approach



## Our Non-Departmental Funding

for 2016/17

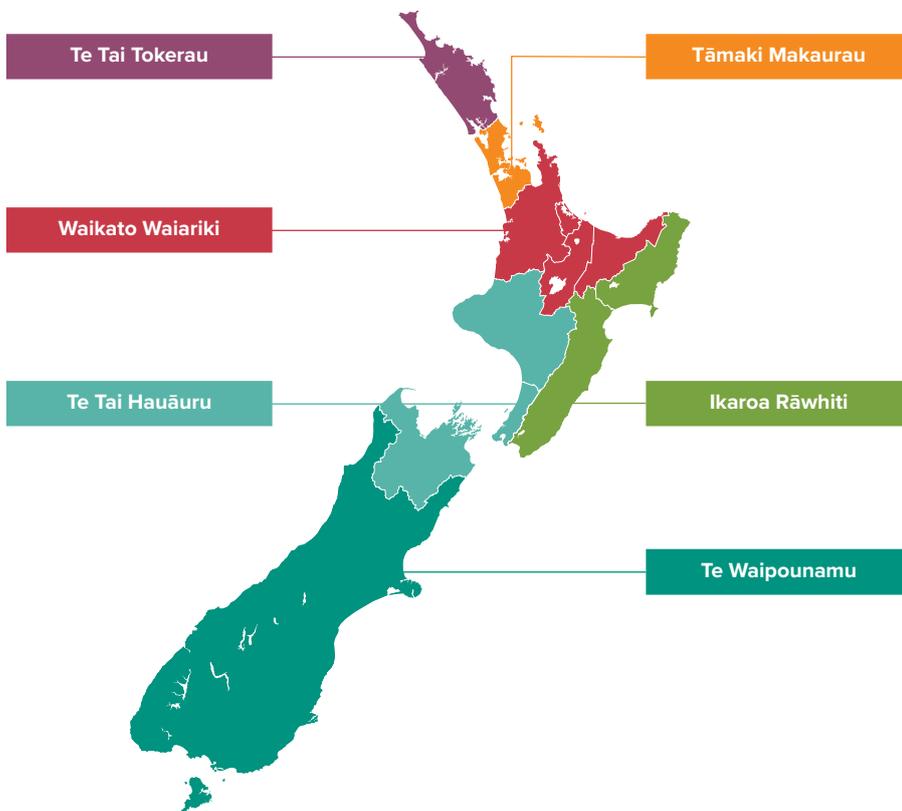


**\$242 million**

set aside for projects, programmes and external agencies



### Our Staff as at 30 June 2017



## Contribution to Government priorities

Through our priority kaupapa and other activities, Te Puni Kōkiri contributes to a range of Government goals and strategies including:

- the Better Public Services<sup>1</sup> (BPS) result areas for:
  - Reducing long-term welfare dependence – BPS 1;
  - Keeping kids healthy – BPS 3;
  - Improving the lifetime well-being of vulnerable children – BPS 4;
  - Improving mathematics, pāngarau, literacy and te reo matatini skills for all students – BPS 5;
  - Upskilling the New Zealand Workforce – BPS 6;
  - People have easy access to Public Services, which are designed around them, when they need them – BPS 10;
- *He Whare Āhuru He Oranga Tāngata* (Māori Housing Strategy) outcomes: improving housing for Māori and their whānau, and increasing housing choices for Māori by growing the Māori housing sector;
- Business Growth Agenda goals related to Strategic Priority Two: Building a more productive and competitive economy, including through the Regional Growth Programme; and
- the refreshed *He kai kei aku ringa* (The Crown-Māori Economic Growth Partnership).

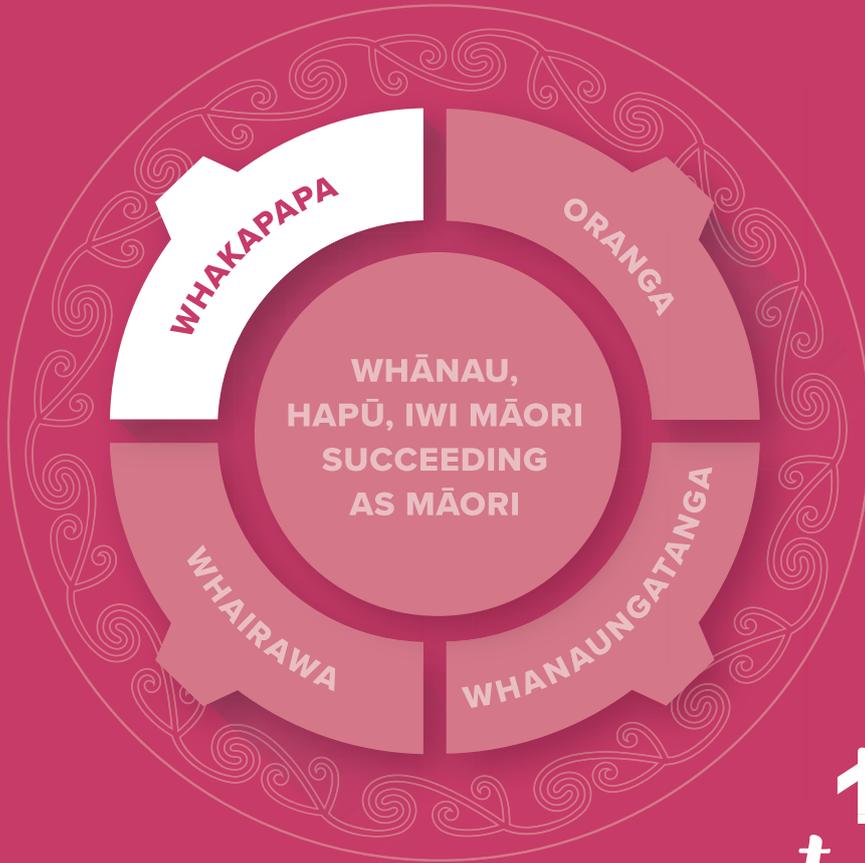
Te Puni Kōkiri also contributes to the achievement of Government priorities through its ability to:

- connect and engage with iwi, hapū, whānau, and Māori organisations, at a national, regional, and local level to identify approaches and opportunities for development;
- access and assess Māori viewpoints and interests quickly and efficiently;
- work with Māori organisations to identify solutions for Māori development which inform policy advice to effect these solutions;
- identify measures and trial initiatives specifically targeted at mobilising Māori across a range of sectors; and
- actively inform and support other State Sector agencies of ways in which they can better design and deliver services and programmes for whānau, hapū, iwi and Māori.

<sup>1</sup> In May 2017 the Government refreshed its 10 Better Public Services (BPS) result areas the public sector is expected to achieve over the next five years.



# Whakapapa



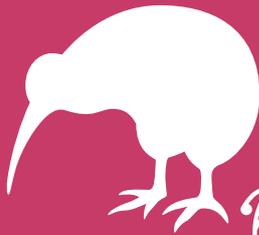
communities

tikanga



taonga diversity

kapa haka



tūrangawaewae

marae

pride



culture

language

sense of self

natural environment



te reo



manaakitanga



## Te Reo Māori contributes to Whakapapa

Through the focus on te reo Māori our work contributes to the outcome of *Whakapapa*. Te Puni Kōkiri is seeking to support iwi, whānau and hapū to strengthen their cultural identity through te reo Māori, culture, belonging, and relationships between whenua and taonga.

As a priority kaupapa our efforts and activities include:

- building on Te Ture mō Te Reo Māori 2016, through support for the establishment of Te Mātāwai, and leading the development of the Maihi Karauna (the Crown's new Māori language strategy);
- supporting the transmission of Māori culture by; supporting projects on marae, partnering at the local level with initiatives that strengthen whakapapa outcomes, and providing advice to the wider state sector on cultural heritage and commemorations; and
- working with Māori and government agencies to identify ways in which Māori rights, interests and aspirations are understood, applied and taken into account in areas such as the ownership, use and management of natural resources.

### Te Reo Māori

#### Maihi Karauna and Maihi Māori

Te Ture mō Te Reo Māori 2016 (Māori Language Act) provides for the Crown's ongoing commitment to working in partnership with iwi and Māori via Te Mātāwai to actively protect and promote the taonga of te reo Māori for current and future generations.

This partnership approach is expressed through Te Whare o te Reo Mauriora (Whare). The left side of the Whare (Te Mātāwai) represents iwi, hapū, whānau and their communities, and the right side of the Whare represents the Crown and its respective roles in protecting, promoting and revitalising the Māori language.

The focus for the financial year has been on the set up of Te Mātāwai, a new entity that will lead the revitalisation of te reo Māori on behalf of iwi and Māori, and working with key state-sector agencies and the Māori-language entities to develop the foundations for the Maihi Karauna.

The Maihi Karauna is the Crown's new Māori language strategy that has a focus on revitalising te reo Māori at a national level. Te Puni Kōkiri, along with the Ministry of Education, Ministry for Culture and Heritage, Department of Internal Affairs, Te Taura Whiri i te Reo Māori, Te Māngai Pāho and Māori Television Service have focused on developing a vision, outcomes, objectives, language planning elements and high-level indicators for the Maihi Karauna.

The Maihi Karauna will complement the Maihi Māori, which is the strategy for iwi and Māori being developed by Te Mātāwai and will focus on revitalising te reo Māori at a whānau and community level.



Te Mātāwai met for the first time in October 2016. It is comprised of 13 members – 11 selected by iwi and Māori organisations, and two Ministerial appointments.

Te Puni Kōkiri has maintained a close working relationship with Te Mātāwai as it establishes its operational functions and has provided secretariat services for: Te Rūnanga Reo – the formal meeting between Ministers and Te Mātāwai representatives; and Te Papa Kōrero – the meeting between Te Mātāwai Chief Executives and Chief Executives of government agencies and entities leading the Crown's work in te reo Māori revitalisation.

### **Promotion of Māori language and culture through direct support and investment**

Māori cultural events are a unique and distinctive contributor to how we see ourselves and, therefore, have been a focus for Te Puni Kōkiri support. This support (some of which is covered in more detail in separate reporting on the Māori Potential Fund) has included over 175 investments in:

- cultural identity, such as kapa haka and Matariki events;
- digital resources and support for te reo Māori;
- heritage research and preservation; and
- marae repair and restoration.

### **Broadcasting and telecommunications**

Te Puni Kōkiri in conjunction with other agencies also engages with Māori on broadcasting and the telecommunications spectrum.

### **Matariki and Kapa Haka – Te Waipounamu**

Hāpuku School in Kaikōura was supported to organise and manage an inter-school Matariki Kapa Haka Festival at Takahanga Marae. Schools from throughout the earthquake-affected areas of North Canterbury and Kaikōura were invited to perform and/or attend the event.

Hāpuku School supported these schools via the provision of a tutor to work with each school and to practice their waiata and haka.

The event was a great success and well attended by performers, schools and the local community. It was the first opportunity for these schools to come together post-earthquake.



## Fletcher Construction Responds to Bilingual Community

As work commenced on the Peka Peka to Ōtaki section of the Kāpiti Expressway, key contractor Fletcher Construction used *te Tohu Reorua i Te Reo Māori me te Reo Pākehā*, Te Puni Kōkiri guidelines for bilingual signage, to inform its health and safety signs during the construction.

“We became aware of the significant number of te reo Māori speakers in the community affected by this construction, and we wanted to make sure we acknowledged this,” said John Palm, Project Manager.

“We see community engagement as an integral part of a successful construction project and by using te reo Māori, as well as English, we are responding to this particular community.”

John said the company had used the guide to work with te reo Māori community in Ōtaki, including kura, to develop the signs.

“It came out at just the right time for us and gives us a good foundation to work from and ensure the signage is done properly. Obviously, the most important thing is that these external health and safety signs are accurate and understood by members of the public, and that includes te reo Māori speakers,” he said.

The Peka Peka to Ōtaki Expressway forms a key part of the Wellington Northern Corridor, which is one of the Government’s roads of national significance. It is expected to open in 2020.



Tamariki from Te Kura Kaupapa Māori o te Rito ki Ōtaki with the health and safety bilingual signage they helped develop for Fletcher Construction Limited.

Photo by Adrian Heke

## Te Tohu Reorua i te Reo Māori me te Reo Pākehā

*Te Tohu Reorua i te Reo Māori me te Reo Pākehā - The Māori-English Bilingual Signage: A guide for best practice* is a resource to increase and improve bilingual signage throughout Aotearoa New Zealand. Produced by Te Puni Kōkiri and Te Taura Whiri i te Reo Māori, it was released in November 2016.

The guide is part of Government’s wider strategy to help revitalise te reo Māori and contains information to help organisations to develop bilingual signage plans.

It was distributed and promoted widely across the public sector and has also been used by the private sector.



## Te Reo Māori entities

In 2016/17, Te Puni Kōkiri supported the promotion of te reo Māori through its engagement and monitoring role of Māori language entities funded through Vote Māori Development, namely:

- Te Taura Whiri i te Reo Māori (Māori Language Commission) which supported initiatives to revitalise, develop and promote the Māori language. During the year, Te Taura Whiri prepared for the impact on the changes in their role outlined in Te Ture mō Te Reo Māori 2016 would have, including leading the development of the Maihi Māori;
- Te Māngai Pāho which provides funding for 21 iwi radio stations, over 1,400 hours of Māori-related television programming, original music production and digital initiatives. During the year, Te Māngai Pāho marked a milestone of having funded over one million hours of Māori language broadcasting in radio and television since beginning operations in 1993/94; and
- Māori Television Service which provides over 7,900 hours of television broadcasting, over 70 per cent of its primetime content in te reo Māori, and hundreds of hours of language-learning content available on demand. In 2016, Māori Television received an additional \$10.6 million of funding over four years to reach a wider audience via high definition broadcasting on multiple channels. The new terrestrial high definition nation-wide network is expected to go to air later in 2017.

## Protecting and safeguarding Māori interests in natural assets

Te Puni Kōkiri takes a close interest in protecting and safeguarding Māori rights and interests in natural resources. This is because of the important place that the natural environment holds for iwi, hapū and whānau. Through engagement, primarily with the Ministry for the Environment, Department of Conservation and Ministry for Primary Industries, we have provided input into:

- the Resource Legislation Amendment Bill;
- marine, fisheries and aquaculture reforms;
- climate-change policy;
- biodiversity and biosecurity policy;
- forestry/genetic modification policy; and
- policy proposals as part of the freshwater reforms, particularly in regards to iwi and hapū rights and interests in fresh water.





# Oranga



## Whānau | Whare contributes to Oranga

Through the Whānau and Whare priorities our work contributes to the outcome of *Oranga*. Te Puni Kōkiri is seeking to enable whānau to experience outcomes of wellbeing, including being healthy, safe, and having capability within the whānau to realise their aspirations.

The priority kaupapa and other activities and efforts by Te Puni Kōkiri that contribute to Oranga include:

- **Whānau** – empowering whānau to make informed choices, take self-directed steps to overcome challenges, harness their capabilities, and explore opportunities for their development;
- **Whare** – increasing access to quality, safe and secure housing, resulting in a more stable environment for whānau growth; promoting whānau wellbeing and supporting healthy lifestyles; and
- improving whānau wellbeing and healthy lifestyles, and improving qualification and skills development to provide improved opportunities for employment.

### WHĀNAU – Whānau Ora

Empowering whānau is central to supporting individual and whānau confidence. A key vehicle to advancing Oranga is the Whānau Ora approach.

#### Whānau Ora

The Whānau Ora approach centres on empowering whānau with tools to achieve their aspirations and gain control over their lives. The Whānau Ora approach puts whānau at the

centre of decision-making about how to build on their strengths and work towards improved outcomes in areas such as health, education, housing and skills development.

In 2016/17, the reach of Whānau Ora support to whānau and families in need continued to grow. For 2016/17, Commissioning Agencies reported that over 12,500 whānau and families had received support through their initiatives. A total of \$71.30 million was allocated to Commissioning Agencies in the 2016/17 financial year to enable them to undertake their operations and support whānau.

Commissioning Agencies continued to develop and embed their unique commissioning approaches, designing and implementing new activities and forms of support based on their understanding of the needs and aspirations of the whānau and families they support. Te Puni Kōkiri also extended contracts with all three Commissioning Agencies, enabling them to continue to support whānau to achieve improved outcomes over the next three years.

While Whānau Ora is grounded in concepts of te ao Māori, it is available for anyone in need. During 2016/17 16 per cent of support provided by Te Pou Matakana were for non-Māori families.



## A snapshot for Whānau Ora commissioning for 2016/17



## How Whānau Ora works

Te Puni Kōkiri is the administering agency for Whānau Ora and is responsible for contracting and administering the three Whānau Ora Commissioning Agencies – Te Pou Matakana, Pasifika Futures and Te Pūtahitanga o Te Waipounamu.

Commissioning Agencies determine their own approaches and develop innovative activities to reach and support the whānau and families in their communities. The activities, outcomes and measures prioritised by Commissioning

Agencies are documented and agreed in Investment Plans with Te Puni Kōkiri.

Navigators are a key part of Whānau Ora support. Navigators work alongside whānau to support them in planning, working towards, and achieving improved outcomes. It is through this direct engagement with whānau in their homes and communities, listening to their needs and aspirations, and then working closely with them to achieve these things, that whānau drive the objectives and outcomes of Whānau Ora.



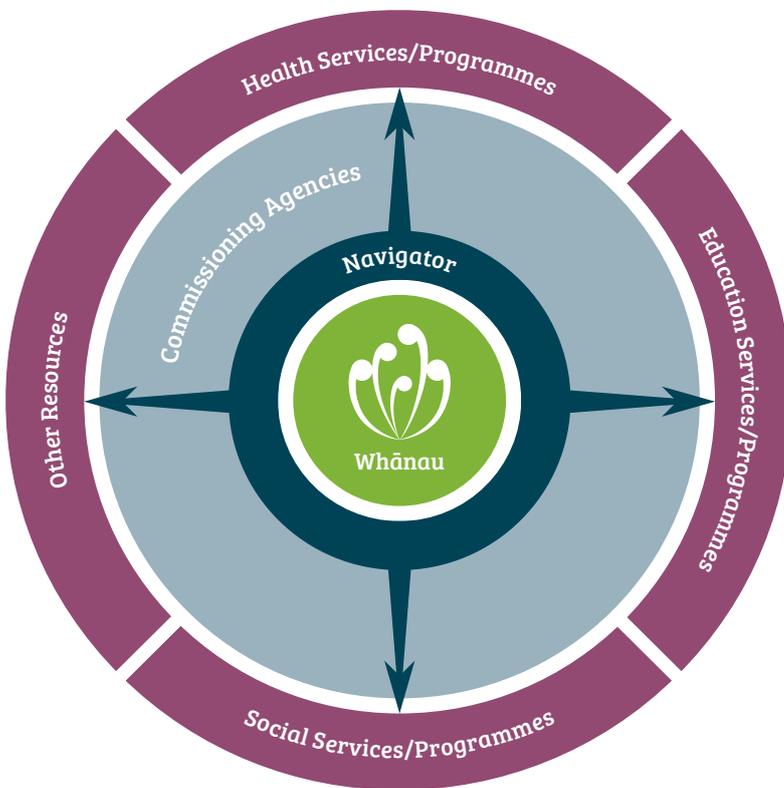
### How Whānau Ora is different

Whānau Ora is about increasing the wellbeing of individuals in the context of their whānau, – a whānau-centred approach. It differs from traditional social and health approaches that focus solely on the needs of individuals.

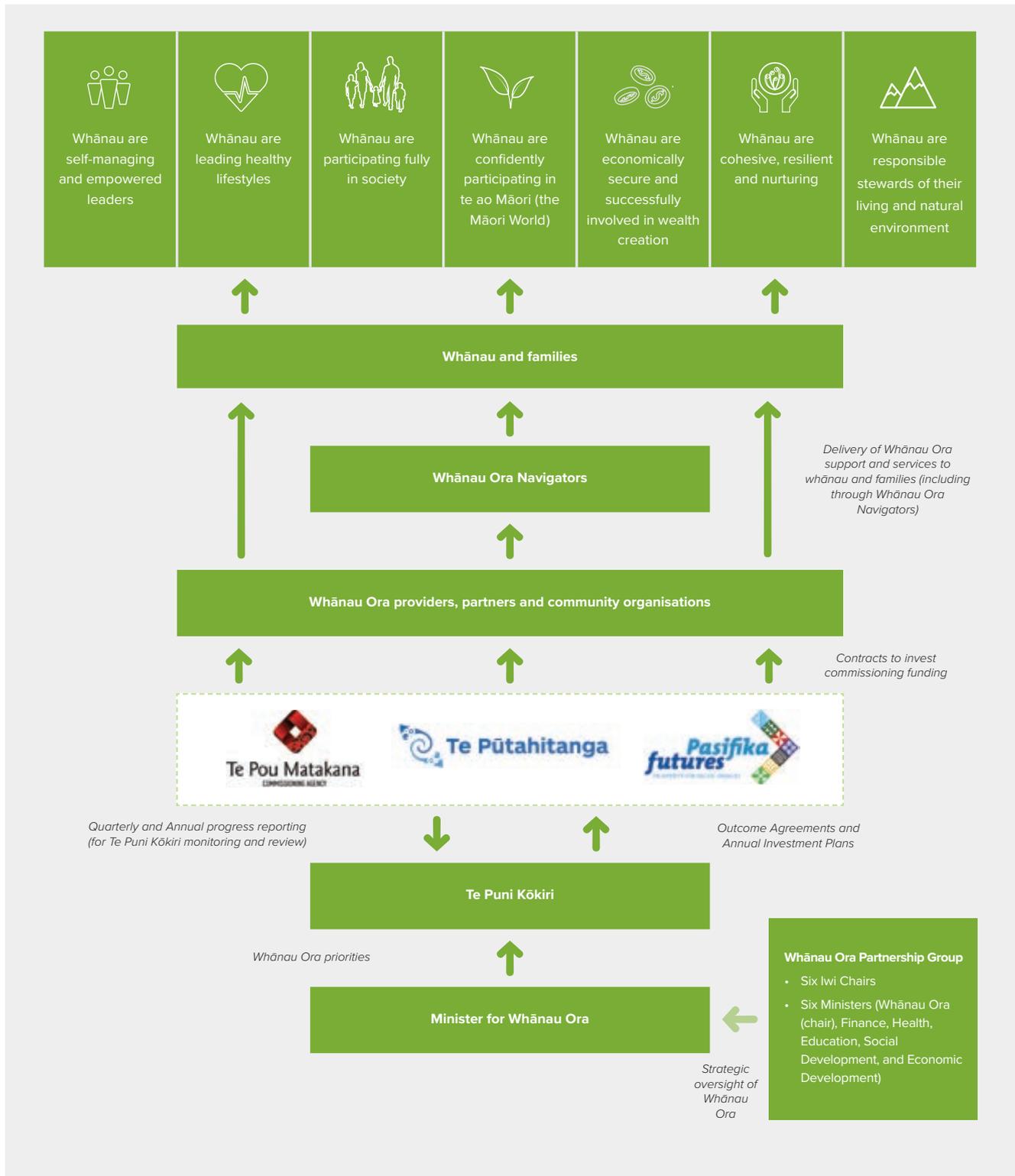
Whānau Ora recognises the strengths and abilities that exist within whānau and aims to support and develop opportunities that fulfill potential.

The whānau-centred approach:

- starts by **asking whānau and families** what they want to achieve for themselves, and then **responding to those aspirations** in order to realise whānau potential;
- provides **flexible support for whānau and families** to move beyond crisis into identifying and achieving medium and long-term goals for sustained change;
- focuses on **relationships, self-determination and capability building** for whānau to achieve positive long-term outcomes;
- uses a **joined up approach** that focuses on all factors relevant to whānau wellness, including economic, cultural, and environmental factors, as well as social factors;
- recognises that **each whānau has a different set of circumstances**, and what works well for one whānau does not necessarily work well for other whānau; and
- recognises that **whānau and families** have **skills, knowledge and experiences** that contribute to their own resilience, and can provide a platform for whānau and families to become more self-managing and independent.



The diagram below illustrates how the Whānau Ora commissioning model works:



## Whānau Ora measurement

During 2016/17, Te Puni Kōkiri continued implementing a programme of work to monitor and evaluate the outcomes and effectiveness of Whānau Ora. This will provide an overall picture of the performance and implementation of the second phase of Whānau Ora involving the Commissioning Agencies.

From this work, Te Puni Kōkiri has produced two reports during the 2016/17 financial year<sup>2</sup> :

- the *Whānau Ora Formative Evaluation* report which examines how well the Whānau Ora commissioning model is working; and
- the *Whānau Ora Annual Summary Report (2014–2015)* which describes how Whānau Ora was delivered in 2014/15 covering the first year of Phase 2 of Whānau Ora Commissioning Activity and the results achieved.

This work is important because it enables Te Puni Kōkiri to understand the impact Whānau Ora is having in order to inform future planning, design, and investment decisions. It also helps to continue to build the evidence base around Whānau Ora outcomes to support the future growth of Whānau Ora activities.

Te Puni Kōkiri has also continued to work alongside Commissioning Agencies to support them to embed and refine their frameworks for measuring the performance of their approaches and the outcomes achieved for whānau through their commissioning activities.

## Key Commissioning Approach achievements

Building on the progress made in previous years, the 2016/17 financial year has seen the reach of Whānau Ora support continue to expand. In addition, whānau and families across Aotearoa were supported to prioritise, work towards, and achieve a wide range of outcomes during the year.

Some highlights of the outcomes and results whānau achieved through Whānau Ora support include:

- Te Pou Matakana supported whānau through Collective Impact to achieve a range of results, including:
  - 860 whānau now living in a fully insulated home;
  - 962 whānau with a financial plan or budget;
  - 490 whānau experiencing reductions in domestic violence/violent offenses; and
  - 120 whānau coming off job seekers benefits.
- As a result of Pasifika Futures Core Commissioning activity:
  - 1,309 whānau have a health plan;
  - 840 whānau have reduced their debt;
  - 714 whānau have enrolled their children in Early Childhood Education; and
  - 407 whānau are now living in smoke-free homes.

<sup>2</sup> These reports are available on the Te Puni Kōkiri website.



- Pasifika Futures’ 2016/17 innovative programmes included:
  - 22 new business start-ups;
  - 259 students in apprenticeships; and
  - 310 students studying towards a level 1 or higher qualification.
- Te Pūtahitanga o Te Waipounamu programmes included:
  - more than 200 comprehensive needs assessments of whānau that remained in Kaikōura following the 2016 earthquake;
  - supported approximately 1,000 whānau affected by the Port Hills fire in Christchurch; and
  - investment in 121 whānau-developed local level initiatives.

Beyond these specific achievements, Commissioning Agencies are also reporting that they are continuing to develop and implement new and innovative commissioning activities to reach and support whānau to achieve outcomes in new ways.

**Highlights of the whānau outcomes and results achieved through Whānau Ora**



### Whānau Ora Partnership Group

Strategic oversight of Whānau Ora is provided by the Whānau Ora Partnership Group comprised of six representatives of the Iwi Chairs Forum, and the Ministers for Whānau Ora (chair), Finance, Health, Education, Social Development and Economic Development. Te Puni Kōkiri is the Secretariat for the Partnership Group.

Areas of focus for the Partnership Group for 2016/17 have included the importance of data, developing a co-investment model for Whānau Ora and regional government agency engagement.

### Paying it forward

- Family of four, father working full time and mother looking for work; many outstanding debts.
- Through Whānau Ora intervention they purchased heat press equipment for t-shirt printing. Business has connected the father to churches and sports teams. Now giving back by helping to feed the homeless.



## Helping our mokopuna

- Grandmother with a chronic health condition (diabetes), elevated stress levels, full-time care of four mokopuna, including a three-year-old diagnosed with autism.
- Following Whānau Ora support, she is receiving regular support for her diabetes, which is now stable; receiving one-on-one support for her three-year-old mokopuna with autism; and continues to work towards her goal of full-time employment to improve life choices and outcomes for her mokopuna.

## Budgeting

- Female lost her job after 40 years of full-time employment. Despite her partner working they were struggling to pay their bills, had little food in their cupboards, and were extremely stressed.
- Referred to a budgeting service to develop a financial plan which has enabled them to reduce their debt and live within their means. The woman was supported to update her CV and prepare for job interviews. Making good progress towards their goals of better wellbeing and family resilience.

## The Right Support

- 15-year-old diagnosed with ADD and recently suspended.
- Local health provider connected them to a Whānau Ora Navigator. Navigator was able to help him be reinstated in school.
- Now on track to achieve level 1 NCEA and participates in athletics and drama. School and whānau now communicating better.





Aorangi Māori Trust received support from the Māori Housing Network

## Māori Housing Network

Ensuring that whānau live in functional and supportive environments is essential if whānau are to be strong, stable and adaptable. Safe and healthy houses are a key component in creating an environment in which whānau can prosper.

Māori remain over-represented in key measures of housing deprivation, with over 12,500 Māori estimated to be experiencing severe housing deprivation (34 per cent of all severe housing deprived people).

Poor housing outcomes impact negatively on health, education, employment, and other socio-economic outcomes.

New Zealand and international research links poor quality housing with lower health and education outcomes. This is important given the higher rates for Māori of rheumatic fever, respiratory diseases and hospitalisation for asthma.

## Māori Housing Network

The Māori Housing Network was established in 2015 to support the energy, enthusiasm and entrepreneurship in the Māori housing sector with information, advice and practical support.

The Māori Housing Network also manages funds to support projects to improve housing outcomes for whānau Māori, focusing on:

- improving the quality of housing;
- building capability and capacity in the sector;
- increasing the supply of affordable housing; and
- supporting the set-up of emergency housing initiatives.

### Activity and achievement

During 2016/17, 71 projects were approved. Key achievements include:

- housing repair projects for 144 whānau homes in areas of high deprivation;
- contributing to costs of building 22 new affordable rental homes for whānau, owned by Māori collectives;
- funding for six capability building projects, including papakāinga feasibility projects,

and 44 workshops to increase whānau knowledge of housing issues;

- support for 10 emergency housing projects; and
- supporting housing infrastructure for 66 new homes for whānau.

Because of the nature of housing projects, particularly the length of time from beginning through to completion, some projects will span financial years.

### 2016/17 Māori Housing Network Performance

**71 Projects** approved during 2016/17, some of which may not be completed until later financial years.





Waimarama papakāinga with a view of Motu-o-Kura, 2017.

### How the Māori Housing Network Operates

Māori have distinct housing needs depending on their personal situations, where they live and the nature of their communities, landholdings and support networks.

Te Puni Kōkiri staff engage directly with iwi, hapū, and whānau Māori to understand what their housing needs and aspirations are. Once these aspirations are well understood, staff work with them to provide advice, guidance, support, referrals or funding.

The ability of Te Puni Kōkiri to achieve its objectives has largely depended on its ability to develop close relationships and work effectively in partnership with other stakeholders that have a role in influencing Māori housing outcomes.

During the year, the Māori Housing Network has further embedded its whānau-centred approach to investments in Māori housing, and has established strong partnerships alongside housing providers and Māori to help achieve better-targeted housing solutions for whānau.

The network is also working with whānau, hapū, iwi and Māori to see how it can best support solutions for our whānau who are experiencing the greatest housing need, such as homelessness. During the financial year, Te Puni Kōkiri supported ten emergency housing projects and worked with government agencies, including the Ministry of Social Development, the agency with primary responsibility for emergency housing, to ensure the needs of whānau were recognised.

## He Korowai Trust

- The Whare Ora papakāinga development is a He Korowai Trust initiative to provide affordable home ownership and wrap around support services for whānau in Kaitiāia. The Trust has pioneered an affordable home ownership model so whānau do not just have a roof over their heads, they own it.
- This model provides an economic base for whānau to grow further and engage more positively in the community and across wider society. All families successfully completed a 12-month home-ownership programme. Whānau will own their homes in 17 years.
- 17 adults and 43 tamariki are being housed across nine homes through the project. The site is drug, alcohol and violence free. 200 fruit trees have been planted and a safe-play area created for the tamariki.
- Whānau also receive early childhood and social services support, budgeting assistance, medical care, counselling, parenting and mentoring.

## Solar solution

- Mother with four tamariki between 17 and 5 years old who are asthmatics and/or suffer from eczema. The whānau did not have a reliable or affordable power supply when they moved to their mana whenua in 2010 and were relying on a petrol generator costing almost \$120 per week. The whānau were drowning financially. They could not power a fridge, washing machine or the HRV system installed to control the children's asthma.
- The Māori Housing Network helped the whānau to install solar panels with a new battery storage system, allowing the air filtering system to continue running, and improving the environment for the whānau.
- Through this support and the savings on petrol for the generator, the mother is better able to support her tamariki and to pay the bills.



## Promoting whānau wellbeing and healthy lifestyles

In addition to the range of formal programmes outlined below, Te Puni Kōkiri supports wellbeing and healthy lifestyles through a range of other engagements, activities and investments.

Through the Māori Potential Fund we supported over 200 initiatives spanning māra kai (communal gardens), services to vulnerable whānau, health and sports, and youth initiatives, such as drivers' licences.

In many cases the funding seeks to enable people. The māra kai initiatives, for example, see a transfer of skills, confidence and healthy attitudes to participants, over and above the supply of fresh vegetables.

### Rangatahi Māori suicide prevention

The rate of Māori suicide is more than double that of non-Māori, and New Zealand has one of the highest suicide rates in the OECD. The Rangatahi Māori Suicide Prevention Fund was established in 2015 to address the issue of rangatahi suicide. The appropriation of \$1.709 million was fully committed in 2016/17 to help with this issue.

The Rangatahi Māori Suicide Prevention Fund has supported a wide range of suicide prevention projects across the country. The result is increased visibility, kōrero and

understanding about suicide and suicide prevention activities through:

- video and other online resources;
- resources dedicated to takatāpui;
- cyber-safety programmes;
- whānau and community-based wānanga;
- a rangatahi-led conference for rangatahi;
- an interactive play touring secondary schools in Te Tai Tokerau;
- cultural and performance-based programmes, including hip hop and creative arts;
- community-run centres for rangatahi; and
- confidence-building events.

These projects have led to a range of early results including increased confidence, increased participation in cultural activities such as kapa haka, noticeable improvements in behaviour at school and increased communication around risk factors and suicide ideation.

All funded initiatives have a strong emphasis on using Māori cultural frameworks to build protective factors of strength and resilience in rangatahi. An external evaluation of the Rangatahi Suicide Prevention Fund is currently underway.





150 participants from Te Whare Wānanga o Awanuiāraangi and the Whakatāne community took up a healthier lifestyle challenge - Hikoi ki te Hauora – and won losing a combined 363 kilograms or 121 bags of potatoes.

Photo by Te Rawhitiroa Bosch

### Moving the Māori Nation

A healthy lifestyle and participation in te ao Māori increases confidence and enables Māori to enjoy opportunities and outcomes equal to those of all New Zealanders.

Moving the Māori Nation supports individuals, whānau and community organisations to deliver local initiatives that promote healthy lifestyles and participation in te ao Māori.

Direct funding has been used to encourage healthy lifestyles for whānau and individuals through positive decision making to improve hauora, including self-management of health. Participation in te ao Māori was encouraged through cultural activities and sports, which increased whānau knowledge of activities such as ki-o-rahi.

### A focus on children

Te Puni Kōkiri has continued to participate in the Vulnerable Children's Board, contributing to cross-agency governance for the establishment and implementation of Children's Action Teams across the country, and providing valuable insights into the processes to improve outcomes for Māori children.

Te Puni Kōkiri has also been involved throughout the policy and legislation processes leading to the replacement of the Children Young Persons and their Families Act 1989 and the establishment of the new organisation Oranga Tamariki. A significant number of Māori children are impacted, including 60 per cent of children in state care who are Māori. Te Puni Kōkiri continues to be involved in the 'transformation process' to a new system that works to improve outcomes for vulnerable children, which Oranga Tamariki has signalled will take four to five years.



### Enhancing Māori qualifications and skills development

As part of our whānau wellbeing kaupapa, we have been working closely with the Ministries of Business, Innovation and Employment, Social Development, Primary Industries and Education on *He Poutama Rangatahi*, the Youth Employment Pathways strategy. The strategy explicitly seeks to reduce the number of Māori not in education, employment or training (NEET) in four regions: Northland/Te Tai Tokerau, Eastern Bay of Plenty, Te Tairāwhiti and Hawke's Bay. To implement the strategy, we will work with other government agencies, regional leadership and local communities to develop and implement plans to support the needs of seriously disengaged youth who are most at risk of long-term unemployment.

Rangatahi without drivers' licences can face barriers to employment, including not having transport to get to work and not being able to be employed in occupations that require a driver's licence. During 2016/17 Te Puni Kōkiri funded initiatives supporting over 200 rangatahi on the path to get drivers' licences which reduce the barriers to employment for rangatahi who are not in employment.

### Cadetship Programme

The Cadetship Programme aims to support the development of a more highly skilled, resilient and productive Māori workforce who can withstand adverse economic conditions, and contribute to New Zealand's future productivity and well-being. The programme aims to support employers to recruit, retain and develop Māori staff to provide opportunities for Māori to upskill and progress their career and development pathways. Cadetships are different from regular apprenticeships and focus on taking Māori cadets to a higher level of skill, preferably linked to recognised formal qualifications.

This year, 184 cadets were placed with eight employers across a range of sectors including infrastructure, primary industries and transport and logistics.



## Downer cadetship

In August 2016, Downer New Zealand won the Emerging Diversity and Inclusion Award for its Māori Leadership Programme at the Diversity Awards New Zealand. This award was one of nine categories awarded to organisations that celebrate diversity and inclusion.

In partnership with Te Puni Kōkiri through the cadetship initiative, Downer New Zealand has created a Māori leadership programme that focuses on increasing the number of Māori employees at all levels of its business. The aim is to develop influential leaders and role models both within Downer New Zealand and the wider community.

The Downer Executive team fully support this initiative and take an active role as sponsors, providing guidance and direction when requested. Downer also established a Māori Development Advisory Board which was formed to provide support and guidance to the programme and the wider Downer diversity strategy.

To date, 70 employees have completed the Downer New Zealand Māori Leadership Programme. From the initial group of 30 participants, 13 have received a promotion and many others have taken up new opportunities as part of their current roles.

The successful leadership programme has improved participant retention rates – the retention rate of employees who have completed the programme is 86 per cent, higher than Downer's overall retention rate.

"This programme truly showcases our commitment to diversity and the development of our people. We are also able to attract people to Downer because they know we are committed to diversity and provide our people with opportunities across the board," says Debbie Kirby, GM HR, Transportation at Downer.



## Kaikōura Earthquake

When the Kaikōura 7.8 magnitude earthquake hit on 14 November 2016, Te Puni Kōkiri staff were immediately dispatched to assist with the relief effort. Staff rotated to provide support to the community.

Te Puni Kōkiri staff were asked to distribute food and supplies from a trapped train. Staff then worked with keen local rangatahi to deliver food and supplies to Māori service providers in Wairau and Seddon. Further supplies were also taken to Te Hora Pā for distributing to whānau.

Te Puni Kōkiri collaborated with 19 other support agencies on a Kaikōura Earthquake Recovery plan for the Marlborough District and participated in future-focused discussions with the Tauihu Iwi Chairs about the role of iwi in emergencies.

"We learnt so much, so quickly, when something as big as an earthquake affects whānau and communities. Sharing our learnings and our experiences with government agencies, community groups and iwi will enable us to prepare and plan for future emergencies," Te Tai Hauāuru Regional Manager Willis Katene said.

Through the Māori Potential Fund, Te Puni Kōkiri also supported a range of post-earthquake efforts, including distributing emergency packs and food, and transportation of people affected – typically delivered through marae-based entities.



Much needed kai on its way to Kaikoura whānau.

Photo by Shane Graham

### Bay of Plenty floods

During the Bay of Plenty floods, Te Puni Kōkiri staff worked alongside marae and community volunteers, local council and Emergency Operation Centre staff, including helping to wind down the centre activities and doing a stock take of donated goods for redistribution to local recovery centres.

Rautahi Marae in Kawerau was in operation as an evacuation centre for 11 days following the floods with operations being managed by the Marae Committee and the Emergency Operation Centre. An estimated 600 people received support at the Ngā Hau e Whā Marae which provided beds, meals, and respite and recovery information to evacuees.

Ruaihona Marae in Te Teko was used as the base for the Ngāti Awa Volunteer Army (NAVA), which contributed a massive 4,650 hours to cleaning up some of the worst flood-affected areas in Patutātahi-Edgecumbe, including 200 homes.

NAVA was established in collaboration with iwi, Whakatāne District Council and the Bay of Plenty Regional Council. The skill and knowledge available through the group was of great benefit to relief efforts.







# Whenua | Whanaketanga

## contributes to Whairawa

Through the priorities of Whenua and Whanaketanga our work contributes to the outcome of *Whairawa*. Te Puni Kōkiri is seeking to enable Māori to exercise choices, particularly through the protection and utilisation of tangible resources and skills.

The Ministerial priorities and other activities and efforts of Te Puni Kōkiri that contribute to Whairawa include:

- **Whenua** – establishing an enabling Māori land tenure system and support for the development of whenua Māori;
- **Whanaketanga** – working with regions to identify and progress regional economic development opportunities for Māori;
- facilitating Māori business development and innovation by administering programmes and providing information aimed at promoting Māori businesses; and
- supporting and encouraging whānau Māori to provide for their future, including developing initiatives to boost financial literacy and savings.

### Whenua Māori Reforms and Development

Protecting and utilising whenua Māori is an essential element in realising whānau success more widely. It is critical that Māori are able to realise the full economic potential of their tangible and intangible assets while maintaining the protection of assets for future generations. Whenua Māori reforms have been an important area of focus for Te Puni Kōkiri.

### Te Ture Whenua Māori Bill

Further steps were taken in the journey to recognise and enhance the mana and tino rangatiratanga Māori have exercised over their lands, resources and taonga as Te Ture Whenua Māori Bill made its way through the parliamentary process during 2016/17.

Consistent with the guarantees given to Māori in Te Tiriti o Waitangi, the Bill seeks to protect the right of Māori land owners to retain, control, occupy, and develop their land as a taonga tuku iho for the benefit of present and future generations of owners, their whānau, and their hapū.

The Bill provides a clearer and more empowering legal framework for Māori land owners, giving them more ability to make decisions about how their land is governed and how it is used.

Following its introduction in Parliament, the Bill was referred to the Māori Affairs Select Committee for consideration. 152 written and 47 oral submissions were made to the committee, who recommended several changes to the Bill focusing on:



- enhancing protections to prevent land being lost;
- leading stronger-performing governance bodies and clearer decision-making processes; and
- making better use of the expertise of the Māori Land Court.

The Government subsequently made additional changes to the Bill to address inequities in Māori land law – including provisions relating to

the Public Works Act, the rating and valuation of Māori land, and the application of the rates rebate scheme – and to further strengthen the protection mechanisms for Māori land.

During 2016/17, the Land Transfer Bill, Resource Legislation Amendment Bill, and Māori Purposes Bill were all progressed to enactment. Te Puni Kōkiri was responsible for the Māori Purposes Bill and provided input on the other Bills as well as co-ordinating links between them.



Reureu Kōtahitanga Ltd received support from the Whenua Māori Fund to identify opportunities for developing an initial 200ha (approx) with the possibility of increasing scale.



### **Te Ratonga Whenua Māori - The Māori Land Service**

The establishment of the Māori Land Service is a key element of the whenua Māori reforms.

These reforms seek to realise the promise of tino rangatiratanga of Māori over their whenua and are underpinned by three pou (principles) of:

- Mana Motuhake (greater Māori land owner autonomy);
- Whakawhanake (greater ability of Māori land owners to use their land); and
- Taonga Tuku Iho (protecting the ownership of Māori land for future generations).

The Māori Land Service is envisaged as a proactive service that promotes the use of Māori land. It aims to empower owners to use the whenua in the way that best suits their vision.

Extensive wānanga, with over 1,000 Māori land owners across the motu have contributed to structured co-design discussions to ensure the Māori Land Service best supports Māori land owners. It is proposed that the Māori Land Service will deliver four services:

- Māori Land Information and Registry Services;
- Advisory and Development Services;
- Owner Decision Making Services; and
- Dispute Resolution Services.

### **Funding Whenua Māori initiatives: Te Tairāwhiti**

There is 1.420 million hectares of Māori freehold land in New Zealand, representing 5.5 per cent of the total. The proportion of Māori freehold land varies across regions, making up a more significant part of land in Aotearoa (29 per cent), Waikato (21 per cent), and Tairāwhiti (19 per cent). Approximately 80 per cent of Māori freehold land is believed to be either under-performing or is under-utilised.

The Whenua Māori Fund is part of the wider Te Ture Whenua work programme to give Māori landowners more say and control over what happens with their land. The fund has sought proposals that:

- seek to improve land use, including bringing unused land into use;
- help owners/trustees of Māori freehold land to prepare for commercial ventures;
- remove barriers to more productive use of land, such as supporting existing operations to raise their performance; and
- help owners/trustees to take advantage of other Government programmes or funds.

Since the fund opened in February 2016, we have supported 62 projects. Approximately a quarter of the funding has been granted to landowners for exploring options and the remainder to progress land development in apiculture, horticulture, agriculture, energy, and tourism.

Further support for whenua Māori initiatives has been provided through the Māori Potential Fund, including landlocked land, ownership registration, and environmental indicators.



## Te Ratonga Whenua Māori – the Māori Land Service

The Māori Land Service is an integral part of the current Māori Land Reform Programme that is aimed at keeping Māori land in Māori ownership and empowering Māori to achieve their aspirations for their land.

The requirement for the establishment of the Māori Land Service would be triggered by the enactment of Te Ture Whenua Māori Bill and must be operational within 18 months of Royal Assent. Te Puni Kōkiri, the Ministry of Justice and Land Information New Zealand are jointly involved in preparing for the establishment of the Māori Land Service.

The establishment of a Māori Land Service recognises that the present legal and supporting infrastructure for Māori land is complex in comparison to general title land. Many transactions require judicial involvement, with Māori Land Court approval required for a range of ownership and management decisions. There are 27,308 separate Māori freehold land parcels, comprising 5.5 per cent of New Zealand's land area. With an average of 100 land owners per parcel of Māori land, the challenges of ownership and active management are large.

The intention behind Te Ture Whenua Māori Bill is to provide Māori land owners with greater opportunity to organise themselves and actively manage their land interests.

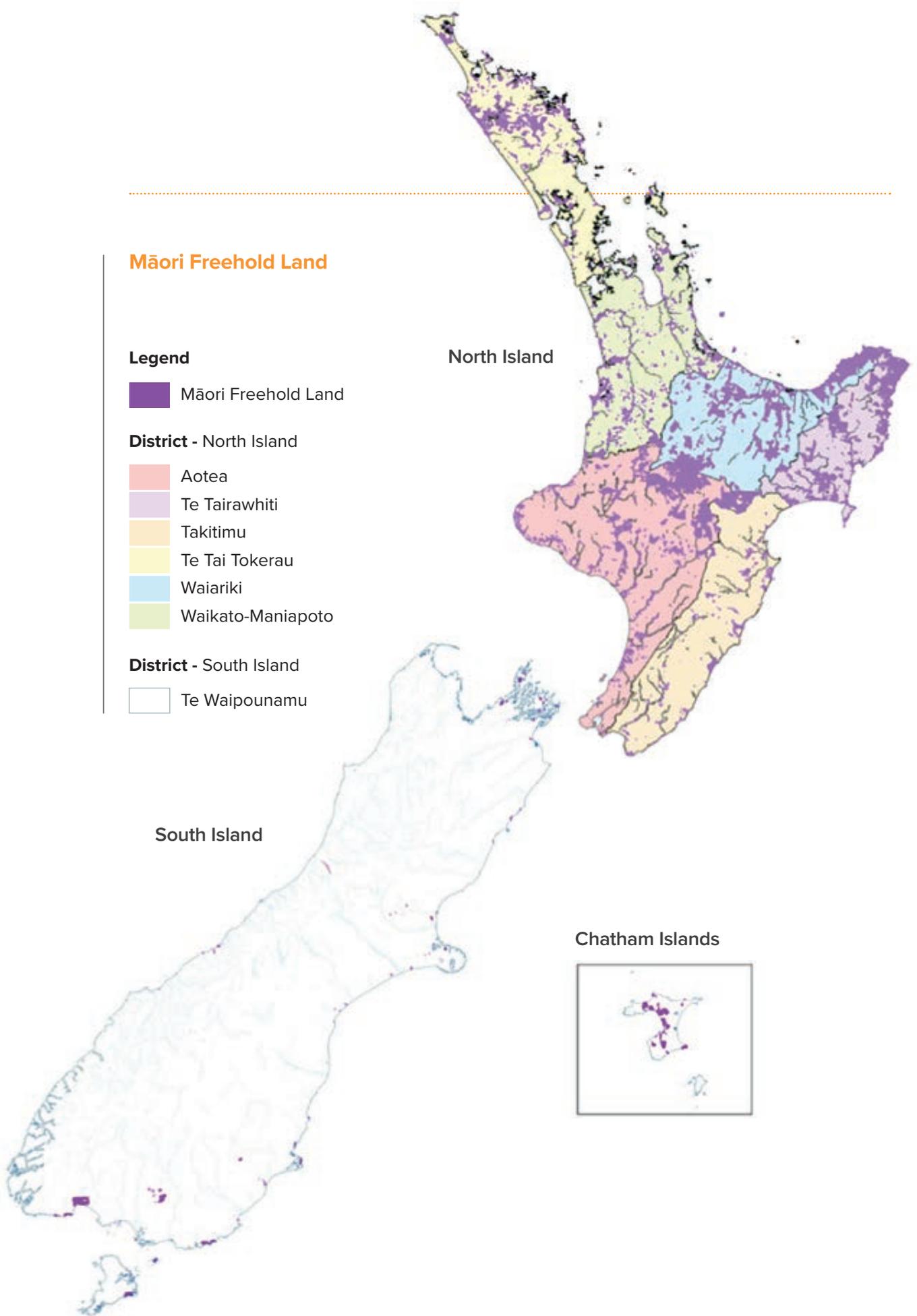
During the year Te Puni Kōkiri held two series of wānanga with Māori land owners. The purpose of the wānanga was to ensure Māori land owners co-design the Māori Land Service so that it is fit-for-purpose. More than 1,000 land owners and trustees participated in extensive wānanga across the country to discuss the proposed Service.

In both series of wānanga, attendees said they wanted a:

- kaupapa Māori organisation delivering services that can transfer knowledge and capability to owners;
- single place to go to for everything to do with whenua;
- whānau-friendly service that responds to different needs; and
- service from which it's simple to get advice and information.

Te Puni Kōkiri progressed work on the initial design of the Māori Land Service, guided by the requirements set out in Te Ture Whenua Māori Bill, the wānanga with Māori land owners, and the advice from a Ministerial Advisory Group and the Iwi Chairs Forum. The Ministry of Justice and Land Information New Zealand are partner agencies in the programme team for the establishment of the Māori Land Service.





## Māori Economic Development

The Māori economy is a significant and an increasingly important contributor to New Zealand's economy with an asset base estimated by some to be as much as \$50 billion. It is estimated that gross domestic product from the Māori economy topped \$11 billion in 2013 – equivalent to 5.6 per cent of New Zealand's total value-added production.

A key component of the Government's Business Growth Agenda has been the regional economic development programme where central government supports regional leadership to determine and action their economic development aspirations. At the regional level, governance is made up of regional and local councils, iwi, and business leadership. Regional economic development aims to ensure the development of high-performing people, assets, and enterprises creating a thriving Māori economy.

Te Puni Kōkiri participation in regional economic development encompasses a wide range of activities, focusing on improvements at varying levels, from whānau, to businesses, to systems, as well as understanding asset ownership and management. They include:

- *He kai kei aku ringa* strategy and action plan refresh;
- Regional Growth Programme;
- development of regional Māori economic development strategies;

- support to Māori businesses and entrepreneurs, including through direct funding;
- Māori trade strategy, missions, and international relationships;
- natural resource management; and
- a range of other areas of input (covered elsewhere in this report), including whenua reforms and cadetships.

The emphasis is on ensuring Māori are active participants in regional economies and in a way that allows Māori to succeed as Māori.

### He kai kei aku ringa

*He kai kei aku ringa* is the Crown-Māori Economic Growth Partnership and national Māori economic development strategy. Established in 2012, it provides a vision for a productive, innovative, export-oriented Māori economy driven by whānau. The English translation for *He kai kei aku ringa* – 'providing food by my own hands' – has become a metaphor for the resilience and economic self-determination of Māori.

In 2016, Te Puni Kōkiri and the Ministry of Business, Innovation and Employment set out to refresh *He kai kei aku ringa*. As part of the refresh, Te Puni Kōkiri facilitated eight regional hui between March and December 2016 to provide an opportunity for iwi, Māori businesses, Māori incorporations, land trusts, rangatahi, and government agencies to set the future direction of Māori economic development.



In June 2017, Te Puni Kōkiri and the Ministry of Business, Innovation and Employment launched the refreshed strategy. The overall goal of the strategy is to achieve a 20 per cent increase in annual Māori median income from \$26,500 to \$31,800 by 2021. There are five goals of *He kai kei aku ringa* which can be represented by “E RERE”:

- **Employment** – growing the future Māori workforce;
- **Rangatahi** – supporting Māori youth to define and lead their economic aspirations;
- **Enterprise** – growing Māori enterprises;
- **Regions** – increasing Māori participation in regional economies; and
- **Education** – upskilling the Māori workforce.

For more information about *He kai kei aku ringa* please go to [www.erere.Māori.nz](http://www.erere.Māori.nz)

## Regional Growth Programme

Regional economic development is a key part of the Government’s Business Growth Agenda and over the past three years, Government has worked with regions through the Regional Growth Programme. The programme has been designed to identify economic challenges and opportunities, and help increase jobs, income and investment for New Zealand in the regions.

The programme began in 2014 and originally focused on four regions – Northland, Bay of Plenty, Gisborne/Hawke’s Bay and Manawatū-Whanganui. It has broadened to include Waikato, Taranaki, Canterbury, West Coast and Southland.

Te Puni Kōkiri has invested or co-invested in key iwi and Māori-led initiatives in each region, as well as providing support for development of iwi strategic approaches in some regions.

We have and will continue to work to increase focus on the opportunities the Māori economy presents for regional development, including through realisation of the potential of natural and people assets.



## Southland

In November 2016 the Southland Regional Development Action Plan was launched. Te Puni Kōkiri was delighted to be part of the officials group supporting iwi participation in the development of the plan, which reflects the needs and aspirations of Māori in Southland.

Māori involvement in the Southland economy is growing and continues to grow. It has been important for local rūnanga to be at the governance table and be part of the development of both the 2015 Southland Regional Development Strategy and the Action Plan so the potential of the Māori contribution to the Southland economy can continue to be realised.

Local rūnanga are particularly focused on aquaculture and tourism as opportunities for their economic development.

Building on the local aquaculture industry will have benefits to Māori directly through employment and, for Bluff, the potential increase of shipping in cargo and equipment for the industry.

Te Puni Kōkiri has invested \$145,000 in the Rakiura Māori Land Trust for building a heritage centre that will house and display their taonga on Stewart Island. It will also assist them to investigate ways to better utilise the whenua for tourism ventures.

The Rakiura Heritage Centre will add more value to the tourism sector and will contribute to the local economy by attracting new visitors and helping to keep visitors on the island for longer.

## Te Pae Tawhiti: Rangitīkei, Rangitīkei-Marton, Tāmaki-nui-a-Rua

Te Pae Tawhiti – a strategy for Māori economic development across the Manawatū-Whanganui Region – was developed with support from Te Puni Kōkiri. It aims to articulate a distinctively Māori view of economic development and to contribute to regional growth on terms that accord with Māori aspirations and values.

The strategy comprises of five overarching goals:

- Oranga tangata (human potential)
- Oranga whānau (successful whānau)
- Oranga whenua (thriving environment)
- Oranga mauri (flourishing mauri)
- Oranga mō āpōpō (future wellbeing)

Te Pae Tawhiti sets out an intergenerational strategy for Māori economic development in Manawatū-Whanganui through to 2040. It is inclusive of Ngā Rauru Kītahi (Southern Taranaki), Rangitīkei (Rangitīkei-Marton), Horowhenua (Levin-Ōtaki) and Tamaki-Nui-A-Rua (Dannevirke regions).

The strategy was officially launched by Minister Te Ururoa Flavell at Te Pae Tata in Ōhakune in November 2016.



### **Māori businesses and entrepreneurs**

Te Puni Kōkiri continued to provide support to Māori businesses and entrepreneurs, in particular through regionally-based staff connecting businesses in similar phases through themed workshops.

Areas covered included business fundamentals, marketing, e-commerce, project tendering, asset utilisation and productivity, managing business growth, and governance.

Further support was also provided through direct funding of more than 70 development opportunities spanning small business development, Māori tourism, mānuka and honey, and social enterprises.

### **Small and Medium Business Enterprises Roadshow, Whakatāne**

Te Puni Kōkiri Waikato-Wairiki region partnered with the Ministry of Business, Innovation and Employment to host a small business road show – Taking Care of Business – at Mataatua Marae, Whakatāne in June 2017.

Eighty small business owners attended the event. Te Puni Kōkiri and the partner agencies in attendance presented information on the services available to businesses to support their current and future needs following the floods that had a widespread impact across the Eastern Bay of Plenty.

The Māori economic strategy for the region *He Mauri Ohoho* includes unlocking Māori land for developing tailored programmes to increase productivity, skills development, and employment opportunities in the region. There is a significant contribution by Māori to the regional economy with \$1.1 billion a year being generated from an asset base of \$8.6 billion.



## Small Business Roadshow, Kaitiāia

Participants at the Small Business Roadshow in Kaitiāia heard that Te Tai Tokerau Māori economy accounts for 15 per cent of the total Māori assets in New Zealand.

The lion's share of assets held by self-employed Māori, Māori employers, and land-owning Trusts and Incorporations in the region is valued at \$2.4 billion – a significant slice of the national Māori contribution to GDP, and economic wealth in the region.

Te Puni Kōkiri support is delivering comprehensive information, guidance, tools, and specific one-on-one advice to Māori businesses encouraging growth and productivity.

Concepts of kaupapa are inherent to a Māori way of doing business and overseas markets are increasingly responsive to cultural distinctiveness and commerce led by culture.

## Culture and trade missions

Cultural and trade missions provide the opportunity to ensure that Māori interests, aspirations, and rights are represented internationally. They also provide an opportunity to open and expand international markets for Māori businesses and share Māori culture with the rest of the world.

In 2016/17, Te Puni Kōkiri, the Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise supported trade and cultural missions to Malaysia and Singapore. The priorities for the mission encompassed food and beverage, tourism, and culture. The mission established contacts between Māori business delegates to access commercial opportunities in Malaysia and explored cultural exchanges between educational and tourism institutions.

An economic summit hosted by Ngāti Kahungunu and designed to strengthen cultural and commercial relationships with China, saw around \$138 million worth of potential business initiatives and joint venture undertakings in the pipeline.

Building off the trade mission to Japan and Korea in June 2016, a Māori-Ainu trade promotion event is being arranged in Tokyo to provide Māori businesses new opportunities in the Japanese market.



## From te Pa to Seoul

From their participation in a trade delegation, a rapidly growing Marlborough vineyard is now exporting wine to Seoul.

The chance to travel as part of a trade delegation to Korea and Japan, led by the Minister for Māori Development, in June 2016, was too good an opportunity to miss.

“It ticked all the boxes for what we want to achieve”, says te Pa vineyard owner, Haysley MacDonald.

Based on the Wairau Bar, te Pa launched in 2011, producing 5,000 cases in its first year of operation.

“Today we are sitting at about half a million cases, so growth has been extraordinary,” says Haysley.

Despite te Pa’s strong growth, Haysley thinks travelling to offshore markets is important for maintaining relationships and finding new business. However, even he was surprised to strike a deal while travelling with the delegation.

“I didn’t expect to get any business on the first trip, especially having had a little bit of experience with Asia.”

te Pa donated the wines for a dinner hosted by the New Zealand Embassy. The wine was



Haysley MacDonald owner of te Pa vineyard

well received and senior officials from one of the Korean companies at the dinner asked where the wine came from.

“I happened to be there and from that one dinner we did business.”

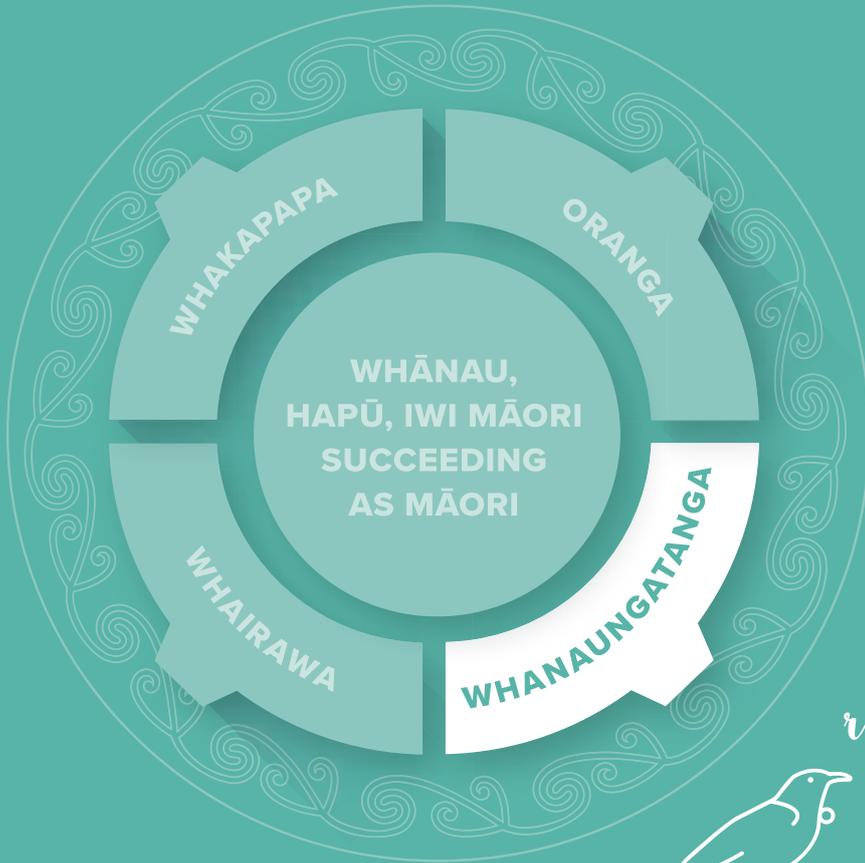
In addition to securing a business deal, Haysley says he enjoyed the cultural elements of the visit, prompting changes to his business including the introduction of basic Māori greetings in emails.

“Now we’re looking to go another step up and I’m now considering taking all of my staff onto a marae for a night to give them a basic understanding of who we are as a family.

“I’ve jumped into the Māori world in the last three or four years to better understand myself, my heritage... As far as what we stand for and what we’re trying to portray to the world – it seems to be working.”

Other delegates on the visit included representatives from the tourism, horticulture, fishing, forestry, and the honey industry.

# Whanaungatanga



*rights and interests*

*kaitiakitanga*  *partnership*  *taonga*  *future*

*Crown-Iwi*  *natural resources*  *leadership* 

*Engagement*  *protection*  *connection*  *whenua* *settlement* 

*Treaty of Waitangi*



# Crown | Māori engagement

## contributes to Whanaungatanga

The principal role of Te Puni Kōkiri is to provide advice on Crown-Māori relationships contributing to the outcome of *Whanaungatanga*. Te Puni Kōkiri seeks to create an environment where Crown-Māori relationships are productive and enduring.

The activities and efforts of Te Puni Kōkiri that contribute to Whanaungatanga include:

- supporting Crown-Māori engagement, including engagement with the Iwi Chairs Forum and seeking to improve broader public sector engagement;
- supporting the Treaty settlement process, principally through mandating and ratification, and post-settlement relationship accords; and
- ensuring Māori interests, aspirations, and rights within the international domain, are represented and considered.

### Crown-Māori engagement

Crown-Māori relationships have never been static, and consistent with the trend over the last two decades, Māori influence continues to grow, particularly at the iwi level. This growing influence is positive, but the picture across Māoridom and at different levels – national, regional, local and sectoral – is uneven, resulting in a more complex and nuanced operating environment.

We see recalibrations of responsibility between the Crown and Māori. The establishment of Te Mātāwai which will lead revitalisation of te reo

Māori on behalf of iwi and Māori under Te Ture mō Te Reo Māori (Māori Language Act) is one recent example – and one that Te Puni Kōkiri continues to assist.

Recognition of the differences facing Māori has been a central component of the work around whenua Māori, particularly the introduction of Te Ture Whenua Māori Bill. Extensive consultation with Māori, led by Te Puni Kōkiri and under a tikanga Māori framework, helped inform modifications to the principles and content of the Bill, and shaping options for the Māori Land Service.

Te Puni Kōkiri also supports the Crown in its relationships with iwi, hapū and whānau Māori at a regional level through cultural and logistical support, and through connections with Māori stakeholder networks. This is evident during events of national significance like Waitangi Day and Rātana celebrations.

Regional teams, with a national footprint and engagement with Māori at all levels, play an extremely important bridging role for relationships between the Crown and Māori. These teams maintain an ongoing network of trusted relationships with Māori leadership and with whānau at a flax roots level of



Māori communities across New Zealand. This enables Te Puni Kōkiri and other Crown agencies to carry out work through direct engagement with Māori.

Their involvement also extends to supporting broader government activities, such as supporting the Children's Action Teams, Integrated Safety Response Teams, and place-based social investment initiatives, established across the country, to connect with local Māori health and social service organisations.

### **Te Tiriti o Waitangi: Wainuiarua, Tāmaki, Tāmaki-nui-a-Rua, Ngāti Rēhua, Ngā Rauru, Kītahi and Treaty settlements**

Te Puni Kōkiri provides support for Treaty settlement and Treaty-related responsibilities. This includes supporting the Office of Treaty Settlements with mandating, ratification, and settlement issues. Across 2016/17, this has included:

- supporting the Minister for Māori Development to mandate Ngāti Maru ki Taranaki, Maniapoto, Whakatōhea, Te Korowai o Wainuiārua and Tamaki Maunga, and to ratify deeds of settlement for Rangitāne o Wairarapa, Tāmaki Nui-a-Rua, Ngāti Tamaoho, Ngāti Tūwharetoa, Ngāti Rēhua-Ngātiwai ki Aotea and the Hauraki collective;
- working with the Office of Treaty Settlements on a Deed of Reconciliation and support package for Parihaka;

- managing the process and making appointments of ten Waitangi Tribunal members whose chair expired between June 2016 and August 2017, which included the warrant for the Chairperson;
- co-leading with the Ministry for the Environment the statutory review of the Waikato and Waipā River Deeds, coordinating the Waikato River Iwi Annual Relationship Forums, the Ngāa Rauru Kīitahi Paepae Rangatira, and the Taranaki Whānui ki Te Upoko o Te Ika Annual Ministerial Forum;
- developing a report, tabled in late 2016, on progress made on implementation of recommendations to the Crown by the Waitangi Tribunal under section 8(i) of the Treaty of Waitangi Act 1975; and
- supporting post-settlement commitments on behalf of the Crown, including managing and facilitating Crown Accords with nine iwi.

Te Puni Kōkiri has also supported the settlement process by funding capability development opportunities, such as governance training, to assist those with roles and responsibilities in post-settlement governance entities.



## Parihaka

On Friday 9 June 2017, the Crown signed a Deed of Reconciliation with the Parihaka community in a ceremony held at Parihaka. This included an apology by the Crown for its actions almost 140 years ago.

The ceremony was part of a wider reconciliation package that included \$9 million to assist Parihaka to strengthen its infrastructure and help the community achieve its aspirations. It also includes an agreement with Crown agencies and local authorities to work with Parihaka on development initiatives. Legislation will also be introduced to record the history of Parihaka, the Crown's apology and the commitment to a new relationship between Parihaka and the Crown.

Te Puni Kōkiri Senior Advisor based in Taranaki Roena Ruakere-Te Uira's close involvement with the people of Parihaka began over ten years ago when Te Puni Kōkiri undertook a needs assessment of Parihaka. She has had regular contact with the community about their aspirations and concerns, including attending Rā days – two days each month where the community acknowledge the prophets Te Whiti-o-Rongomai and Tohu Kākahi.

Over time, conversations have focused on how Parihaka might be acknowledged as part of a Taranaki iwi Treaty settlement, but Taranaki iwi acknowledged that Parihaka was

unique and they supported an option being considered to acknowledge the significance of what happened to the Parihaka community.

A working group, called Kawe Tutaki, was established to assist the Government's understanding of the aspirations of Parihaka. Te Puni Kōkiri provided funding for a project manager and administrator to assist Parihaka to coordinate their conversations with the Crown during this time. More recently, the involvement of Te Puni Kōkiri with Parihaka has included assistance with housing and town planning in the settlement.

The reconciliation package will be used to fund initiatives identified by the people of Parihaka, including infrastructure improvements. Te Puni Kōkiri will continue in its role of supporting and monitoring these agreements.

For Roena, her relationship with the people of Parihaka has been close, with the recent ceremony and recognition of the events, a rewarding outcome for the efforts by many over the years.

'This is part of the healing, there is much still to do and these agreements will be a mechanism for a collaborative approach to support the aspirations of the community for the legacy of Parihaka,' says Roena.



## International and indigenous peoples forums

As the principal advisor on Crown-Māori relationships, Te Puni Kōkiri provides advice that informs international work-streams that either directly concern Māori or concern indigenous peoples more generally.

We work closely with other agencies, particularly the Ministry of Foreign Affairs and Trade and New Zealand's diplomatic missions, to ensure that Māori interests, aspirations and rights within the international domain are reflected and considered.

As part of our international work programme, Te Puni Kōkiri led the New Zealand Government Delegation that attended the United Nations Permanent Forum on Indigenous Issues in New York in May 2017. The Permanent Forum deals with indigenous issues related to economic and social development, culture, the environment, education, health, and human rights.

Te Puni Kōkiri contributed to the preparation of a range of statements that were presented at the Forum and was responsible for preparing the statement of Indigenous Languages: Preservation and Revitalisation.

## Nominations service

Te Puni Kōkiri also provides advice on appropriate candidates for appointment to government boards, committees, advisory groups and trusts. Board membership is a way to increase Māori participation in the

governance of a wide range of important national interests, including social and environmental well-being, science, law, and commerce. Māori have a vital role to play, and the Government is keen to ensure that qualified and experienced Māori voices are represented.

Our nominations service, informed also by our regional network, which plays a key role in identifying appropriately qualified and experienced candidates, maintains a database of prospective nominees for such appointments.

## Māori in electoral processes

In June 2017, Te Puni Kōkiri and the Electoral Commission launched a programme to increase the awareness and participation of Māori in electoral processes. Statistics indicate that Māori aged between 18 and 29 years have the lowest rate of enrolment of any other age group. Only 55 per cent of the total estimated population, in this age range voted at the last election.

Recognising our youthful Māori population and to complement the work of the Electoral Commission, the approach included a social media campaign targeting 18 to 29 year olds on Facebook, Twitter, Instagram, and Snapchat.

The longer-term goal is to improve Māori participation and engagement in local body elections, and in District Health Board and Board of Trustee elections.





# Organisational Capability

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# Organisational Capability

The Government's desire to more directly address challenges facing Māori has resulted in increases to Vote Māori Development of more than a \$300 million over the past three years; a considerable portion of this sum is channelled through and directly managed by Te Puni Kōkiri. In response to this substantial growth in investment activity, Te Puni Kōkiri undertook an organisational review that resulted in a strengthening of our ability to invest in whānau, hapū, and iwi. We also looked at our regional interface, which is critical to understanding the aspirations and preferred ways of working with whānau, hapū, and iwi Māori.

## Whānau-centred operating model

The review also resulted in the development of a whānau-centred operating model to:

- strengthen the way we work and engage with whānau, hapū, iwi, and Māori organisations in a value based, whānau-centred manner;
- strengthen our stewardship of Whānau Ora with whānau, hapū, iwi, and Māori organisations, and share the lessons learned across the State sector; and
- ensure we are agile and can respond to a changing environment.

A whānau-centred approach is one guided by te ao Māori and tikanga Māori, which places whānau at the centre of our decision making. It is an approach that seeks to empower and target the strengths of whānau, while streamlining and integrating support processes, to enable us to efficiently and effectively deliver services to, and test innovative trials directly with, whānau, hapū, and iwi Māori.

## Our people

Te Puni Kōkiri is an equal-opportunity employer and our diversity metrics are among the best in the State sector.

There are a wide number of ethnicities represented in our workforce and we have a high percentage of staff who identify as Māori. We acknowledge that whakapapa, tikanga and other cultural connections are part of the capabilities that staff bring to their jobs and we welcome, respect and learn from that.

For some years women have filled 50 per cent or more of senior positions within Te Puni Kōkiri and our gender pay gap is below three per cent.

Gender	
Women	67%
Men	33%



Ethnicity distribution	
NZ Māori	73.5%
Other	26.5%

Te Puni Kōkiri retains a significant policy function. Over the past two years, there has been a strong focus on increasing the quality of our policy advice through foundational and advanced learning modules. An increased rating of our policy advice by the New Zealand Institute of Economic Research (NZIER), now places us in a higher grouping alongside ten other departments, and demonstrates our ongoing progress and priority within this space.

We continued to focus during the year on the development of our leadership potential including the development of a specialist leader's programme being piloted in early 2017/18. Te Puni Kōkiri is an active participant in the Natural Resources Sector leadership development programmes as well as working with the State Services Commission to identify future talent.

We refocused our attention on our Ahurea Ako (learning culture) during the year, developing our overall employee capability in a number of key skills areas, including machinery of government, writing skills, critical thinking, and formulating policy advice.

We have rolled out a new intranet site that provides more opportunity for self-learning and information about online learning.

## Intern and graduate programmes

We have focussed on improving our intern and graduate programmes which grew to 11 interns this year. The programme has been successful with a 75 per cent transition of interns to longer-term working arrangements and roles within Te Puni Kōkiri.

## Health and safety

A key focus for Te Puni Kōkiri is to provide a healthy and safe workplace for its employees, interns, contractors, volunteers, and visitors. During the year significant policy and procedure updates were developed to align ourselves with the Health and Safety at Work Act 2015 and the protective security requirements.

Through our management practices, and each individual's efforts, we continue to strive to improve our health and safety performance. This included a renewed focus on employee education and participation in developing and embedding a safety culture, and improved health and safety governance, via our Central Health and Safety Committee. These initiatives have resulted in a shift in health and safety understanding and behaviour, with a corresponding increase in active participation in risk mitigation.



## Vulnerable Children Act 2014

Under Section 16(c) of the Vulnerable Children Act 2014 Te Puni Kōkiri is required to report on the extent to which:

- our operations have implemented any child protection policy; and
- that contracts and funding arrangements have complied with section 16(b) of this Act.

Te Puni Kōkiri has put processes in place to ensure that every contract that it enters into with a provider requires the provider to adopt as soon as practicable a child-protection policy, where the provider is or becomes a provider of children's services.

Te Puni Kōkiri is not a child-services provider, and is not required to adopt a child-protection policy under section 16(a) (i) of the Act. We do intend to adopt child-protection guidelines that take account of the national guidelines, which inform staff how to deal with incidents, including reporting, and the support mechanisms available to them.

## Appropriations review

Over a number of years new Vote Māori Development budget initiatives led to the creation of multiple new appropriations, some of which are relatively small. Ultimately, this created a large and inflexible appropriation structure<sup>3</sup>.

A review of the appropriation structure was undertaken during the year with the purpose of:

- combining overlapping appropriations into single appropriations, or grouping similar appropriations with the same overarching objective into multi-category appropriations;
- maintaining a balance between the need for more flexibility while maintaining sufficient checks and balances around expenditure; and
- reducing the administrative burden that comes with having so many appropriations.

With the agreement of the Minister of Finance, and with effect from 1 July 2017, the number of appropriations in Vote Māori Development has reduced to 24, down from 42 appropriations in 2016/17.

The Ministry also introduced dual-language titles into the formal Estimates documentation process – a first for government departments.

<sup>3</sup> To provide some context, during 2016/17 Main Estimates Vote Education administered \$11 billion via 37 appropriations, while Vote Māori Development administered \$295 million via 42 appropriations.



## Risk maturity pilot

During 2016/17, Te Puni Kōkiri continued to refresh its Risk Management Framework. As part of this process, Te Puni Kōkiri joined a small group of government agencies in an all-of-Government Enterprise Risk Maturity pilot. This pilot has, amongst other things, assisted Te Puni Kōkiri in determining an appropriate risk maturity level and in identifying risk capability gaps which will need to be addressed in 2017/18.

Work also progressed in developing a road map and associated resources to assist staff in how to use our risk management tools in puni and kaupapa areas. This new approach commenced in June 2017.

## Programme management

During the year, Te Puni Kōkiri committed to using a project management methodology called Agile Project Management, with the intention of developing a local version of Agile Project Management which aligns to our values and strategic objectives.

To support our staff to understand the methodology behind Agile the Project Support Office has hosted in-house Agile Project Management training. To date there has been nearly 50 staff trained in this methodology.

Over time, staff will be required to adapt the way they plan and manage projects and programmes by using this new project-management methodology and tools.

## New Zealand Business Number

Te Puni Kōkiri is building greater internal awareness of the New Zealand Business Number requirements and opportunities. It has formed a working group to consider the implications for its operations and interactions with business entities, particularly Māori business entities, as well as potential legislative implications.

Te Puni Kōkiri will also explore opportunities for Māori business entities through the New Zealand Business Number framework.

## Te Waka Kōkiri

Te Puni Kōkiri engages with a large number of Māori across a vast landscape often in remote areas of New Zealand, and many have limited access to technology. To address this we launched our first mobile base in Whakatāne in February 2017, providing Te Puni Kōkiri staff more capability to deliver our many services to whānau Māori and communities, who are not able to access information online or cannot get to one of our regional offices. It also gives our staff positive exposure amongst our Māori communities.

Te Waka Kōkiri has been fitted with modern technology to deliver a professional service to visitors. It has screens to display information and, for added staff safety, has satellite communications, so that staff can be in contact when on the road.



Inside there is a space to hold small hui, enabling kanohi-ki-te-kanohi connections. It provides an area where staff can meet privately with whānau, fostering open kōrero, and where staff can listen to the needs of whānau.

One Tūhoe leader, Paki Nikora, after a blessing said, “Ten years ago I said to the Regional Manager of the time, you don’t need to be meeting with Te Arawa leaders, you need to be coming to our communities, like us in Rūātoki... ten years later you have realised that request, welcome.”



Te Waka Kōkiri is another tool for Te Puni Kōkiri staff to use when engaging with whānau, hapū and iwi Māori and is ideal for use in remote or isolated areas. It will enable Te Puni Kōkiri to reach whānau Māori and communities who aren’t able to access information online or can’t get to one of our offices.

# Statement of Responsibility

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I am responsible, as Chief Executive of Te Puni Kōkiri (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2017 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2018 and its operations for the year ending on that date.

**Michelle Hippolite**

Toihautū | Chief Executive

29 September 2017



# Independent Auditor's Report

## To the readers of Te Puni Kōkiri's annual report for the year ended 30 June 2017

The Auditor General is the auditor of Te Puni Kōkiri (the Ministry). The Auditor General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 102 to 127, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2017 on pages 70 to 81 and 84 to 100; and
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2017 on pages 136 to 142; and
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 128 to 135 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2017; and
  - the schedules of expenses; and revenue for the year ended 30 June 2017; 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 102 to 127:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards.
- the performance information of the Ministry on pages 70 to 81 and 84 to 100:
  - presents fairly, in all material respects, for the year ended 30 June 2017:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and



- complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 136 to 142 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989; and
- the schedules of non departmental activities which are managed by the Ministry on behalf of the Crown on pages 128 to 135 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2017; and
  - expenses; and revenue for the year ended 30 June 2017.

Our audit was completed on 29 September 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical

Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Chief Executive for the information to be audited**

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and



- schedules of non departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

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

### **Responsibilities of the auditor for the information to be audited**

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always

detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the information on strategic intentions, Estimates of Appropriations as updated in the Supplementary Estimates of Appropriations 2016/17, forecast financial figures included in the Ministry's 2015/16 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information within the Ministry's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited

represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 6 to 62, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of

Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry.



**Ajay Sharma**

*Audit New Zealand*

*On behalf of the Auditor-General*

*Wellington, New Zealand*



# Measuring our Success

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## Measuring our Success: Whakapapa

The focus on Whakapapa, particularly through te reo Māori, seeks to ensure that Māori language, culture and values hold a place at the centre of Māori and Aotearoa New Zealand identity.

Key outcome measures	Desired trend	Actual trend	Latest result	Comment
<p><b>Māori language proficiency - at different levels</b></p> <p>Measured by the percentage of Māori who can speak te reo Māori very well, well or fairly well</p> <p><i>(Source: Te Kupenga)</i></p>	↑	↔	55% of Māori adults have some ability to speak te reo (2013)	Improved from 42% in 2001, but fluent speakers have dropped from 25% in 2001 to 21% in 2013
<p><b>Attitudes of New Zealanders towards Māori language</b></p> <p>Measured by the percentage of non-Māori who said that not enough Māori is currently being spoken</p> <p><i>(Source: Te Taura Whiri - New Zealand Attitudes and Values survey)</i></p>	↑	↑	38% of non-Māori think that not enough Māori is currently being spoken (2009)	Improved from 30% in 2003 and 31% in 2006
<p><b>Connection to marae</b></p> <p>Measured by the percentage of Māori who have visited their ancestral marae in the last year</p> <p><i>(Source: Census, Te Kupenga)</i></p>	↑	N/A	34% of Māori had visited their ancestral marae in the last year (2013)	No earlier result
<p><b>Māori values and interests related to the use and management of natural resources</b></p> <p>Measure (See Evaluating Progress section below)</p>	↑	N/A	See comment on page 72	No earlier result



We want all New Zealanders to be increasingly secure, confident and capable with te reo Māori and tikanga, as well as strengthening whakapapa relationships. For example, with each other, through te reo Māori and with their marae.

In determining progress towards strengthening whakapapa, we have identified a range of measures: an increase in the number of Māori who can speak te reo, improved attitudes towards te reo Māori, increased connection to marae and reporting values, and interests related to the use and management of natural resources.

**Te Puni Kōkiri is at the forefront of efforts to support te reo Māori and Māori culture and values. Building on Te Ture mō Te Reo Māori 2016 (a bilingual Act in which te reo is the prevailing language) Te Puni Kōkiri is supporting the establishment of Te Mātāwai, and development of the Maihi Karauna (the Crown's new Māori language strategy). It is expected that the Act will also be a catalyst for the continued improvement of attitudes towards te reo Māori into the future.**

Further efforts by Te Puni Kōkiri to improve the place of te reo Māori, along with Māori culture and values, span a wide range of activities. These include:

- **engaging with and influencing other natural resource agencies such as the Ministry for the Environment and Land Information New Zealand.**
- coordination with te reo Māori broadcasting agencies;
- support and funding for language, culture and marae-based activities (including kapa haka, Matariki and preservation of taonga); and

## Evaluating progress

We recognise that outcome measures identified here, at a macro level, are influenced by multiple factors and multiple government agencies. No one performance indicator will be adequate to measure the progress made in Whakapapa. The performance measures, therefore, provide a guide only to potential progress towards the desired outcome, of ensuring that Māori language, culture and values hold a place at the centre of Māori and Aotearoa New Zealand identity.

## Increasing the ability to speak te reo Māori

In 2013, Te Kupenga, the survey of Māori well-being conducted alongside the Census, reported that 55 per cent of Māori adults have some ability to speak te reo Māori, a 13-percentage point increase from the 2001 result of 42 per cent. While this is a welcome development, there has been a decline in fluent Māori speakers, down from 25 per cent in 2001 to 21 per cent in 2013. This highlights ongoing issues of the fragility of the language and the importance of continued investment and support.

According to Education Counts published by the Ministry of Education, the number of students that participated in Māori-medium by Māori language immersion Level 1 to Level



5 has steadily remained at 22–23 per cent between 2014 and 2016<sup>4</sup>.

### **Improving attitudes towards te reo Māori**

Attitudes towards the Māori language have trended upwards over time. Figures from Te Taura Whiri show that the percentage of non-Māori who considered that not enough Māori is currently being spoken increased from 30 per cent in 2003, to 38 per cent in 2009.

More recently, a 2016 survey by Te Māngai Pāho on the attitudes and behaviours of Māori and non-Māori toward Māori programming on television and digital access<sup>5</sup>, showed that the frequency of viewing of Māori television continues to slowly build amongst Māori youth (aged 15 to 24 years) and is stable amongst Māori overall (aged 15 and above) and non-Māori (aged 15 and above). The survey result also shows that digital access of Māori content continues to increase amongst Māori and non-Māori.

A 2015 University of Auckland study<sup>6</sup> suggests that only a very small number of New Zealanders consider te reo Māori should not be taught in primary schools (Matika et al, 2015)<sup>7</sup>.

### **Connecting to marae**

The connection to ancestral marae demonstrates the value of the connection within Māori society. The 2013 Te Kupenga survey highlighted that for Māori that knew

their ancestral marae (71 per cent), the vast majority (89 per cent) had been there at some stage, with 54 per cent saying they had done so in the previous year. Those with higher te reo Māori capability and older Māori were more likely than others to have visited their ancestral marae within the past year.

### **Natural resources: incorporating Māori values and interests into agencies' environmental work programmes**

Te Puni Kōkiri has a specific focus on influencing other agencies' policy development and thinking, to ensure that te ao Māori values, rights and interests are incorporated into their work programmes.

The key targeted agencies are the Ministry for the Environment, Ministry for Primary Industries, Department of Conservation and Department of Internal Affairs.

Māori values and interests towards natural resources were particularly evident through consultation in respect of Te Ture Whenua Māori Bill, with over 170 hui and in excess of 3,000 land owners engaged – the most significant consultation with Māori on their whenua in decades. These hui highlighted deep interest and very passionate views about whenua and how best it should be managed in the future. These views were carefully considered and strengthened the final Bill presented to Parliament.

<sup>4</sup> Education counts, Ministry of Education (<https://www.educationcounts.gov.nz/statistics/Māori-education/Māori-in-schooling/6040>).

<sup>5</sup> TNS (2016) Māori Audience Survey 2016, Te Māngai Pāho.

<sup>6</sup> New Zealand Attitudes and Values Study (NZAVS).

<sup>7</sup> Matika, C. M., Houkamau, C. A., & Sibley, C. G. (2015). Support for Te Reo Māori in Aotearoa, 2015: Analysis of Data from the New Zealand Attitudes and Values Study. Report commissioned by Te Taura Whiri i te Reo Māori.



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Statistics New Zealand and the Ministry for the Environment have published:

- *Environment Aotearoa 2015* the first comprehensive report covering measures for all aspects of the environment; and
- *Our fresh water 2017*, the first comprehensive report on the state of our fresh water.

These reports recognise the importance of te ao Māori in understanding an environment that benefits all New Zealanders and the Government's obligation to provide information that contributes to Māori decision-making and well-being. This included the notion of kaitiakitanga based on mātauranga Māori, customary rights and use of the environment that represent the permanent and unique relationship Māori have with the environment. For example, deeds of settlement relating to Te Urewera and the Whanganui River clearly articulate a te ao Māori view of the relationship between humans and the environment.



## Measuring our Success: Oranga

The focus on Oranga, particularly through Whānau and Whare, seeks to ensure the realisation of opportunities and outcomes that reflect and support the aspirations of whānau Māori.

Key outcome measures	Desired trend	Actual trend	Latest result	Comment
<p><b>Stronger whānau</b></p> <p>Measured by the percentage of whānau Māori who are doing well or extremely well</p> <p><i>(Source: Te Kupenga)</i></p>	↑	N/A	83% of whānau are doing well or extremely well (2013)	No earlier result
<p><b>Increased skill levels</b></p> <p>Measured by the percentage of 25–34-year-old Māori with advanced trade qualifications, diplomas or degrees at Level 4 or above</p> <p><i>(Source: Household Labour Force Survey)</i></p>	↑	↑	36% of 25–34-year-old Māori with advanced trade qualifications, diplomas and degrees at Level 4 or above (March, 2017)	Improved from 32% in 2016
<p><b>Decrease in the number of long-term job seekers</b></p> <p>Measured by the number of Māori who have received job seeker support for more than 12 months</p> <p><i>(Source: Ministry of Social Development)</i></p>	↓	↑	54.1% of Māori who receive job seeker support have done so for more than 12 months (Dec, 2016)	Increased from 52.4% in 2015/16
<p><b>Whānau Māori in quality housing</b></p> <p>Measured by the number of Māori households that do not require immediate or extensive repairs</p> <p><i>(Source: General Social Survey)</i></p>	↑	↑	91% of Māori households do not require immediate or extensive repairs (2016)	Increased from 87% in 2014



We want Māori to experience improved levels of well-being – healthier, safer and empowered. In determining progress towards improved Oranga, we have considered a range of measures reflecting shifts in the strength and resilience of whānau, getting skills and qualifications, increased labour market participation, and improvement in the quality of homes for whānau Māori.

Oranga outcomes are one of the most significant areas of priority and financial investment for Te Puni Kōkiri. Whānau Ora – the programme and approach – seeks to empower whānau to take control of their lives. The Māori Housing Network, established in 2015, recognises that safe and healthy homes are a key component for creating an environment where whānau can prosper. In both cases we are seeing very positive impacts for whānau. Te Puni Kōkiri also contributes to wider Māori well-being through efforts in education and training, cadetships (1,767 over the life of the programme), māra kai (communal gardens) and other areas of whānau-focused investment.

## Evaluating progress

We recognise that multiple agencies contribute to Māori well-being outcomes, making the identification of the impact of individual agencies more challenging. However the performance indicators across wellness, qualifications, labour market participation, and housing provide a useful picture of overall trends.

## Building stronger Whānau

The 2013 Te Kupenga survey was the first time information relating to whānau well-being was explicitly collected. The results showed 11 per cent considered they were doing ‘very well’, with a much larger group, 72 per cent doing ‘well’. This left 17 per cent of whānau in the ‘neither well nor badly’ to ‘badly or extremely badly’ categories.

During the 2016/17 financial year, Te Puni Kōkiri invested over \$71 million through three Whānau Ora Commissioning Agencies to implement whānau-centric approaches and engage directly with whānau. The agencies are reporting expanded and enhanced community engagement which is helping to improve the lives of whānau and families.

## Increased skill levels

The ability to contribute to society through meaningful work and attracting a high income is a major factor contributing to wider life achievements. The Government has recognised this and has developed a measure to improve the percentage of the population who have advanced qualifications.



This measure known as Better Public Services Result Six has a target of 60 per cent of all 25–34 year-olds having a New Zealand Qualification Framework Level 4 or above qualification in 2018.

Household Labour Force Survey (December 2016) reports that 36 per cent of Māori aged 25–34 have a Level 4 or above qualification. This has steadily increased since 2014 (32 per cent). By comparison, 57 per cent of all New Zealanders aged 25–34 have a Level 4 or above qualification, an increase from 55 per cent in 2014.

Te Puni Kōkiri supports a Māori Cadet Programme through the Māori Potential Fund. A key purpose of the programme is to provide Māori with valuable work experience and formal qualifications, with the goal of upskilling and creating greater employment opportunities. Since the programme started 1,767 cadets have been placed across a range of sectors including energy, infrastructure and telecommunications.

### **Reducing long-term dependency on job seeker assistance**

Participation in the labour market is a key indicator of improved economic and well-being outcomes. The longer that a person is out of the workforce, the less likely they are to return to the workforce. The Government has recognised this through Better Public Services – Result Area 1 – to reduce the number of people receiving main benefits by 25 per cent by 2018.

### **Improving housing quality**

People need to live in healthy homes that are safe, secure and fit for purpose. Information collected as part of the General Social Survey (2014) reports that up to 13 per cent of Māori live in homes requiring repairs. This compares to seven per cent of the total population. The survey also reported that 14 per cent of Māori reported major problems with dampness or mould in their homes, compared to six per cent of the total population. One-third (33 per cent) of Māori reported that their homes were always or often colder than they would like, compared to 21 per cent of the total population.

Te Puni Kōkiri has made a significant effort to address the housing quality and supply issues for whānau Māori, as demonstrated by repairs to 144 whānau homes and contributions to the costs of 22 affordable homes.



## Measuring our Success: Whairawa

This focus on Whairawa, particularly through Whenua and Whanaketanga, seeks to ensure the development of high performing people, assets and enterprises creating a thriving Māori economy.

Key outcome measures	Desired trend	Actual trend	Latest result	Comment
<b>Whānau saving</b> Measured by net savings <i>(Source: BERL – Māori in the Economy Report)</i>	↑	↑	The net savings position of Māori: \$4.0 billion shortfall in 2013	Improved from \$5.5 billion shortfall in 2010
<b>Socio-economic disparity</b> Measured by the percentage of Māori living in deprivation <i>(Source: Socioeconomic Deprivation Indexes from the Department of Public Health at the University of Otago)</i>	↓	↓	55% of Māori live in high deprivation (2013)	Improved from 58% in 2006
<b>Use of whenua Māori</b> Measured by the percentage of Māori land that is 'utilised' <i>(Source: See commentary below)</i>	↑	N/A	17% compared to 26% for all land	See comment section below
<b>Māori gross domestic product</b> Measured by the amount of GDP from Māori producers <i>(Source: BERL – Māori in the Economy Report)</i>	↑	↑	GDP from Māori economy producers totalled \$11 billion in 2013	Improved by \$720 million, or 7% in nominal terms since 2010



We want Māori people, assets and enterprises to be high performing and contribute to a thriving economy. This will benefit the country as a whole, resulting in higher levels of earnings and discretionary income, enabling more Māori to choose the types of lifestyle and financial choices they would like to exercise. In determining progress towards improvements in Whairawa, we are drawing on a range of measures that indicate shifts in savings, reducing economic disparity, land utilisation and GDP.

**Te Puni Kōkiri contributes to high-performing Māori people, assets and enterprises through two inter-related work streams. One is targeted at and supports changes at a systems level, such as whenua Māori reform, and the establishment of a Māori Land Service, regional economic development through the Regional Growth Programme, and supporting *He Kai Kei Aku Ringa* – Crown-Māori Economic Growth Partnership strategy. The other is more direct interventions and investments aimed at Māori businesses and whānau, promoting the Māori economy overseas through trade missions, and initiatives to improve whānau financial capability.**

## Evaluating progress

### Increasing whānau saving and net worth

In 2013, the *Māori in the Economy Report*, prepared by BERL reported that since 2010, the level of Māori households' savings has improved by \$1.5 billion. It has improved from negative \$5.5 billion to negative \$4 billion net savings. Continued improvements in the ability of whānau to save will enable whānau to be able to afford high-priced items, invest in assets and cover unexpected expenses.

The ability to save provides opportunities to invest in assets. Asset ownership, including home ownership, is a key determinant of financial stability. Statistics New Zealand's net worth statistics to June 2015 highlight that Māori have, on average, total average net worth of \$40,000. This does not include collective assets, such as shareholding in Māori land. This compares to an average net worth of \$160,000 for the total population.



### Reducing socio-economic disparity and deprivation

In New Zealand, socio-economic disparity is measured through the deprivation index. New Zealand Deprivation is a widely used measure of socio-economic condition to identify the least and most deprived areas. It is based on a range of factors including working age people receiving a means-tested benefit, qualifications, unemployed, limited living space, home ownership, and access to the internet and a car. Census 2013 data suggests that Māori are twice as likely to live in the most deprived areas, than non-Māori.

### Increasing Māori land use

There is 1.42 million ha of Māori Land, making up 5.5 per cent of all land in New Zealand. This is spread across just over 27,500 Māori land blocks and 2.7 million owner interests.

In 2015/16, Te Puni Kōkiri employed land use as a proxy for high performing land. According to Land Use Capability statistics provided by Land Information New Zealand, 16.9 per cent of Māori land is currently in the most productive category, compared to 25.5 per cent of all land in New Zealand.

Te Puni Kōkiri plans to work with other agencies such as the Ministry for Primary Industries to consider how to improve information collection regarding land productivity.

### Increasing Māori gross domestic product

In 2013, *Māori in the Economy Report*, reported that since 2010, the level of Māori GDP has improved by \$720 million to \$11 billion in 2013 or 7 per cent in nominal terms. Adjusting for changes in prices, real growth of Māori GDP from 2010 is estimated at 2.6 per cent.

Māori small businesses<sup>8</sup> are making a positive impact on Māori GDP contributing \$814 million in 2015 compared to \$789 million in 2013 (*Annual Enterprise Survey*, Statistics New Zealand). Continuing growth of the Māori economy through high-performing Māori enterprises is a key driver for increasing Māori earnings and discretionary income.

8 A small business is defined as a business that has zero to 50 employees.



## Measuring our Success: Whanaungatanga

The focus on Whanaungatanga, particularly through Crown-Māori engagement, seeks to ensure a productive and enduring relationship.

Key outcome measures	Desired trend	Latest result	Comment
<b>Status of the Crown-Māori relationship</b> Measure: see commentary below	↑	See comments below	Consultation on TTW/MLS and Section 8(i)

The status of Te Tiriti o Waitangi (TTW) within New Zealand's constitutional framework, plus its underpinning of partnership principles, highlights the importance of the Crown-Māori relationship. The parties desire to have dialogue and mechanisms that advance a mature, strengths-based relationship. In recent years there has been a significant shift in the way in which the Crown through its Ministers and, in turn, the Government through its agencies and officials, engages with its Treaty partner.

As a multi-layered set of relationships and relationship interests, there is no single statistical measure on which this relationship can be measured. Rather we must rely on a range of signals and narratives that speak to the health of the relationship and overall trends. Te Puni Kōkiri continues to consider a more formal mechanism of gathering perspectives on the Crown-Māori relationship.

Te Puni Kōkiri is engaged in a range of activities that contribute to building the Crown-Māori relationship and improving the relationship architecture. During 2016/17 we supported the progression of the Te Ture Whenua Māori Bill through Parliament, and the development of a Māori Land Service to deliver services outlined in the Bill. Collective engagement on these represented the most significant consultation with Māori in two decades regarding their whenua.

More generally, Te Puni Kōkiri continues to support:

- the Iwi Chairs Forum and ensure that Māori perspectives and effective ways of working with Māori are shared with other government agencies;
- assist Treaty settlement processes;
- ensure Māori interests in relevant international forums (such as the United Nations Forum on Indigenous issues) are represented and considered; and
- supporting Māori participation through governance structures.



## Evaluating progress

The total number of Treaty settlements the Crown has resolved with iwi and hapū increased from 59 in 2014 to 70 in 2017. These Treaty settlements and consequent agreements and accords also mean that the Crown and iwi, hapū, and whānau Māori work closely together on an ongoing basis towards achieving better outcomes for Māori. This includes actions to recognise Māori relationships to the environment by acknowledging kaitiakitanga, or guardianship, and the implementation of co-management, co-governance and partnership models within the natural resource sector.

The development and passing of legislation also provides an opportunity to address recommendations, but can also lead to new issues related to Te Tiriti o Waitangi for the Crown to address. Over the past twelve months, further engagement with Māori land owners on Te Ture Whenua reforms precipitated by grievances being brought to

the Waitangi Tribunal. The passing of Te Ture mō Te Reo Māori 2016 addressed specific issues raised in the WAI 262 report.

Section 8(i) of the Treaty of Waitangi Act 1975 requires the Minister for Māori Development to table a report annually in the House of Representatives on progress being made in the implementation of recommendations made to the Crown by the Waitangi Tribunal. These are a result of claims brought by Māori relating to Crown actions which breach the promises made in Te Tiriti o Waitangi.

Overall, the actions identified in the Section 8(i) annual report are illustrative of the enduring evolution of the Crown-Māori relationship as Aotearoa New Zealand enters a new era of post-settlement partnership and cooperation.

The report outlines the Crown's efforts toward fulfilling the commitments made in Te Tiriti o Waitangi, as identified by Waitangi Tribunal recommendations.





# Statement of Service Performance

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# Statement of Service Performance

This section outlines the performance of Te Puni Kōkiri and meets the requirements of the Public Finance Act 1989.

Te Puni Kōkiri 2016/17 service performance results are arranged by appropriation (as detailed in Budget 2016: *Estimates of Appropriations*) and are outlined in this section of the Annual Report.

## Integrated whānau social assistance appropriation

### Scope

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

### Purpose

This appropriation is intended to achieve effective community-level social assistance:

- to connect whānau to appropriate and essential services; and
- to enhance the capacity and capability of Māori wardens.

### Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
2,507	Revenue Crown	1,972	1,972	6,983
-	Revenue Other	-	-	-
<b>2,507</b>	<b>Total Revenue</b>	<b>1,972</b>	<b>1,972</b>	<b>6,983</b>
<b>2,345</b>	<b>Total Expenses</b>	<b>1,962</b>	<b>1,972</b>	<b>6,983</b>
<b>162</b>	<b>Net Surplus</b>	<b>10</b>	<b>-</b>	<b>-</b>



**Performance reporting**

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Our community-level social assistance will result in a minimum number of Māori wardens receiving a mix of resources and support across a continuum of training and development opportunities	700	913

Assistance provided to Māori wardens exceeded the Ministry’s 2016/17 performance target reflecting the Ministry’s desire to continuously improve the capability of wardens through targeting specialist training and assistance.



## Māori Land Service Programme appropriation

### Scope

This appropriation is limited to the design, establishment and on going operations of the Māori Land Service.

### Purpose

This appropriation is intended to achieve effective Māori land utilisation through the establishment and on going operation of the Māori Land Service.

### Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
-	Revenue Crown	8,700	8,700	6,000
-	Revenue Other	-	-	-
-	<b>Total Revenue</b>	<b>8,700</b>	<b>8,700</b>	<b>6,000</b>
-	<b>Total Expenses</b>	<b>7,877</b>	<b>8,700</b>	<b>6,000</b>
-	<b>Net Surplus</b>	<b>823</b>	-	-



## Performance reporting

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Development of a detailed business case for the delivery of the Māori Land Service	Achieved	Partially achieved

Development of a draft business case for the Māori Land Service (excluding the ICT component of the business case) was provided to Cabinet in March 2017. A more detailed business case that includes ICT options is expected to be provided to Cabinet towards the end of 2017.



## Māori land war commemorations appropriation

### Scope

This appropriation is limited to support for commemorations to the Māori land wars.

### Purpose

This appropriation is intended to achieve effective support of activity relating to the Māori land wars, including design, consultation, management, publicity and delivery of commemorative events.

### Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
-	Revenue Crown	1,000	1,000	1,000
-	Revenue Other	-	-	-
-	<b>Total Revenue</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
-	<b>Total Expenses</b>	<b>2</b>	<b>1,000</b>	<b>1,000</b>
-	<b>Net Surplus</b>	<b>998</b>	<b>-</b>	<b>-</b>



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## Performance reporting

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Complete commemorations initiation plan	Achieved	Achieved

Implementation of the Māori Land War Commemorations Plan will commence during the 2017/18 financial year.



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## Operations management appropriation

### Scope

This appropriation is limited to 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.

### Purpose

This appropriation is intended to achieve effective design, deliver and management of our programme of community investments, including the:

- Māori Potential Fund – involving the management and administration of the Ministry's three non-departmental expenses:
  - Whakamana (leadership);
  - Mātauranga (knowledge);
  - Rawa (resources);
- Māori Business Facilitation Service (MBFS) - providing information, advice and mentoring support to enhance business to develop, grow new businesses and sustain economic performance of existing businesses;
- Māori Housing Network – involving Māori housing development and improving Māori housing outcomes; and
- discharging Te Puni Kōkiri's entity monitoring responsibilities.



## Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
14,796	Revenue Crown	17,110	17,110	14,391
390	Revenue Other	1,616	1,616	579
<b>15,186</b>	<b>Total Revenue</b>	<b>18,726</b>	<b>18,726</b>	<b>14,970</b>
<b>15,072</b>	<b>Total Expenses</b>	<b>18,699</b>	<b>18,726</b>	<b>14,970</b>
<b>114</b>	<b>Net Surplus</b>	<b>27</b>	<b>-</b>	<b>-</b>

## Performance reporting

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Percentage of Community Investment Programmes administered across all relevant appropriations and in accordance with relevant funding policies	100%	100%
Production of case studies that demonstrate tangible benefits, in accordance with the scope of the initiative, to recipients of Community Investment Programmes	4 completed case studies	Achieved
The number of community investment funding arrangements in place	450–650	532
The Minister for Māori Development receives quarterly updates on the status of Investment Funds	4	4



## Relationships and information appropriation

### Scope

This appropriation is limited to strengthening relationships with Māori, with emphasis on brokerage, coordination and facilitation to assist Māori to achieve their economic, social and cultural aspirations.

### Purpose

This appropriation is intended to achieve effective brokerage and facilitation services focused on the achievement of government objectives and priorities, including the strengthening of relationships between the Crown and iwi, hapū and whānau Māori.

### Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
6,851	Revenue Crown	8,832	8,832	7,246
-	Revenue Other	100	100	-
<b>6,851</b>	<b>Total Revenue</b>	<b>8,932</b>	<b>8,932</b>	<b>7,246</b>
<b>6,832</b>	<b>Total Expenses</b>	<b>8,849</b>	<b>8,932</b>	<b>7,246</b>
<b>19</b>	<b>Net Surplus</b>	<b>83</b>	<b>-</b>	<b>-</b>



## Performance reporting

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Local engagement, facilitation and coordination of effective relationships which support whānau Māori to achieve their goals and aspirations		
A minimum of 600 facilitated and coordinated relationships engagements that enable whānau Māori to achieve their goals and aspirations	600	676
Summaries of success describing the involvement of Te Puni Kōkiri in assisting whānau Māori to achieve their goals and aspirations	12 x summaries	Achieved
Number of days of regional visits by Government Ministers supported by the Ministry	8–12	35
Survey rating by the Minister for Māori Development on regional support provided (based on a survey with a scale of 1–10)	70%	90%

The number of Ministerial visits supported by Te Puni Kōkiri regional staff will fluctuate from year to year, with the total of 34 visit days in 2016/17, higher than anticipated. As a new measure the range will be reviewed at the end of 2017/18. The survey rating provided by the Minister for Māori Development indicates that the level of support was considered to be of a high standard.



## Whānau Ora commissioning administration appropriation

### Scope

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

### Purpose

This appropriation is intended to achieve a Whānau Ora commissioning approach that builds the capability of whānau and achievement of the Whānau Ora outcome goals that whānau and families are:

- self-managing and empowered leaders;
- living healthy lifestyles;
- participating fully in society;
- confidently participating in te ao Māori (the Māori world);
- economically secure and successfully involved in wealth creation;
- cohesive, resilient and nurturing; and
- responsible stewards of their living and natural environment.

### Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
5,500	Revenue Crown	5,495	5,495	5,500
-	Revenue Other	-	-	-
<b>5,500</b>	<b>Total Revenue</b>	<b>5,495</b>	<b>5,495</b>	<b>5,500</b>
<b>5,027</b>	<b>Total Expenses</b>	<b>5,451</b>	<b>5,495</b>	<b>5,500</b>
<b>473</b>	<b>Net Surplus</b>	<b>44</b>	<b>-</b>	<b>-</b>



**Performance reporting**

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Provision of ongoing and quarterly advice to the Minister for Whānau Ora on policy settings, implementation progress, performance information, and system issues arising in the administration of the Whānau Ora Commissioning approach including: <ul style="list-style-type: none"> <li>• issues, barriers and opportunities;</li> <li>• stakeholder engagement; and</li> <li>• results being achieved for whānau.</li> </ul>	Quarterly advice	Achieved
The satisfaction of the Minister for Whānau Ora with the advice provided will be assessed through the Ministerial Satisfaction Survey	95%	70%
Advice will be provided within agreed timeframes	95%	Refer to comment below

The Ministerial satisfaction target of 95 per cent for Whānau Ora advice is significantly higher than the Ministry’s general policy advice satisfaction target of 70 per cent. In 2017/18 the Ministry will re-align the Whānau Ora satisfaction target to be consistent with the general policy advice target.

Quarterly reports were prepared and submitted to the Minister in a timely manner following the end of each quarter. Te Puni Kōkiri did not receive any specified timeframes in relation to these reports, which were prepared once relevant data and content was received.



## Te Puni Kōkiri – capital expenditure appropriation

### Scope

This appropriation is limited to the purchase or development of assets by and for the use of Te Puni Kōkiri, as authorised by section 24(1) of the Public Finance Act 1989.

### Purpose

This appropriation is intended to achieve the renewal, replacement and upgrade of life-expired assets to support the delivery of services by Te Puni Kōkiri.

### Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
1,351	Total capital expenditure	2,271	2,614	2,614

### Performance reporting

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:

Assessment of Performance	2016/17 Target	2016/17 Actual
Expenditure is in accordance with Te Puni Kōkiri expenditure plan	100%	100%



## Policy advice and related outputs appropriation (MCA)

### Scope

The overarching purpose of this multi-class appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

### Purpose

This appropriation is intended to achieve progress towards Māori:

- stronger connectivity and understanding between Māori and the Crown (Policy Crown-Māori Development);
- progress towards Māori (Policy- Māori Development):
  - protecting, sustaining and growing their reo, taonga, mātauranga and tikanga;
  - sustaining, growing and developing their resources;
  - acquiring skills and knowledge; and
- the provision of timely and high-quality advice to Ministers, enabling them to discharge their portfolio responsibilities (Ministerial Servicing).

This appropriation covers the following outputs classes:

- **Ministerial Servicing** – provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making responsibilities);
- **Policy - Crown-Māori Relationship** – provision of advice (including second opinion advice and contribution to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Crown-Māori Relationships; and
- **Policy - Māori Development** – provision of advice (including second opinion advice and contribution to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Māori Development.



## Expenditure

Expenditure incurred against this appropriation for the 2016/17 financial year is summarised in the following table:

Actual 2015/16 \$000		Actual 2016/17 \$000	Revised Budget 2016/17 \$000	Budget 2016/17 \$000
<b>27,127</b>	<b>Total Revenue from Crown</b>	<b>21,256</b>	<b>21,256</b>	<b>22,697</b>
2,334	Ministerial Servicing	2,317	2,317	1,884
8,059	Policy – Crown-Māori Relationships	6,735	6,735	6,681
16,734	Policy – Māori Development	12,204	12,204	14,132
<b>25,339</b>	<b>Total Expenses</b>	<b>20,437</b>	<b>21,256</b>	<b>22,697</b>
2,360	Ministerial Servicing	2,297	2,317	1,884
7,571	Policy – Crown-Māori Relationships	6,267	6,735	6,681
15,408	Policy – Māori Development	11,873	12,204	14,132
<b>1,788</b>	<b>Net Surplus</b>	<b>819</b>	<b>-</b>	<b>-</b>

## Performance reporting

Achievement against our performance reporting requirements for the 2016/17 financial year are summarised in the following table:



Assessment of Performance	2016/17 Target	2016/17 Actual
<b>MCA Performance</b>		
The performance of this MCA as a whole, is assessed as set out within the respective appropriation categories of the table below		
<b>Ministerial Servicing</b>		
This category is intended to achieve the provision of timely and high-quality advice to Ministers, enabling them to discharge their portfolio responsibilities		
Technical Quality Assessment Score <sup>9</sup>	70%	71%
Ministerial Satisfaction Score	70%	67%
Total cost per output per hour	\$155	\$170
Parliamentary questions timeframes met	100%	90%
OIAs timeframes met	100%	70%
Other timeframes met	95%	68%
<b>Policy – Crown-Māori Relationships</b>		
This category is intended to achieve stronger connectivity and understanding between Māori and the Crown		
Technical Quality Assessment Score	70%	71%
Ministerial Satisfaction Score	70%	67%
Total cost per output per hour	\$155	\$170
<b>Policy – Māori Development</b>		
This category is intended to achieve progress towards Māori: protecting, sustaining and growing their reo, taonga, mātauranga and tikanga; sustainably growing and developing their resources; and acquiring skills and knowledge		
Technical Quality Assessment Score	70%	71%
Ministerial Satisfaction Score	70%	67%
Total cost per output per hour	\$155	\$170

<sup>9</sup> The technical quality of our policy advice was assessed by a survey with a methodological robustness of 90% (as administered by NZIER) in accordance with common policy indicator framework.



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## Variance

### *Official correspondence*

There has been a significant increase in the volume of Ministerial correspondence over the past two financial years, with levels now 56 per cent higher than in 2014/15. These increases have impacted on timeliness, though with some improvement in the 2016/17 financial year. This year there has been a slight lift in timeliness for Official Information Act requests and speeches (5 per cent and 6 per cent respectively) and a lift of 10 per cent for Parliamentary Questions, but more improvement is needed. Managers allocating and assigning new work appropriately as well as prioritisation remain critical factors to enabling achievement of timeliness. Focusing on developing staff knowledge of processes and their application continues to happen also.

### *Cost of policy*

The hourly cost of policy is \$170. This increase of \$15 is the result of a change in the methodology used to calculate the cost and reflects the increase in resource needed to progress the significant legislative-driven programmes.



# Financial Statements

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# Financial Statements

For the year ended 30 June 2017

## Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2017

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

30-Jun-16 Actual \$000		Note	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	Unaudited 30-Jun-18 Forecast \$000
<b>Revenue</b>					
58,303	Crown		64,365	66,102	61,086
461	Other revenue	2	1,719	579	646
<b>58,764</b>	<b>Total Revenue</b>		<b>66,084</b>	<b>66,681</b>	<b>61,732</b>
<b>Expenses</b>					
29,790	Personnel	3	31,435	30,085	32,782
24,613	Operating	4	30,154	35,266	27,340
1,063	Depreciation and amortisation	5	1,202	960	960
370	Capital charge	6	486	370	650
<b>55,836</b>	<b>Total Expenses</b>		<b>63,277</b>	<b>66,681</b>	<b>61,732</b>
<b>2,928</b>	<b>Net Surplus / (Deficit)</b>		<b>2,807</b>	-	-
-	Other comprehensive revenue and expenses		-	-	-
<b>2,928</b>	<b>Total Comprehensive Revenue and Expenses</b>		<b>2,807</b>	-	-

Explanations of major variances against budget are detailed in note 15.

The accompanying notes form part of these financial statements.



## Statement of Financial Position as at 30 June 2017

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-16 Actual \$000		Note	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	Unaudited 30-Jun-18 Forecast \$000
<b>Assets</b>					
<b>Current Assets</b>					
10,786	Cash and cash equivalents		16,800	13,857	13,357
54	Debtors and other receivables	7	329	313	313
186	Prepayments		137	175	175
<b>11,026</b>	<b>Total Current Assets</b>		<b>17,266</b>	<b>14,345</b>	<b>13,845</b>
<b>Non-current Assets</b>					
2,514	Property, plant and equipment	8	3,665	4,508	4,012
336	Intangible assets	9	167	486	175
<b>2,850</b>	<b>Total Non-current Assets</b>		<b>3,832</b>	<b>4,994</b>	<b>4,187</b>
<b>13,876</b>	<b>Total Assets</b>		<b>21,098</b>	<b>19,339</b>	<b>18,032</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
3,368	Creditors and other payables	10	5,092	5,778	4,971
2,928	Repayment of surplus		2,807	-	-
1,781	Employee entitlements	11	2,128	2,350	2,350
889	Provision for restructure	12	515	-	-
<b>8,966</b>	<b>Total Current Liabilities</b>		<b>10,542</b>	<b>8,128</b>	<b>7,321</b>
<b>Non-current Liabilities</b>					
289	Employee entitlements	11	235	390	390
<b>289</b>	<b>Total Non-current Liabilities</b>		<b>235</b>	<b>390</b>	<b>390</b>
<b>9,255</b>	<b>Total Liabilities</b>		<b>10,777</b>	<b>8,518</b>	<b>7,711</b>
<b>4,621</b>	<b>Net Assets</b>		<b>10,321</b>	<b>10,821</b>	<b>10,321</b>
<b>Equity</b>					
4,621	Taxpayers' funds		10,321	10,821	10,321
<b>4,621</b>	<b>Total Equity</b>		<b>10,321</b>	<b>10,821</b>	<b>10,321</b>

Explanations of major variances against budget are detailed in note 15.

The accompanying notes form part of these financial statements.



**Statement of Changes in Equity for the year ended 30 June 2017**

The Statement of Changes in Equity shows the reconciliation of funds at the beginning of the year with the funds at the end of the year.

30-Jun-16 Actual \$000	Note	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	Unaudited 30-Jun-18 Forecast \$000
4,621	<b>Balance at 1 July 2016</b>	4,621	4,621	10,321
2,928	Total comprehensive revenue and expenses	2,807	-	-
-	Capital injection	5,700	6,200	-
(2,928)	Repayment of operating surplus to the Crown	(2,807)	-	-
<b>4,621</b>	<b>Balance as at 30 June 2017</b>	<b>10,321</b>	<b>10,821</b>	<b>10,321</b>

The accompanying notes form part of these financial statements.



## Statement of Cash Flows for the year ended 30 June 2017

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

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	Unaudited 30-Jun-18 Forecast \$000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts from:</b>				
58,302	Crown	64,365	66,102	61,086
390	Department(s)	542	-	38
(9)	Other	637	449	478
<b>Payments to:</b>				
(25,192)	Suppliers	(28,503)	(35,373)	(32,105)
(29,514)	Employees	(31,474)	(30,042)	(30,042)
(370)	Capital charge	(486)	(370)	(650)
(31)	Goods and services tax (net)	(80)	580	521
<b>3,576</b>	<b>Net Cash from Operating Activities</b>	<b>5,001</b>	<b>1,346</b>	<b>(674)</b>
<b>Cash Flow from Investing Activities</b>				
<b>Receipts from:</b>				
128	Sale of property, plant and equipment	512	-	-
<b>Purchase of:</b>				
(1,255)	Property, plant and equipment	(2,221)	(2,464)	(444)
(98)	Other non-current assets	(49)	(150)	(150)
<b>(1,225)</b>	<b>Net Cash from Investing Activities</b>	<b>(1,758)</b>	<b>(2,614)</b>	<b>(594)</b>
<b>Cash Flow from Financing Activities</b>				
(1,743)	Repayment of surplus	(2,928)	-	-
-	Capital injection	5,700	6,200	-
<b>(1,743)</b>	<b>Net Cash from Financing Activities</b>	<b>2,772</b>	<b>6,200</b>	<b>-</b>
608	Net Increase / (Decrease) in Cash	6,014	4,932	(1,268)
10,178	Cash at the beginning of the year	10,786	8,925	14,625
<b>10,786</b>	<b>Cash at the end of the year</b>	<b>16,800</b>	<b>13,857</b>	<b>13,357</b>

The accompanying notes form part of these financial statements.



## Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities for the year ended 30 June 2017

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 Revenue and Expense on page 102 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 105.

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	Unaudited 30-Jun-18 Forecast \$000
2,928	<b>Net Operating Surplus</b>	2,807	-	-
	<b>Add: Non-cash items</b>			
1,063	Depreciation & amortisation	1,202	960	960
<b>1,063</b>	<b>Total non-cash items</b>	<b>1,202</b>	<b>960</b>	<b>960</b>
	<b>Add/(Less) movements in working capital items</b>			
3	(Increase)/Decrease in debtors and receivables	(226)	(130)	(130)
1	Increase/(Decrease) in creditors & payables	1,724	446	446
89	Increase/(Decrease) in provision for restructure	(374)	-	-
(437)	Increase/(Decrease) in employee entitlements	293	70	70
<b>(344)</b>	<b>Net movements in working capital</b>	<b>1,417</b>	<b>386</b>	<b>386</b>
	<b>Add/(Less) investing activity</b>			
(71)	Loss/(Gain) on sale of fixed assets	(265)	-	-
-	WIP Payable	(160)	-	-
<b>(71)</b>	<b>Total investing activity</b>	<b>(425)</b>	<b>-</b>	<b>-</b>
<b>3,576</b>	<b>Net cash flow from operating activity</b>	<b>5,001</b>	<b>1,346</b>	<b>1,346</b>

The accompanying notes form part of these financial statements.



## Statement of Departmental Commitments as at 30 June 2017

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 throughout 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 for 2015/16 related to the purchase and development of a mobile office to increase reach to rural communities.

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
<b>Accommodation Lease Commitments</b>		
3,229	Not later than one year	2,813
6,644	Later than one year and not later than five years	3,733
1,605	Later than five years	1,903
<b>11,478</b>	<b>Total Accommodation Lease Commitments</b>	<b>8,449</b>
<b>Capital Commitments</b>		
159	Motor Vehicles	-
<b>159</b>	<b>Total Capital Commitments</b>	<b>-</b>
<b>11,637</b>	<b>Total Commitments</b>	<b>8,449</b>

The accompanying notes form part of these financial statements.



**Lease commitments as lessor**

During the year ended 30 June 2017, Te Puni Kōkiri leased office space to four other organisations. The future minimum contractual lease rental receipts are as follows:

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
<b>Lease Commitments as Lessor</b>		
590	Not later than one year	740
420	Later than one year and not later than five years	1,133
-	Later than five years	709
<b>1,010</b>	<b>Total Lease Commitments as Lessor*</b>	<b>2,582</b>

\*Total lease commitments as lessor includes the sublease of space in the Auckland office to the Ministry of Pacific Peoples (MPP). The sublease agreement was not signed as at 30 June, however the parties had verbally agreed that MPP would sublease half the premises, with sublease costs to be 50% of the total lease cost. MPP moved into the Auckland office on 21 August 2017.

**Statement of Departmental Contingent Assets and Contingent Liabilities as at 30 June 2017**

The Ministry has no contingent assets or contingent liabilities at 30 June 2017 (2016: Nil)

The accompanying notes form part of these financial statements.



# Notes to the Financial Statements

## Note 1: Statement of Accounting Policies

### Reporting Entity

Te Puni Kōkiri is a Government Department as defined by section 2 of the Public Finance Act 1989 (PFA) and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the PFA. The Ministry's ultimate parent is the New Zealand Crown.

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 (PBE) for financial reporting purposes.

The financial statements of the department are for the year ended 30 June 2017. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 29 September 2017.

### Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of Compliance

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

These financial statements, including the comparatives, have been prepared in accordance with Public Sector (PBE) Accounting Standards (PBE Standards) – Tier 1.

These standards are based on International Public Sector Accounting Standards (IPSAS).

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.

### Presentation Currency and Rounding

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 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 issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Ministry are:

#### *Financial instruments*

In January 2017, the External Reporting Board issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual



periods beginning on or after 1 January 2021, with earlier application permitted. The main changes under the standard are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The timing of the Ministry adopting PBE IFRS 9 will be guided by the Treasury's decision on when the Financial Statements of Government will adopt PBE IFRS 9. The Ministry has not yet assessed the effects of the new standard.

#### *Impairment of Revalued Assets*

In April 2017, the XRB issued Impairment of Revalued Assets, which now clearly scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment measured at cost were scoped into the impairment accounting standards.

Under the amendment, a revalued asset can be impaired without having to revalue the entire class of asset to which the asset belongs. The timing of the Ministry adopting this amendment will be guided by the Treasury's decision on when the Financial Statements of Government will adopt the amendment.

### **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**

### *Revenue Crown*

Te Puni Kōkiri derives revenue through the provision of outputs to the Crown and for services to third parties. Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. Revenue from Crown is classified as non-exchange.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

### **Rental Revenue**

Rental revenue under an operating sublease is recognised as revenue on a straight-line basis over the lease term.

### **Capital Charge**

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

### **Operating Leases**

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



## **Financial Instruments**

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

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 and cash equivalents includes cash on hand and funds on deposit with original maturities of less than three months with banks and is measured at face value.

The Ministry is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

## **Debtors and other Receivables**

Debtors and other receivables are recognised initially at fair value less any provision for impairment. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

Interest, impairment losses and foreign exchange gains and losses are recognised in the surplus or deficit.

## **Property, Plant and Equipment**

Property, plant and equipment consist of leasehold improvements, furniture and office equipment, EDP hardware, software that is an integral part of running 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, with a combined value greater than \$5,000, 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 Revenue and Expense in the period in which the transaction occurs.

## **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 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.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with development and maintenance of the Ministry's website 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 Revenue and Expense.

The major classes of intangible assets are: acquired software; and internally generated software. Both classes have a useful life and amortisation rate estimated at 3 1/3 years and 30%, respectively.

### **Impairment of Property, Plant and Equipment and Intangible Assets**

Te Puni Kōkiri does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

#### *Non-cash generating assets*

Intangible assets that have an indefinite useful life or are not yet available for use at the balance sheet date are 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 the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The



most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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 revenue and expense.

### ***Creditors and other Payables***

Creditors and other payables are measured at fair value.

### ***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, 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 Revenue and Expense 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.

### **Equity**

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. Equity is classified as taxpayers' fund.

### **Commitments**

Expense 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 provision has been made for income tax.

### **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.

### **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 are allocated to outputs based on average fulltime equivalent staff members (FTEs) attributable to each output.

### **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 2017.

### **Budget and Forecast Figures**

#### *Basis of the budget and forecast figures*

The 2016/17 Budget figures are for the year ended 30 June 2017 and were published in the 2015/16 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to Treasury in the 2016 Budget Economic and Fiscal Update (BEFU) for the year ended 2016/17.

The 2017/18 Forecast figures are for the year ending 30 June 2018, which are consistent with the best estimate financial forecast information submitted to Treasury in the 2017 BEFU for the year ending 2017/18.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes. The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2018 forecast figures have been prepared in accordance with, and comply with the PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were approved for issue by the Chief Executive on 7 April 2017.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2018 will not be published.

#### *Significant assumptions used in preparing the forecast financials*

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions of what may occur during the 2017/18 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 7 April 2017, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.
- Personnel costs were based on 342 full-time equivalent staff.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.



- Estimated year-end information for 2016/17 was used as the opening position for the 2017/18 forecasts.

The actual financial results achieved for 30 June 2018 are likely to vary from the forecast information presented, and the variations may be material.

## Note 2: Other Revenue

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
<b>Revenue from Exchange Transactions:</b>		
390	Rental revenue	671
71	Gain on sale of assets	265
-	Revenue on External Secondments	682
-	Revenue for Services Provided	101
<b>461</b>	<b>Total Other Revenue</b>	<b>1,719</b>

## Note 3: Personnel Costs

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000
28,131	Salaries and wages	29,559	29,159
789	Employer contribution to superannuation	831	176
870	Other personnel costs	1,045	750
<b>29,790</b>	<b>Total Personnel Costs</b>	<b>31,435</b>	<b>30,085</b>



## Note 4: Operating Costs

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000
168	Audit fees for audit of financial statements	172	172
2,595	Operating lease rentals	2,995	2,951
321	Overseas and Pacific travel	188	265
1,920	Domestic travel	1,818	1,709
588	Printing, books and publicity	593	454
5,472	Contract workers	11,108	4,220
3,932	Consultancy fees	2,769	5,537
141	Research	170	308
2,095	Business Growth Support/MBFS Commission	260	575
720	Programmes	20	90
753	Telecommunications	557	581
135	Computer related expense	235	177
18	Koha	11	18
499	Conference/hui	938	958
530	Legal fees	433	201
147	Māori Wardens' uniforms	154	170
1,512	Building maintenance/heat, light & power/rates	1,890	1,496
256	Motor vehicle running costs	411	321
602	Software maintenance	704	676
-	- Facilitation Services	468	423
309	Honoraria/meeting fees	449	277
-	- Māori Land Service Programme	-	6,000
-	- Māori Land War Commemorations	-	1,000
-	- Micro-financing	-	1,000
-	- Māori Land Service Interagency Costs	1,644	-
1,900	Other operating costs	2,167	5,687
<b>24,613</b>	<b>Total Operating Costs</b>	<b>30,154</b>	<b>35,266</b>



## Note 5: Depreciation and Amortisation

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
296	EDP Equipment	339
397	Motor Vehicles	433
8	Office Equipment	8
102	Furniture & Fittings	134
49	Leasehold Improvements	69
211	Software Systems	219
<b>1,063</b>	<b>Total Depreciation and Amortisation Costs</b>	<b>1,202</b>

## Note 6: Capital Charge

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 2017 was 7.0%, for the period 1 July to 31 December 2016, and 6% for the period 1 January to 30 June 2017 (2015/16: 8.0%).

The total capital charge for the year ended 30 June 2017 was \$486,000 (2015/16: \$370,000).



## Note 7: Debtors and other Receivables

30-Jun-16 Actual \$000	30-Jun-17 Actual \$000
<b>Debtors and other Receivables from Exchange Transactions:</b>	
54 Debtors and other receivables	329
<b>54 Total Debtors and other Receivables</b>	<b>329</b>

The carrying value of debtors and other receivables approximates their fair value. The ageing profile of receivables at year end is detailed below:

	2016/17			2015/16		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	329	-	329	54	-	54
Past due 1-90 days	-	-	-	-	-	-
<b>Total</b>	<b>329</b>	<b>-</b>	<b>329</b>	<b>54</b>	<b>-</b>	<b>54</b>

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

There is a nil provision for impairment as at 30 June 2017 (2015/16: Nil).



## Note 8: Property, Plant and Equipment

	EDP Equipment \$000	Motor Vehicles \$000	Office Equipment \$000	Furniture & Fittings \$000	Leasehold Improvements \$000	Total \$000
<b>Cost or valuation</b>						
Balance at 1 July 2015	1,780	2,000	296	1,169	2,367	7,612
Additions	330	460	-	561	-	1,351
Impairment losses	-	-	-	-	-	-
Disposals	-	(295)	-	-	-	(295)
Other movements	49	4	56	(47)	(10)	52
<b>Balance at 30 June 2016</b>	<b>2,159</b>	<b>2,169</b>	<b>352</b>	<b>1,683</b>	<b>2,357</b>	<b>8,720</b>
Balance at 1 July 2016	2,159	2,169	352	1,683	2,357	8,720
Additions	325	1,584	-	451	21	2,381
Impairment losses	-	-	-	-	-	-
Disposals	-	(1,524)	-	-	-	(1,524)
Other movements	-	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>2,484</b>	<b>2,229</b>	<b>352</b>	<b>2,134</b>	<b>2,378</b>	<b>9,577</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 July 2015	1,073	1,048	277	1,075	2,117	5,590
Depreciation expense	296	397	8	102	49	852
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(236)	-	-	-	(236)
<b>Balance at 30 June 2016</b>	<b>1,369</b>	<b>1,209</b>	<b>285</b>	<b>1,177</b>	<b>2,166</b>	<b>6,206</b>
Balance at 1 July 2016	1,369	1,209	285	1,177	2,166	6,206
Depreciation expense	339	433	8	134	69	983
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(1,277)	-	-	-	(1,277)
<b>Balance at 30 June 2017</b>	<b>1,708</b>	<b>365</b>	<b>293</b>	<b>1,311</b>	<b>2,235</b>	<b>5,912</b>
<b>Carrying amounts</b>						
At 30 June and 1 July 2015	707	952	19	94	250	2,022
At 30 June and 1 July 2016	790	960	67	506	191	2,514
<b>At 30 June 2017</b>	<b>776</b>	<b>1,864</b>	<b>59</b>	<b>823</b>	<b>143</b>	<b>3,665</b>

### Work in progress

Total furniture and fittings work in progress is \$160,222 office furnishings for the new Auckland office which was opened on 31 August 2017 (2015/16: Nil)

Total leasehold improvements work in progress is nil (2015/16: \$39,000).

Total motor vehicles work in progress is nil (2015/16: \$57,000 for manufacture of a mobile office).



## Note 9: Intangible Assets

	Acquired Software \$000	Internally Generated Software \$000	Total \$000
<b>Cost or valuation</b>			
Balance at 1 July 2015	1,884	380	2,264
Additions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Other movements	(50)	-	(50)
<b>Balance at 30 June 2016</b>	<b>1,834</b>	<b>380</b>	<b>2,214</b>
Balance at 1 July 2016	1,834	380	2,214
Additions	49	-	49
Impairment losses	-	-	-
Disposals	-	-	-
Other movements	-	-	-
<b>Balance at 30 June 2017</b>	<b>1,883</b>	<b>380</b>	<b>2,263</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 July 2015	1,287	380	1,667
Amortisation expense	211	-	211
Impairment losses	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2016</b>	<b>1,498</b>	<b>380</b>	<b>1,878</b>
Balance at 1 July 2016	1,498	380	1,878
Amortisation expense	218	-	218
Impairment losses	-	-	-
Disposals	-	-	-
<b>Balance at 30 June 2017</b>	<b>1,716</b>	<b>380</b>	<b>2,096</b>
<b>Carrying amounts</b>			
At 30 June and 1 July 2015	597	-	597
At 30 June and 1 July 2016	336	-	336
<b>At 30 June 2017</b>	<b>167</b>	<b>-</b>	<b>167</b>

The total amount of intangible assets in the course of construction is nil (2015/16: 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-16 Actual \$000		30-Jun-17 Actual \$000
<b>Creditors and Payables under Exchange Transactions</b>		
3,180	Accrued expenses	4,984
<b>Creditors and Payables under Non-exchange Transactions</b>		
188	GST payable	108
<b>3,368</b>	<b>Total Creditors and Payables</b>	<b>5,092</b>

## Note 11: Employee Entitlements

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
<b>Current Liabilities</b>		
1,475	Annual leave	1,517
132	Salaries and wages	276
110	Long service leave	269
64	Sick leave	66
<b>1,781</b>	<b>Total Current Portion</b>	<b>2,128</b>
<b>Non-current Liabilities</b>		
289	Long service leave	235
<b>289</b>	<b>Total Non-current Portion</b>	<b>235</b>
<b>2,070</b>	<b>Total Employee Entitlements</b>	<b>2,363</b>

For the calculation of long service leave, discount rates of 1.97% for year 1, 2.36% for year 2 and 3.92% for year 3 and onwards with a long term salary inflation factor of 3.10% were used. These rates and the model for calculations were provided by the Treasury.

If the discount rate were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated less than \$10,000 higher/lower.

If the salary inflation factor were to differ by 1% from the Ministry's estimates, with all other factors held constant, the carrying amount of the liability and the surplus/deficit would be an estimated less than \$10,000 higher/lower.



## Note 12: Provision for Restructure

The restructuring provision relates to decisions on strengthening Te Puni Kōkiri, through a whānau-centred approach, which were released on 8th and 22nd September 2016, as well as a number of team specific reconfigurations within the Ministry between 1 November 2016 and 30 June 2017.

	Provision for Restructure \$000
Balance at 1 July 2015	800
Additional provisions made	603
Amounts used	(514)
Unused amounts reversed	-
<b>Balance at 30 June 2016</b>	<b>889</b>
Balance at 1 July 2016	889
Additional provisions made	435
Amounts used	(809)
Unused amounts reversed	-
<b>Balance at 30 June 2017</b>	<b>515</b>

## Note 13: Related Party Transactions & Key Management Personnel

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

### *Transactions with related parties*

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### *Related party transactions required to be disclosed*

Te Puni Kōkiri had no related party transactions requiring disclosure for the year ended 30 June 2017 (2015/16: Nil).



*Te Puni Kōkiri staff*

Te Puni Kōkiri staff who work in the community 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-16 Actual \$000		30-Jun-17 Actual \$000
<i>Leadership team, including the Chief Executive</i>		
1,738	Remuneration	2,005
5	<i>Full-time equivalent staff</i>	7

Key management personnel include the Chief Executive (CE), four Deputy Chief Executives (DCEs) and two Assistant DCEs (2015/16: CE and four DCEs), who are all members of the Executive Team.

Key management personnel compensation excludes the remuneration and other benefits that the Minister for Māori Development receives. The Minister’s 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 2016/17 (2015/16: Nil).

**Note 14: Capital Management**

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

The Ministry manages its revenue, expense, 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, Treasury instructions and the PFA.

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



## Note 15: Explanation for Significant Variances

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

### Statement of Comprehensive Revenue and Expense (page 102)

Statement of Comprehensive Revenue and Expense	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	30-Jun-17 Variance \$000
Personnel	31,435	30,085	(1,350)
Operating	30,154	35,266	5,112
Depreciation & amortisation	1,202	960	(242)

**Personnel:** The Budget was based on full establishment as at 1 July 2016. During the year organisational restructuring increased the full establishment by approx. 40 positions, causing actual expenditure to increase.

**Operating:** Actual expenditure was lower than Budget in part due to a continued hold on constitutional review activities. In addition, new funding for Commemoration of Māori Land Wars was not used in full as the date of commencement of commemorations has not yet been decided. Also, Māori Land Service Programme funding was not all used during the year - \$500,000 of unspent funds are subject to an in-principle expense transfer to 2017/18 which will allow these funds to be used for the continuation of the Programme.

**Depreciation and amortisation:** The majority of Te Puni Kōkiri's vehicle fleet was replaced during the year. Replacement values weren't known at the time of budgeting, vehicle purchase costs came in higher than budget and depreciation amounts were therefore also higher.



## Statement of Financial Position (page 103)

Statement of Financial Position	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Budget \$000	30-Jun-17 Variance \$000
Cash and cash equivalents	16,800	13,857	(2,943)
Property, plant and equipment	3,665	4,508	843
Current employee entitlements	2,128	2,350	222
Creditors and other payables	5,092	5,778	686
Provision for restructure	515	-	(515)

**Cash and cash equivalents:** The actual cash position is higher than Budget primarily due to the net operating surplus.

**Property, plant and equipment:** The Te Puni Kōkiri vehicle fleet was replaced during the year. At the time of budgeting the timing and total cost of replacement wasn't accurately known. The final price and timing of purchase has meant that there has been higher depreciation costs during the year, but with lower fixed asset balance at year-end.

**Current employee entitlements:** Prior year assumptions for Long Service Leave liability were used, which gave a higher weighting to the non-current portion. However, the new discount rates, provided by the Treasury in July 2017, have meant that the current portion for 2017/18 is higher – which wasn't known at the time of budgeting.

**Creditors and other payables:** The actual creditors and other payables position is lower than Budget due to lower than expected year-end accruals resulting from a higher total of 2016/17 liabilities being paid out prior to year-end than was expected at the time of budget-setting.

**Provision for restructure:** The actual provision for restructure is higher than Budget because further restructuring provisions were not expected to be required at the time of budgeting for 2016/17.



## Note 16: Financial Instruments

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

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
<b>Loans and Receivables</b>		
10,786	Cash and cash equivalents	16,800
54	Debtors and other receivables	329
<b>10,840</b>	<b>Total Loans and Receivables</b>	<b>17,129</b>
<b>Financial Liabilities measured at Amortised Cost</b>		
3,368	Creditors and other payables	5,092

### Financial Instrument Risks

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

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.



# Non-departmental Statements and Schedules for the year ended 30 June 2017

The following non-departmental statements and schedules record the revenue, 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 2017

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

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000
	<b>Revenue</b>			
479	Miscellaneous receipts	101	10	10
<b>479</b>	<b>Total Crown Revenue</b>	<b>101</b>	<b>10</b>	<b>10</b>

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2017.



## Schedule of Non-departmental Expenses for the year ended 30 June 2017

The Schedule of Non-departmental 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 139 to 140. Figures are GST exclusive.

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000
<b>Non-Departmental Expenses</b>				
<b>Operating Annual Appropriations</b>				
166,179	Non-Departmental Output Expense	204,315	202,480	209,660
480	Benefits and Other Unrequited Expense	420	480	480
16,767	Other Expense to be Incurred by the Crown	21,390	23,125	32,076
<b>183,426</b>	<b>Total Operating Annual Appropriations</b>	<b>226,125</b>	<b>226,085</b>	<b>242,216</b>
15	Appropriations for Other Expense	15	15	15
25,663	GST Input Expense	31,269	-	-
<b>209,104</b>	<b>Total Non-Departmental Expenses</b>	<b>257,409</b>	<b>226,100</b>	<b>242,231</b>

Explanations of major variances against budget are detailed in note 2.

A reconciliation of total non-departmental expenses to total non-departmental appropriations is provided at note 4.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2017.



## Schedule of Non-departmental Assets as at 30 June 2017

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-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000
<b>Current Assets</b>				
18,377	Cash	25,243	7,736	18,377
-	Accounts receivable/prepayments	-	-	-
<b>18,377</b>	<b>Total Current Assets</b>	<b>25,243</b>	<b>7,736</b>	<b>18,377</b>
<b>Property Plant and Equipment</b>				
462	Land	557	490	462
-	Cultural Artefacts	5,000	-	-
<b>462</b>	<b>Total Property Plant and Equipment</b>	<b>5,557</b>	<b>490</b>	<b>462</b>
<b>18,839</b>	<b>Total Non-departmental Assets administered by Te Puni Kōkiri</b>	<b>30,800</b>	<b>8,226</b>	<b>18,839</b>

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2017.



## Schedule of Non-departmental Liabilities as at 30 June 2017

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000
<b>Current Liabilities</b>				
3,578	Creditors and Payables	4,304	4,074	3,578
<b>Non-Current Liabilities</b>				
-	Other Liabilities	-	425	-
<b>3,578</b>	<b>Total Liabilities</b>	<b>4,304</b>	<b>4,499</b>	<b>3,578</b>

Explanations of major variances against budget are detailed in note 2.

## Schedule of Non-departmental Commitments as at 30 June 2017

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 2017 (2015/16: nil).

## Schedule of Non-departmental Contingent Assets and Liabilities as at 30 June 2017

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 2017. 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 2017 (2015/16: Nil).

### Contingent assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2017 (2015/16: Nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2017.



# 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 2016/17.

### 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 (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

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.

### 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.

### Commitments

Future expense 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.

### 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.

### Grant Expenditure

Discretionary grants are those grants where the Ministry has no obligation to award on receipt of the grant application.



For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as expenditure when the grant is approved and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

The Ministry's most significant discretionary grant funds are for Commissioning Whānau Ora, Māori Housing, and the Māori Potential Fund.

### *Budget Figures*

The Budget figures are consistent with the financial information published in the Main Estimates of Appropriations for the year ended 30 June 2017. In addition, these financial statements also present the updated budget information from the Supplementary (Supp.) Estimates of Appropriations for the same year. These amounts are not audited.

## Note 2: Explanation for Significant Variances

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

### Schedule of Non-Departmental Assets

	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Variance \$000
Cash	25,243	7,736	(17,507)
Cultural Artefacts	5,000	-	(5,000)

**Cash:** As all appropriations per the Supplementary Estimates were drawn-down during the year, the higher Cash balance reflects the impact of underspends at year end.

**Cultural Artefacts:** The care and administration of the Motunui Panels transferred from Ministry of Justice to Te Puni Kōkiri during the year. At the time of budgeting this transfer wasn't anticipated.



**Note 3: Financial instruments**

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000
<b>Loans and Receivables</b>		
18,377	Cash and cash equivalents	25,243
<b>Financial Liabilities measured at Amortised Cost</b>		
3,578	Creditors and other payables	4,304

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.

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 for any other financial instruments.

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 4: Reconciliation of total Non-departmental Expenses to total Non-departmental Appropriations

The reconciliation shows the adjustments to the total non-departmental expenses as reported in the Schedule of Non-departmental Expense on page 129 to arrive at the total non-departmental appropriations

disclosed in the Statement of Non-departmental Expenditure and Capital Expenditure Appropriations on pages 139 to 140.

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000
<b>209,104</b>	<b>Total Non-departmental Expenses</b>	<b>257,409</b>	<b>226,100</b>	<b>242,231</b>
	<b>Add/(Less): expired non-departmental output appropriations</b>			
285	Part 2 Loans Write-offs*	-	-	-
	<b>Add/(Less): non-appropriation related expenses</b>			
(25,663)	GST Input Expense	(31,269)	-	-
<b>183,726</b>	<b>Total Non-departmental Appropriations</b>	<b>226,140</b>	<b>226,100</b>	<b>242,231</b>

\*Provision made from an appropriation called 'Part 2 Loans Write-offs' in 2009 was credited back to the Crown's operating balance in 2015/16 as it was no longer a Crown Liability.

## 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 2017 totalled \$101 million (2015/16: \$95 million).

## Note 6: Crown Entities

In addition to the above, the Minister for Māori Development 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](http://www.tmp.govt.nz)

Te Taura Whiri i te Reo Māori:

[www.tetaurawhiri.govt.nz](http://www.tetaurawhiri.govt.nz)



# Appropriation statements

## Statement of Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2017

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

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000
<b>VOTE: MĀORI DEVELOPMENT</b>				
<b>Appropriation for classes of outputs</b>				
15,072	Operations Management	18,699	14,970	18,726
6,832	Relationships and Information	8,849	7,246	8,932
-	- Māori Land Service Programme	7,877	6,000	8,700
2,345	Integrated Whānau Social Assistance	1,962	6,983	1,972
5,027	Whānau Ora Commissioning Administration	5,451	5,500	5,495
1,221	Whānau Ora Administration	-	2,285	-
-	- Māori Land War Commemorations	2	1,000	1,000
<b>30,497</b>	<b>Total Departmental Output Expenses</b>	<b>42,840</b>	<b>43,984</b>	<b>44,825</b>
<b>Policy Advice and Related Outputs Multi Category Output Appropriation (MCA)</b>				
7,571	• Policy - Crown Māori Relationships	6,267	6,681	6,735
15,408	• Policy - Māori Development	11,873	14,132	12,204
2,360	• Ministerial Servicing	2,297	1,884	2,317
<b>25,339</b>	<b>Total Policy Advice and Related Outputs MCA</b>	<b>20,437</b>	<b>22,697</b>	<b>21,256</b>
<b>55,836</b>	<b>Total Appropriations for Classes of Outputs</b>	<b>63,277</b>	<b>66,681</b>	<b>66,081</b>
<b>Departmental Capital Expenditure</b>				
1,351	Te Puni Kōkiri - Capital Expenditure PLA	2,271	2,614	2,614

Performance information for departmental appropriations is included in the Ministry's Annual Report.



## Explanation for Significant Variances

Statement of Departmental Expenditure and Capital Expenditure Appropriations	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Variance \$000
Departmental Expenditure			
Policy Advice and Related Outputs MCA	20,437	22,697	2,260
Operations Management	18,966	14,970	(3,996)
Integrated Whānau Social Assistance	1,962	6,983	5,021
Māori Land Service Programme	7,877	6,000	(1,877)
Relationships and Information	8,849	7,246	(1,603)
Māori Land War Commemorations	2	1,000	998
Whānau Ora Administration	-	2,285	2,285

**Policy Advice and related Outputs MCA:** funding was transferred from this appropriation to ensure resources were correctly aligned to the Ministry's work programme, including to support the Māori Land Service programme. In addition, the Constitutional Review funding of \$800,000 was unspent at year end because decisions on next steps for this work programme haven't yet been confirmed. The Ministry expects to transfer the Constitutional Review funding for use in 2017/18.

**Operations Management:** additional funding was transferred into the Operations Management appropriation following Main Estimates. \$3.756 million was received to ensure that resources were correctly aligned to the Ministry's work programme and to reflect the additional rent, secondment and asset sale revenues received by the Ministry. These transfers led to expenditure in excess of the Main Estimates budget.

**Integrated Whānau Social Assistance:** funding was transferred from this appropriation following Main Estimates. \$5.011 million was transferred to ensure that resources were correctly aligned to the Ministry's work programme. This transfer contributed to expenditure being considerably less than the Main Estimates budget.

**Māori Land Service Programme:** Additional funding was transferred into this appropriation following Main Estimates. \$1.700 million was transferred from the previous year, and an additional \$1 million was transferred from other Vote Māori Development departmental appropriations to ensure resources were available to support this work programme.



**Relationships and Information:** Additional funding of \$1.686 million was transferred into this appropriation following Main Estimates. This included \$500,000 related to the establishment of Te Mātāwai and \$100,000 in increased revenues for the establishment of Te Mātāwai.

**Māori Land War Commemorations:** This funding was newly appropriated in Budget 2016. The delay in expenditure is due to consultation with Iwi, across the motu, on how this funding can most appropriately be used to commemorate the New Zealand Land Wars. The Ministry expects to transfer all unspent funding for use in 2017/18.

**Whānau Ora Administration:** all funding was transferred from this appropriation to the non-departmental appropriation 'Commissioning Whānau Ora Outcomes' following Main Estimates. This appropriation has now been disestablished.

## Statement of Departmental Unappropriated Expenditure and Capital Expenditure as at 30 June 2017

There was no unappropriated expenditure for the year ended 30 June 2017 (Nil for the year ended 30 June 2016).

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

Nil (Nil for the year ended 30 June 2016).

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

Nil (Nil for the year ended 30 June 2016).

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

Nil (Nil for the year ended 30 June 2016).

### Breaches of projected departmental net assets schedules

Nil (Nil for the year ended 30 June 2016).



## Statement of Non-departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2017

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-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000	Location of end-of-year Performance Information*
<b>Operating Annual Appropriations</b>					
<b><i>Non-departmental Output Expenses</i></b>					
46,562	Commissioning Whānau Ora Outcomes	71,237	66,427	71,302	6
40,332	Māori Television Broadcasting	40,332	40,332	40,332	1
16,611	Māori Television Channel	19,264	19,264	19,264	4
13,744	Māori Radio Broadcasting	13,744	13,744	13,744	1
9,521	Promotion of the Māori Language	12,521	12,521	12,521	3
10,347	Māori Trustee Functions	11,261	11,261	11,261	5
5,681	Māori Housing Network	11,641	8,885	11,939	7
-	- Te Ture Whenua Network	1,463	4,200	4,400	2
-	- Te Mātāwai	2,500	3,000	2,500	2
2,183	Administration of Māori Broadcasting	2,183	2,183	2,183	2
1,954	Iwi Housing Support	843	1,956	956	2
391	Rangatahi Māori Suicide prevention	1,709	1,700	1,709	2
1,660	Strengthening and Promoting Māori Tourism	1,660	1,660	1,660	2
3,895	Whānau Ora - Service Delivery Capability	-	-	-	6
<b><i>Māori Potential Fund</i></b>					
4,341	Mātauranga (Knowledge)	5,520	5,668	5,918	7
4,887	Whakamana (Leadership)	4,546	5,394	4,936	7
4,071	Rawa (Resources)	3,891	4,285	5,035	7
13,299	<b>Total Māori Potential Fund</b>	<b>13,957</b>	<b>15,347</b>	<b>15,889</b>	
<b>166,180</b>	<b>Total Non-departmental Output Expenses</b>	<b>204,315</b>	<b>202,480</b>	<b>209,660</b>	
<b><i>Benefits and Other Unrequited Expenses</i></b>					
480	Rangatiratanga Grants	420	480	480	2
<b>480</b>	<b>Total Benefits and Other Unrequited Expenses</b>	<b>420</b>	<b>480</b>	<b>480</b>	



Table Continued

30-Jun-16 Actual \$000		30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Supp. Estimates \$000	Location of end-of-year Performance Information*
	<b>Other Expenses to be Incurred by the Crown</b>				
4,643	Rural and Māori Housing	5,588	4,000	6,538	2
4,819	Kāinga Whenua Infrastructure Grant	3,861	2,800	3,919	7
1,156	Moving the Māori Nation - supporting Māori Culture and Sport	3,330	3,500	3,544	2
2,000	Māori Language Research	2,000	2,000	2,000	2
1,867	Māori Women's Development Fund	1,867	1,867	1,867	2
-	- Electoral Participation	1,249	2,000	1,250	2
-	- Māori Digital Technology Development Fund	1,033	4,250	2,250	7
1,074	Māori Wardens	988	1,178	1,178	2
626	Māori Registration Service	615	626	626	2
500	Tūranganui-a-Kiwa Capacity Building	500	500	500	2
196	New Zealand Māori Council	196	196	196	2
131	Te Pūtahi Paoho	131	131	131	2
11	Administrative expenses for Crown Land	4	49	49	2
21	Te Ariki Trust	21	21	21	2
7	Ngāti Whātua Ōrākei Reserves Board	7	7	7	2
-	- Crown Contribution to the Parihaka Community	-	-	8,000	2
<b>17,051</b>	<b>Total Other Expenses to be Incurred by the Crown</b>	<b>21,390</b>	<b>23,125</b>	<b>32,076</b>	
<b>183,711</b>	<b>Total Operating Annual Appropriations</b>	<b>226,125</b>	<b>226,085</b>	<b>242,216</b>	
	<b>Appropriations for Other Expenses</b>				
15	Taranaki Māori Trust Board PLA	15	15	15	2
<b>15</b>	<b>Total Other Expenses</b>	<b>15</b>	<b>15</b>	<b>15</b>	
<b>183,726</b>	<b>Total Non-departmental Appropriations</b>	<b>226,140</b>	<b>226,100</b>	<b>242,231</b>	

\* The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as follows:

- 1 The Te Reo Whakapuaki Irirangi (Te Māngai Pāho) Annual Report.
- 2 No reporting due to an exemption obtained under section 15D of the PFA.



- 3 The Te Taura Whiri i Te Reo Māori (Māori Language Commission) Annual Report.
- 4 The Māori Television Service Annual Report.
- 5 The Te Tumu Paeroa (the Māori Trustee) Annual Report.
- 6 To be reported by the Minister for Whānau Ora in the Vote Māori Development Non-departmental Appropriations Report.
- 7 To be reported by the Minister for Māori Development in the Vote Māori Development Non-departmental Appropriations Report.

### Explanation for Significant Variances

Refer to “The Supplementary Estimates of Appropriations for the year ending 30 June 2017” for an explanation of budget changes between the 2016/17 Main Estimates and 2016/17 Supplementary Estimates for Vote Māori Affairs (Part 3 – Pages 453 to 457).

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

Appropriation	30-Jun-17 Actual \$000	Unaudited 30-Jun-17 Main Estimates \$000	Unaudited 30-Jun-17 Variance \$000
Commissioning Whānau Ora Outcomes	71,237	66,427	(4,810)
Māori Housing Network	11,641	8,885	(2,756)
Rural and Māori Housing	5,588	4,000	(1,588)
Whakamana (Leadership)	4,546	5,394	848
Māori Digital Technology Development Fund	1,033	4,250	3,217
Te Ture Whenua Network	1,463	4,200	2,737
Kāinga Whenua Infrastructure Grant	3,861	2,800	(1,061)
Electoral Participation	1,249	2,000	751
Iwi Housing Support	843	1,956	1,113

**Commissioning Whānau Ora Outcomes:** An additional \$4.875 million was transferred into the Commissioning Whānau Ora Outcomes appropriation following Main Estimates. \$2.554 million was a fiscally neutral transfer from departmental output expense: Integrated Whānau Social Assistance to preserve pre-Budget 2016 base funding levels for Commissioning Agencies; \$1.758 million was an expense transfer from 2015/16 to ensure delivery of commissioning outcomes agreed for 2016/17; and \$563,000 was a fiscally neutral transfer from Vote Social Development to support operational activities of Commissioning Agencies. These transfers led to expenditure in excess of the Main Estimates budget.



**Māori Housing Network:** An additional \$3.054 million was transferred into Māori Housing Network appropriation following Main Estimates. This consisted of a \$2 million fiscally neutral transfer, from the Māori Potential Fund non-departmental output expense appropriations Rawa (Resources), Whakamana (Leadership) and Mātauranga (Knowledge), to fund additional housing repairs; \$1 million fiscally neutral transfer from non-departmental output expense: Iwi Housing Support to invest in more housing projects, including housing repairs; and an expense transfer of \$54,000 from 2015/16 to align funding in accordance with housing project payment milestones. These transfers led to expenditure in excess of the Main Estimates budget.

**Rural and Māori Housing:** There was a \$2.538 million expense transfer from 2015/16, following the Main Estimates, to align funding in accordance with housing project payment milestones. This transfer led to expenditure in excess of the Main Estimates budget.

**Whakamana (Leadership):** This appropriation decreased by \$458,000 following Main Estimates due to a fiscally neutral transfer of \$1 million to non-departmental output expense: Māori Housing Network to fund housing repairs; which was offset by an expense transfer from 2015/16 of \$507,000 for Māori provider capability and capacity building, and additional funding of \$35,000 approved for hui in Northland to address the problem with illegal drugs including methamphetamine 'P'.

**Māori Digital Technology Development Fund:** Commitments to invest in a number of projects spanning financial years have been made. However, some project deliverables were still incomplete at year end and therefore expenditure couldn't be recognised in the 2016/17 financial year. The Ministry expects to transfer funding for those projects into the 2017/18 financial year.

**Te Ture Whenua Network:** \$3 million of the appropriation is being transferred from 2016/17 to 2017/18 to give providers more time to establish services ahead of funding being received. This transfer contributed to 2016/17 expenditure being considerably less than the Main Estimates budget.

**Kāinga Whenua Infrastructure Grant:** An additional \$1.119 million expense transfer from 2015/16 was made, following the Main Estimates, to support Māori housing projects funded from this appropriation.

**Electoral Participation:** This appropriation decreased by \$750,000 following the Main Estimates due to an expense transfer to 2017/18 to support a campaign to increase Māori participation in the September 2017 general election.

**Iwi Housing Support:** This appropriation decreased by \$1 million following the Main Estimates due to a fiscally neutral transfer to non-departmental output expense: Māori Housing Network to increase investment in Māori housing projects, including housing repairs.

## Statement of Non-departmental Unappropriated Expenditure and Capital Expenditure as at 30 June 2017

There was no unappropriated expenditure for the year ended 30 June 2017 (2015/16: Nil).







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**Te Puni Kōkiri**  
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