



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Annual Report

For year ended 30 June 2013





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Presented to the House of Representatives
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OCTOBER 2013



PŪRONGO Ā-TAU
ANNUAL REPORT OF



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

MŌ TE MUTUNGA O TE TAU I TE
30 O NGĀ RĀ O PĪPĪRI 2013
FOR THE YEAR ENDED 30 JUNE 2013



MINISTER OF MĀORI AFFAIRS

I am honoured to present to you the Annual Report of Te Puni Kōkiri
for the year ended 30 June 2013.

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

Michelle Hippolite
Chief Executive

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CONTENTS



6-7	From the Chief Executive
8-9	Introduction
10	Statement of Responsibility
11	Outcomes Framework
12-14	Key Indicators
15-21	Key Impact Measures
22-23	– <i>Working With Others to Improve Effectiveness for Māori</i>
24-26	Report of the Auditor General
27	STATEMENT OF SERVICE PERFORMANCE
28-39	Policy Advice and Related Outputs
40-44	Operations Management
45-47	Relationships and Information
48-49	Integrated Whānau Social Assistance
50-53	Whānau Ora Administration
54-58	ORGANISATIONAL HEALTH AND CAPABILITY
59	FINANCIAL STATEMENTS –
60	• Statement of Comprehensive Income
61	• Statement of Financial Position
62	• Statement of Movements in Taxpayers' Funds
63	• Statement of Cash Flows
64	• Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities
65	• Statement of Departmental Commitments
66	• Statement of Departmental Contingent Assets and Liabilities
67	• Statement of Departmental Expenditure and Capital Expenditure Appropriations
67	• Statement of Departmental Unappropriated Expenditure and Capital Expenditure
68-89	• Notes to the Financial Statements
89	• Non Departmental Statements and Schedules
89	• Schedule of Non-Departmental Revenue
90	• Schedule of Non-Departmental Expenses
91-92	• Statement of Non-Departmental Expenditure and Capital Expenditure Appropriations
93	• Statement of Non-Departmental Unappropriated Expenditure and Capital Expenditure
93	• Schedule of Non-Departmental Assets
94	• Schedule of Non-Departmental Liabilities
94	• Schedule of Non-Departmental Commitments
95	• Statement of Non-Departmental Contingent Assets and Liabilities
95-99	• Notes to the Non-Departmental Financial Statements



MAI TE MANAHAUTŪ

FROM THE CHIEF EXECUTIVE

6

Rau rangatira mā o te motu whānui, tēnei aku mihi nui ki a koutou katoa ki runga i taku pūrongo tuatahi mō Te Puni Kōkiri. Moe mai e aitua mā, e Parekura ko koutou ērā. E te hunga ora, noho ora mai ki ngā marae kāinga me te manako he painga kei roto i ngā kaupapa ka mahia e taku tari manatū, a Te Puni Kōkiri.

This is my first annual report since taking up the role of Chief Executive in December 2012.

During these first eight months, Te Puni Kōkiri has covered a lot of ground as an organisation and experienced some significant milestones within government and for Te Ao Māori. When I arrived, two Ministerial reviews had been undertaken; one on the Refocus of Te Puni Kōkiri, the other on Whānau Ora. Despite the uncertainty surrounding these Ministerial initiatives, I was impressed by the continued commitment of Te Puni Kōkiri staff to realising Māori potential.

Although decisions on the Refocus of Te Puni Kōkiri are pending, significant changes to the future scope and direction of Whānau Ora have been announced. The Government has agreed to the establishment of three NGO commissioning agencies with expertise and networks to build capability for:

- whānau and families with a North Island focus;
- whānau and families with a South Island focus; and
- Pacific families.

I am very pleased that Government has asserted its confidence in Te Puni Kōkiri to lead the next phase for Whānau Ora including developing the change management plan, leading the Non-Government Organisation procurement process and aligning our work to continue as the administering department. Having led the implementation of Whānau Ora since its establishment, we are more than ready to lead this next stage.

For the last eight months, a key internal focus for me has been the strategic planning process that has resulted in a reconfirmation that we stand to enable iwi, hapū and whānau Māori to succeed as Māori – and new purpose, roles and functions.

An *Ohu* or 'hot-housing' approach has been adopted to progress the strategic development mahi and this is proving successful at achieving a very high level of engagement from staff across wāhanga and our network of offices around the motu.

Ohu are highlighting an integrated approach in working on kaupapa by:

- sharing collective knowledge through robust discussion;
- sharing ideas and experiences to shape practices;
- understanding connection points and how to build collaboration; and
- focussing on a common purpose.

This augurs well for our organisational culture encouraging us to think more broadly across and outside of our teams and wāhanga.

Further, we can report some important performance highlights from the 12 months covered by this report.

- We are government's principal advisor on **Crown-iwi, hapū and whānau Māori relationships**. We fulfil this role well because of the breadth and depth of our relationships with stakeholders including individuals, rūnanga, trusts, service providers, and private and state sector organisations, local government, non-government and international organisations, indigenous groups and others.
- We continued to play a significant role in the mandate and ratification phases of **Treaty settlements** and an associated area of work on development of post-settlement governance entities. In terms of **Post Settlement Accords**, by the end of this financial year, there were eight iwi groupings with accords and a further two under negotiation.
- We assisted the Associate Minister of Māori Affairs to undertake the **Review of Te Ture Whenua Māori Act 1993**. Twenty consultation hui were held and 195 submissions received with generally supportive feedback of the overall thrust of the independent panel's propositions to improve the utilisation of Māori land through the empowerment of Māori land owners.
- In terms of **Natural Resources**, we have been supporting direct engagement between Iwi Leaders and Ministers around the freshwater (and resource management) reforms. This included working with lead agencies on climate change policy and the implementation of the Emissions Trading Scheme (ETS).
- In November last year, the Māori Economic Development Strategy and Action Plan **He kai kei aku ringa** was launched; the culmination of careful consultation by the

Māori Economic Development Panel who built on earlier work from the first Hui Taumata in 1984 to the inaugural Māori Economic Summit in 2009 and the work of the Māori Economic Taskforce. This has seen a Māori Economic Development Advisory Board set up to guide He kai kei aku ringa and a unit set up within the Ministry of Business, Innovation and Employment to drive its implementation.

- We strengthened **Māori Business Engagement with China** on several fronts including my trip with the Prime Minister and Minister of Māori Affairs on the Trade Delegation to China in April 2013. The visit emphasised the importance of cultural connections and people-to-people links and as a result helped to reinforce the bilateral relationship with China's new political leaders and re-emphasised the trade, investment and innovation goals of the NZ Inc China Strategy.

During this year we acknowledged the life of a former Māori Affairs Minister Hon Parekura Horomia. His loss was deeply mourned but also united many from all walks of life and across the political spectrum as they paid their final respects to a man known for his humility, humour and abiding concern for the wellbeing of te iwi Māori.

It is my pleasure to present the Ministry's financial and non-financial performance to 30 June 2013.

Ngā mihi,



Michelle Hippolite
Chief Executive



HE KUPU WHAKATAKI

INTRODUCTION



The machinery of Government for the Māori Affairs portfolio includes Te Puni Kōkiri, two Crown entities – Te Māngai Pāho, Te Taura Whiri i te Reo Māori, and two associated entities, the Māori Television Service, and Te Tumu Paeroa (formerly the Māori Trustee), both significant entities in their own right that are funded in part through Vote Māori Affairs. The three non-statutory groups supported within the portfolio in an advisory capacity to the Minister of Māori Affairs include Ngā Pū Waea – the National Māori Broadband Working Group, the Constitutional Advisory Panel and the Māori Economic Development Panel.

Te Puni Kōkiri was created by the Ministry of Māori Development Act 1991, and began operating on 1 January 1992. The Ministry's two main responsibilities included:

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

Te Puni Kōkiri is the principal advisor on Crown-Māori relationships. Our core functions have included:

- Leading and influencing public policy effecting Māori.
- Assisting the Government to manage its relationships with Māori.
- Monitoring aspects of government performance with respect to Māori.
- Delivering a discrete set of programmes on behalf of the Government.
- Partnering Māori initiative with investment and facilitation to support the priorities and aspirations of Māori.

We have identified three new key outcomes going forward:

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

These long-term outcomes reflect several dimensions: 1) the ongoing and evolving Treaty of Waitangi-based relationships between the Crown and Māori; 2) the importance of Māori language and culture to Māori well-being and to New Zealand's national identity; and 3) to creating an environment within which our most vulnerable families and communities can realise improved and sustainable results and outcomes.

As a Policy Ministry we are committed to providing well-informed and strategic advice to address the needs and aspirations Māori hold: as hapū and iwi partners to the Treaty of Waitangi; as culturally distinct peoples; and as whānau members and citizens.

Through our national and regional network we facilitate effective relationships between Māori communities and stakeholders because we are actively involved in those communities. We also assist others to understand and respond to the needs and aspirations of iwi and Māori communities, and their whānau.

As an investment agency we make smart and accountable investment in new policy and programme approaches that support Māori-led development and contribute to achieving better outcomes.

Effectiveness for Māori

In addition to the three outcomes mentioned above, Te Puni Kōkiri has a statutory responsibility to monitor, and liaise with, each department and agency that provides, or has a responsibility to provide services to or for Māori for the purpose of ensuring the adequacy of those services. Through this role we advise on how the state sector can improve its stewardship and systems, including its accountability, to achieve better outcomes for Māori. This also includes monitoring the effectiveness of government services and programmes in alleviating poverty for Māori and enhancing social mobility for Māori.



STATEMENT OF RESPONSIBILITY

10

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

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

In my opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of Te Puni Kōkiri for the year ended 30 June 2013.

Signed



Michelle Hippolite
Chief Executive
30 September 2013

Countersigned



Michelle Ewington
Chief Financial Officer
30 September 2013

OUTCOMES FRAMEWORK 2012-2013

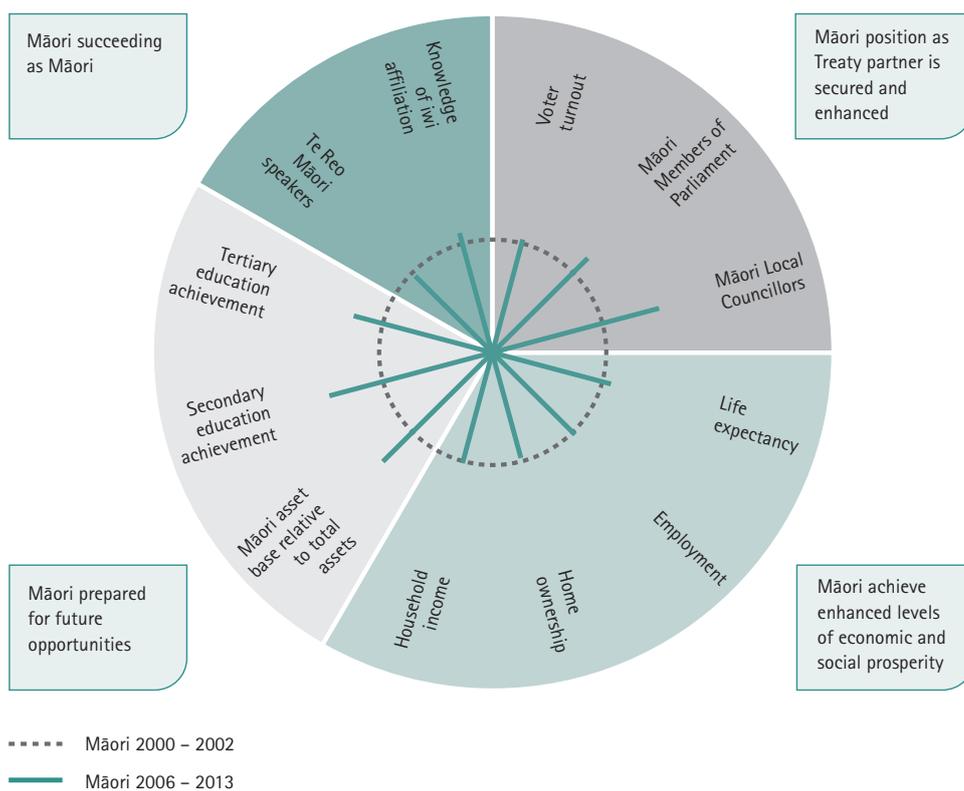
	TE TIRITI o WAITANGI: Māori position as the Treaty partner is secured and enhanced	TE AO HURIHURI: Māori are prepared for future opportunities	TE AO MĀORI: Māori succeeding as Māori, more secure, confident and expert in their own culture	WHĀNAU ORA: Whānau and Māori achieve enhanced levels of economic and social prosperity
GUIDING PRINCIPLE	MĀORI SUCCEEDING AS MĀORI			
KEY OUTCOMES: INTERMEDIATE IMPACTS	<ul style="list-style-type: none"> Enhanced Crown-Māori relationships Increased involvement in government 	<ul style="list-style-type: none"> Māori are engaged in education, job skills and employment pathways Good quality housing is a realistic goal for Māori 	<ul style="list-style-type: none"> Strengthen Māori language, culture and cultural infrastructure 	<ul style="list-style-type: none"> Better delivery of key public services to Māori and whānau More Māori children and whānau are safe and well at home More Māori children in early childhood education
OUTPUTS	Policy Advice Programme Management	Brokerage and Facilitation Research and Evaluation	Māori Business Facilitation Service Land Management	Entity Monitoring Ministerial Servicing
KEY WORK STREAMS	<ul style="list-style-type: none"> Crown-Māori relationships Treaty settlements Natural resources Māori property rights Consideration of NZ's constitutional arrangements 	<ul style="list-style-type: none"> Whānau Social Assistance programme management Māori Business Facilitation Service Māori productivity and export growth Māori skills acquisition Māori housing programme Cadetships Māori in industry and trade training Māori Wardens 	<ul style="list-style-type: none"> Māori language Māori broadcasting and e-media Māori cultural practice 	<ul style="list-style-type: none"> Whānau Ora policy and service delivery approach Contribute to establishment of stand-alone Commissioning Agency



KEY INDICATORS

The chart below shows that Māori have made gains across all the reported indicators, with the exceptions of home ownership, household income and te reo

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



Note: The inner circle represents historic average outcomes for Māori for each indicator between 2000 and 2002, and the spokes represent the most recent average outcome between 2006 and 2013. Where a spoke falls outside the circle, the outcomes have improved since 2000-02. Where a spoke falls within the circle, outcomes have deteriorated since 2000-02.

The chart shows key statistical findings on the progress of Māori and gives an overall view of the general progress Māori have made across the selected indicators since the year 2000. The most recent indicator values for Māori, 2006-13 (thick blue line) are compared with historical values 2000-02 (thin grey circle).¹

The outcome indicators we have selected reflect critical information in relation to each outcome. In some cases, Government has not set targets for these indicators. Accordingly, we have limited our expression of outcome targets to those that have already been agreed by Government. We will continue to work with other agencies to achieve more explicit expression of outcome targets in the future. The chart opposite depicts the baseline data (2006-13) for key outcome indicators, and shows recent trends in these indicators (progress since 2000-02).

The only outcome indicator we have not included relates to the number of Treaty Settlements completed. In practical terms progress within historical Treaty settlement negotiations is more appropriately measured by the number of claimant groups moving towards settlement of all their claims, rather than by how many individual claims have been settled or are being addressed in the context of negotiations. This indicator is primarily the role of the Office of Treaty Settlements. As at 30 June 2013, some 60 groups had completed their historical Treaty Settlements with signed Deeds of Settlement

The Office of Treaty Settlements website: www.ots.govt.nz has further information concerning the various claimant groups who have moved through the settlement process.

1. This analysis reflects comparisons based on data obtained at two points in time. It provides a simplistic trend analysis that reflects relative change rather than the absolute status of the indicators.



The following table shows the overall change for Māori since 2000–2002 (or nearest data point) and the most recent information that is available for each indicator.

✓ increase / improvement ≈ constant trend (little or no change) ✗ decrease / decline

Outcome Statement	Key Outcome Indicator	Reported Indicator	Initial	Current ²	Data Next Available	Progress
Te Tiriti o Waitangi: Māori position as the Treaty partner is secured and enhanced	1. Increased participation in electoral process	1. Voter turnout in Māori electorates (%)	57.6 (2002)	58.2 (2011)	2014	✓
		2. Māori members of Parliament (%)	15.8 (2002)	16.5 (2013)	After next election	✓
		3. Māori elected in Local Elections (%)	4.0 (2001)	8.0 (2007) ³	DIA survey finished	✓
Whānau Ora: Māori achieve enhanced levels of economic and social prosperity	2. Improvement in Māori life expectancy	4. Māori life expectancy at birth (years) average male & female	Female (2000–02) 73.2	Female (2010–12) 76.5	2014	✓
			Male (2000–02) 69.0	Male (2010–12) 72.8		
	3. Increased levels of Māori employment	5. Māori employment rate (%)	55.1 (Jun 2001)	56.0 (Jun 2013)	2014	✓
	4. Increased levels of Māori home ownership	6. Māori individual housing tenure (%)	31.7 (2001)	30.1 (2006)	2014 ⁴	✗
	5. Increased levels of Māori household income	7. Māori households in bottom income quintile (%)	24.3 (Jun 2002)	24.1 (Jun 2012)	2013 (Sep)	✗
Te Ao Hurihuri: Māori prepared for future opportunities	6. Increased contribution of the Māori asset base to the total asset base	8. Māori asset base as a proportion of total assets ⁵ (%)	1.5 (2005/06)	6.3 (2010)	TBC	✓
	7. Increased levels of Māori educational achievement at secondary and post-compulsory levels	9. Māori school leavers with NCEA Level 2 or above (%)	28.8 (2003)	54.6 (2012)	TBC	✓
		10. Māori with post school qualifications (%)	21.2 (2001)	27.9 (2006)	2014 ²	✓
Te Ao Māori: Māori succeeding as Māori	8. Increased levels of Māori language proficiency and use	11. Te Reo Māori speakers (%)	25.2 (2001)	23.7 (2006)	2014 ²	✗
	9. Increased knowledge of iwi affiliation	12. Māori who know their iwi (%)	75.2 (2001)	83.0 (2006)	2014 ²	✓

2. The data and dates shown are the latest figures available.

3. Ethnicity data was not collected in the 2010 local body elections.

4. Indicators based on Census of Population and Dwellings data.

5. This measure revised to correct an error in Statement of Intent 2012–2015 where the reference to Māori asset base as proportion of GDP identified as incorrect. Correct measure was intended to be Māori asset base as a proportion of total assets as reported in [8] above. Please refer to the following report for further discussion on the methodology used to produce the 2010 estimate of the Māori asset base: *The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy, Te Puni Kōkiri and BERL, 2011* http://www.tpk.govt.nz/_documents/taskforce/met-rep-assetbaseincpend-2011.pdf.

KEY IMPACT MEASURES - 2012/13

The following information reports on the impact of Te Puni Kōkiri's activities/outputs on key outcomes (since updated for 2013/14) as stated in the Ministry's Outcome Framework (2012-15 Statement of

Intent). These impact measures were designed to report on the extent to which our activities directly impact on the outcomes being pursued. Where appropriate we have reported against specific performance targets.

15



**KEY OUTCOME ONE: TE TIRITI O WAITANGI –
MĀORI POSITION AS THE TREATY PARTNER IS SECURED AND ENHANCED**

Impact: Enhanced Crown–Māori relationships	
<i>Impact measures</i>	<i>Results</i>
Facilitation and brokerage activities leading to enhanced relationships. (Target: Minimum of 500).	Te Puni Kōkiri continued to build and maintain effective, collaborative relationships with a diverse range of stakeholders including individuals, rūnanga, Trusts, service providers, private sector organisations, state sector agencies, and non-government organisations. This saw 731 recorded engagements take place in 2012/13.
Impact: Māori are increasingly involved in government processes	
<i>Impact measures</i>	<i>Results</i>
Enhanced opportunities for Māori input into government decision making. (No Target: Key Government policy decisions are informed by Te Puni Kōkiri advice and/or the facilitation of direct Māori engagement).	Te Puni Kōkiri provided support and advice to the Constitutional Advisory Panel to undertake its engagement on New Zealand's constitutional arrangements.
Success rate of nominations and appointments advice to Ministers and appointing agencies. (Target: 45%).	Te Puni Kōkiri provided nominations advice for 82 Government appointed boards or organisations. Success rate in terms of appointments completed at 30 June 2013 reported at 31%.

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

Impact: Improved productivity and sustainability of Māori entrepreneurs and small businesses	
Impact measures	Results
<p>Productivity gains for new and existing Māori businesses.</p> <p>(Target: 8-12% of businesses that complete mentoring programme show productivity gains).</p>	<p>The post-mentoring report showed that 111 or 46% of the total clients registered with the Māori Business Facilitation Service or MBFS (as it is known) indicated growth and productivity gains.</p>
Impact: Enhanced business services for Māori (increased uptake of services by Māori SME's)	
Impact measures	Results
<p>More businesses start trading⁶ through the support of Māori Business Facilitation Service.</p> <p>(Target: minimum of 80 new businesses).</p>	<p>In addition to improving productivity of existing businesses, the MBFS programme assistance also contributed in 2012/13 to the establishment or full commercialisation of 79 new Māori owned businesses.</p>
<p>Better trained and equipped Māori Wardens.</p> <p>(Target: 400 or 85% recruited and trained).</p>	<p>468 Māori Wardens received training in 2012/13, through Co-ordinated Incident Management Systems (known as 'CIMS') L2 Security Training, Advocacy, Ngā akoranga Pirihiimana and First Aid.</p>

17

6. In this context 'start trading' has been taken to refer to business start-ups, being a business in the first stage of its operations.



Impact: Māori are engaged in education, job skills and employment pathways

<i>Impact measures</i>	<i>Results</i>
Number of Māori placed in cadetships – in ICT and other high growth industries. (Target: 250).	Te Puni Kōkiri secured 248 Cadetships in 2012/13 as follows: <ul style="list-style-type: none"> • 87 in the energy sector; • 160 in the infrastructure sector; and • 1 in the telecommunications sector.
Number of Māori in growth industries attain management qualifications (Target: 100).	In 2012/13 Te Puni Kōkiri supported: <ul style="list-style-type: none"> • 108 Māori business owners/managers to complete the ICEHOUSE Business Growth Centre Owner Manager Programme or Achieving Business Growth course. • 20 Māori women in the infrastructure industry to undertake training towards a NZQF Level 4 National Certificate in Business (First Line Management).
Number of Māori attaining infrastructure industry formal qualifications (Target: minimum 200).	260 Māori trainees undertook training towards initial or advanced infrastructure industry qualifications in 2012/2013. Five Māori also received scholarships to undertake Diploma (NZQF Level 5) studies: Three in <i>Asset Management</i> and two in <i>Engineering Practice</i> .
Number of mentoring and business advisory engagements with Māori owned enterprises (Target: minimum of 600).	During 2012/13, the MBFS worked with 611 Māori individuals, small and medium-sized enterprises, and Māori collective organisations including post-settlement governance entities.

Impact: Good quality housing is a realistic goal for more whānau and Māori

<i>Impact measures</i>	<i>Results</i>
Number of new housing solution relationships brokered by the Special Housing Action Zone initiative. (Target: Minimum of eight).	A total of 12 projects between Māori communities and the Ministry of Business, Innovation and Employment Social Housing Unit were supported by the Special Housing Action Zone initiative in 2012/13.
Number of Māori households engaged by EECA, with Te Puni Kōkiri support, to secure Warm-Up NZ subsidies and assistance. (Target: Minimum 1000).	Anecdotal evidence suggests there have been more than 800 regional engagements supported by Te Puni Kōkiri to promote the programme.

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

Impact: Improved Māori cultural infrastructure	
<i>Impact measures</i>	<i>Results</i>
Marae are supported to identify and address their development needs – number of marae supported, by nature of support. (Target: 40).	Direct support was provided to 38 Marae.
Impact: Increased exposure to Māori language resources and access to Māori language and culture	
<i>Impact measures</i>	<i>Results</i>
% satisfaction with Māori language initiatives. (Target: 75% of participants in selected programmes and events are satisfied with the Māori language outcomes).	Results for this impact measure are informed by the Māori Language Impact Survey which was last undertaken in 2010/11. As it is unlikely that the underlying indicators would have moved significantly in the intervening period, the survey was not undertaken in the 2012/13 financial year. The Māori Social Survey being undertaken by Statistics New Zealand in mid 2013 will provide up-to-date data about these measures.
% uptake of Māori radio and television programmes – by survey. (Target: 50 percent).	Results for this impact measure are informed by the Māori Language Impact Survey which was last undertaken in 2010/11. As it is unlikely that the underlying indicators would have moved significantly in the intervening period, the survey was not undertaken in the 2012/13 financial year. The Māori Social Survey being undertaken by Statistics New Zealand in mid 2013 will provide up-to-date data about these measures.



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

Impact: More Māori Children and whānau are safe and well at home	
<i>Impact measures</i>	<i>Results</i>
Support for vulnerable whānau by 50 Kaitoko Whānau case workers. (Target: 600-1000).	2012/13 saw 48 Te Puni Kōkiri supported Kaitoko Whānau workers complete an average of 557 monthly engagements with vulnerable whānau.
Number of new parents supported and mentored by 21 Oranga Whānau case workers. (Target: 400).	In the last year, 21 Te Puni Kōkiri supported Oranga Whānau case workers provided mentoring and support to an average of 87 whānau per month.
Number of new māra kai across high needs communities and their whānau. (Target: 250).	In 2012/13 funding of \$731,000 was allocated to over 290 Māra Kai across New Zealand.
Percentage of engaged whānau with children who have up to date vaccinations. (Target: 75-80%).	85% achieved. This measure is the eight month immunisation rate from a sample of GP Practices and PHO's in Whānau Ora collectives.
Impact: Better delivery of key public services to Māori and whānau	
<i>Impact measures</i>	<i>Results</i>
Number of Whānau Ora navigators co-ordinating services to at least 15 whānau. (Target: no fewer than 100).	In 2012/13 the equivalent of 138 full time navigators worked with over 2000 whānau across Whānau Ora providers and collectives.

Impact: More Māori Children are enrolled in early childhood education

<i>Impact measures</i>	<i>Results</i>
Percentage of whānau with children enrolled in early childhood education. (Target: 90-100%).	95.7% national participation rate for early childhood education. Some 67% of whānau engaged in Whānau Ora noted improvements in their attendance in early childhood education.

Impact: More whānau are taking active steps to improve the wellbeing of their members

<i>Impact measures</i>	<i>Results</i>
Percentage of whānau engaged by provider collectives that have taken steps to improve the wellbeing of their members. (Target: no less than 60%).	74% of whānau involved with Whānau Ora have demonstrated a commitment to improving their well-being by achieving their aspirations.

Impact: More whānau have positive whānau connections

<i>Impact measures</i>	<i>Results</i>
Percentage of engaged whānau that have taken steps to strengthen whānau connections. (Target: 80-90%).	84% of whānau engaged with Whānau Ora have achieved goals around whānau connection.



WORKING WITH OTHERS TO IMPROVE EFFECTIVENESS FOR MĀORI

One of Te Puni Kōkiri's key roles is to collaborate with others to lift the results achieved by the State Sector for Māori. This is an ongoing priority, especially given the relatively young age structure of the Māori population. It is vital for our future economic and social wellbeing that Māori succeed.

System-wide influence

In 2012/13, Te Puni Kōkiri sought to influence and strengthen performance measurement systems and practices across the state sector. We were involved, for example, in the on-going work to ensure robust and good quality legislation.

Cabinet agreed that the Government must disclose key features of new legislation, including the nature and extent of actions taken to meet existing expectations of consistency with the principles of the Treaty of Waitangi.⁷ Te Puni Kōkiri worked with other agencies to advocate for and develop this requirement.

Te Puni Kōkiri continued to provide guidance and leadership to the State Sector towards achieving measurable results for Māori. For example, we launched a publication, *Measuring performance and effectiveness for Māori: Key themes from the literature*, a summary of the literature on the theory and practice of measuring effectiveness for Māori. It was favourably received across government and academia, and is being promoted on the State Services Commission's website as guidance to Crown Entities. We completed two further practical guidance publications to be launched in 2013: a framework to assist agencies to measure their effectiveness for Māori, and an accompanying case study.

Better Public Services

The ongoing State Sector reforms under the *Better Public Services* programme have been key areas of focus for Te Puni Kōkiri. Māori are strongly represented within the target groups for the ten *Better Public Services* Result Areas announced by the Government. With the support of Te Puni Kōkiri, the Minister of Māori Affairs was a keen advocate of ensuring a focus on Māori was included within the wider government interventions to achieve these result areas and that progress towards these continued to be monitored.

The *Better Public Services* programme is overseen by a range of senior officials groups. Te Puni Kōkiri was represented, for example, on the Vulnerable Children's Board and the Deputy Chief Executives' group for the Social Sector Forum.

Te Puni Kōkiri worked with other agencies towards the achievement of the targets for the *Better Public Services* Result Areas. For example, we were involved in the development of the Children's Action Plan, one of the Government's main initiatives for working towards targets for vulnerable children. We provided advice on designing services that are responsive to Māori, and ensured that Whānau Ora and other Māori providers were linked into the development of the Children's Action Plan.

7. <http://www.treasury.govt.nz/publications/guidance/regulatory/disclosurestatements>

Whānau Ora

The Whānau Ora philosophy and approach has seen significant cross agency and non-government sector arrangements at an unprecedented level. The 34 provider collectives were supported by intensive agency engagement across Te Puni Kōkiri, the Ministry of Health, the Ministry of Social Development and District Health Boards. Ten Whānau Ora Regional Leadership Groups have been established throughout the country based on Te Puni Kōkiri regional boundaries. The members consist of 3 to 7 community representatives and an official from each agency above.

Additionally, the Whānau Integration, Innovation and Engagement Fund that assists whānau led development and supports whānau to engage with each other, has seen Whānau Ora providers and navigators, and other NGOs collaborate with iwi, hapū, rūnanga, whānau trusts and marae committees.

Competitive and productive economy

Te Puni Kōkiri worked alongside a number of agencies to promote the Māori economic development interests in the Business Growth Agenda. We worked with others to improve sector performance for SMEs, tourism and trade agreements. This included leading parts of the NZ Inc Strategy, building on Māori export market leverage with China and supporting Māori tourism. Another example is the strong role played in supporting the Māori Economic Development Panel to finalise '*He kai kei aku ringa, the Crown-Māori Economic Growth Partnership*'. This strategy sets out six strategic goals for lifting the Māori contribution to the economy.

Resource Management

Te Puni Kōkiri provided ongoing advice and support to the Government's resource management and freshwater reforms. Cabinet agreed to a number of proposals to improve the role of iwi and hapū in resource management and freshwater planning, which are intended to be enacted by the end of 2013. Te Puni Kōkiri is working with the Ministry for the Environment towards implementing the reforms, including developing of iwi/hapū capacity and capability.

Rebuilding Christchurch

Te Puni Kōkiri participated in collaborative interagency and community fora, such as 'Te Awheawhe Rū Whenua' (the Ngāi Tahu Earthquake committee), the Canterbury Government Leaders Forum, and the Canterbury Recovery Funders Network. We provided support to the development of an Iwi Māori Recovery Programme, a component of the Canterbury Earthquake Recovery Authority Recovery Strategy and joined the Mātauraka Mahaanui Forum to support and advise the members in their role of contributing to the renewal and reshaping of Māori education and achievement.

Treaty Partnerships

Te Puni Kōkiri either led or participated in a number of Post Treaty Settlement Accords with iwi, which focused on a whole-of-government relationship. We also provided advice and guidance to government on consulting and engaging with Māori under agency portfolio agreements, along with a range of Treaty Settlement activities. Te Puni Kōkiri also provided support and advice to the Secretariat of the Constitutional Advisory Panel on engaging with Māori.



AUDIT REPORT

TO THE READERS OF TE PUNI KŌKIRI'S FINANCIAL STATEMENTS, NON FINANCIAL PERFORMANCE INFORMATION AND SCHEDULES OF NON-DEPARTMENTAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2013

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

We have audited:

- the financial statements of the Ministry on pages 60 to 88, that comprise the statement of financial position, statement of departmental commitments, statement of departmental contingent assets and liabilities as at 30 June 2013, the statement of comprehensive income, statement of movements in taxpayers' equity, statement of departmental expenses and capital expenditure against appropriations, statement of unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the non financial performance information of the Ministry that comprises the statement of service performance on pages 28 to 53 and the report about outcomes on pages 11 to 21; and
- the schedules of non-departmental activities of the Ministry on pages 89 to 99, that comprise the schedule of non-departmental assets, schedule of non-departmental liabilities, schedule of non-departmental commitments and schedule of non-departmental contingent assets and contingent liabilities as at 30 June 2013, the schedule of non-departmental

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

Opinion

In our opinion:

- the financial statements of the Ministry on pages 60 to 88:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Ministry's:
 - financial position as at 30 June 2013;
 - financial performance and cash flows for the year ended on that date;
 - expenses and capital expenditure incurred against each appropriation administered by the Ministry and each class of outputs included in each output expense appropriation for the year ended 30 June 2013; and
 - unappropriated expenses and capital expenditure for the year ended 30 June 2013.
- the non financial performance information of the Ministry on pages 11 to 21 and 28 to 53:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Ministry's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:

- its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
- its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.
- the schedules of non departmental activities of the Ministry on pages 89 to 99 fairly reflect, in accordance with the Treasury Instructions:
 - the assets, liabilities, contingencies and commitments as at 30 June 2013 managed by the Ministry on behalf of the Crown; and
 - the revenues, expenses, expenditure and capital expenditure against appropriations and unappropriated expenditure and capital expenditure for the year ended on that date managed by the Ministry on behalf of the Crown.

Our audit was completed on 30 September 2013. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the non financial performance information and the schedules of non-departmental activities. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the non financial performance information and the schedules of non departmental activities, whether due to fraud or error. In making those risk assessments, we consider internal

control relevant to the Ministry's preparation of the financial statements and the non financial performance information and the schedules of non departmental activities that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

An audit also involves evaluating:

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

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

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

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

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



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

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

Responsibilities of the Auditor

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

Independence

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

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

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

This audit report relates to the financial statements, statement of service performance and schedules of non-departmental activities of Te Puni Kōkiri for the year ended 30 June 2013 included on Te Puni Kōkiri's website. The Chief Executive is responsible for the maintenance and integrity of Te Puni Kōkiri's website. We have not been engaged to report on the integrity of Te Puni Kōkiri's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and schedules of non departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and schedules of non departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non departmental

activities. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and schedules of non departmental activities as well as the related audit report dated 1 October 2013 to confirm the information included in the audited financial statements, statement of service performance and schedules of non departmental activities presented on this website.

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

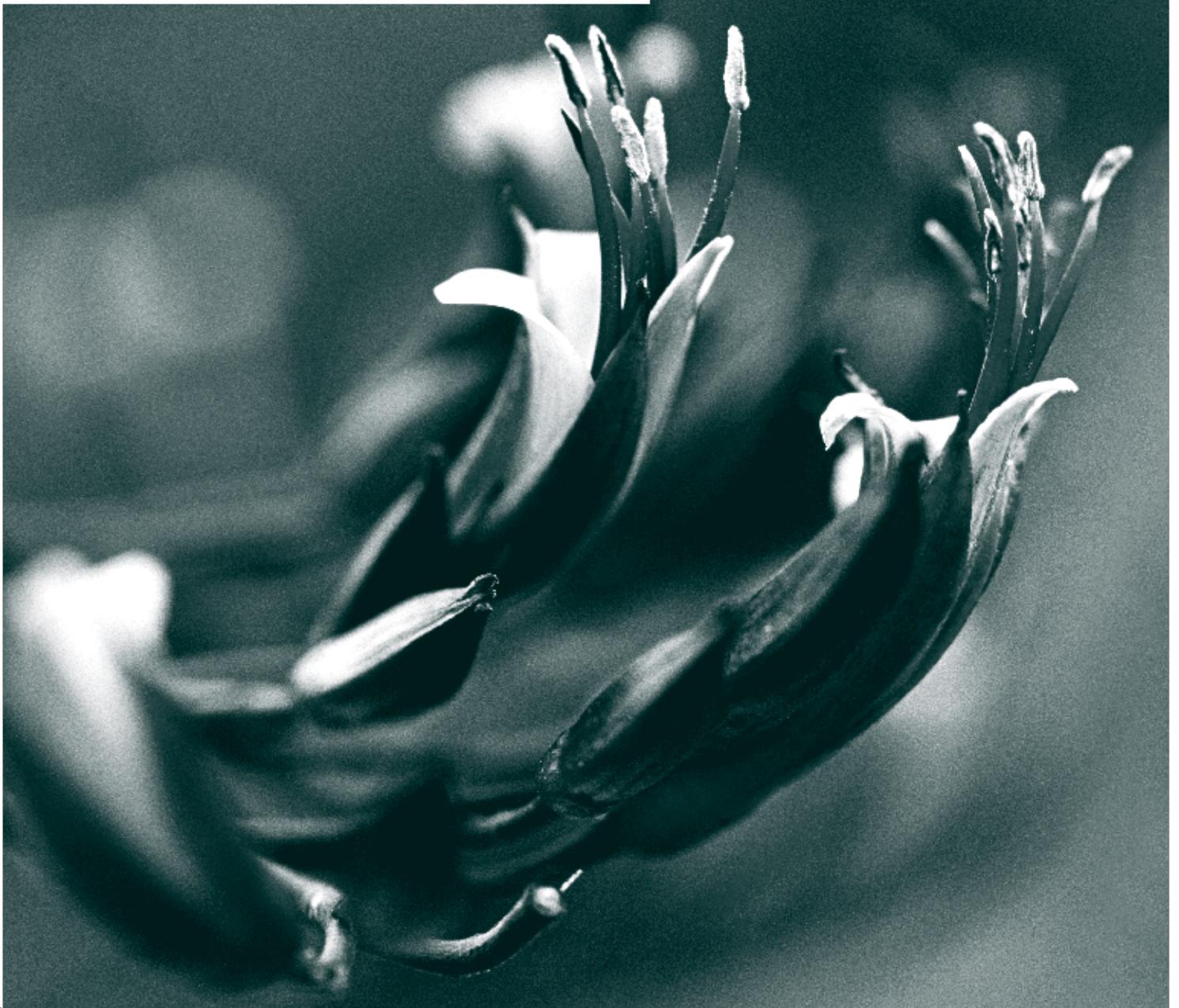


Phil Kennerley

*Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand*



 STATEMENT OF SERVICE
PERFORMANCE



STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

28

The Statement of Service Objectives for Te Puni Kōkiri is detailed in the *Information Supporting the Estimates of Appropriations and Information Supporting the Supplementary Estimates* for the year ending 30 June 2013. This Service Performance Statement reports against those output objectives.

POLICY ADVICE AND RELATED OUTPUTS MCOA (M46)

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

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

Major Activities

Māori Language and E-Media

The Minister of Māori Affairs has signalled his intention to promulgate a new Māori Language Strategy in the 2013/14 financial year.

In 2012/13, we undertook a range of activities to develop the groundwork for this, including: policy work to explore the development of a new

framework for the Māori Language Strategy; developing a suite of Budget initiatives to support whānau and community language development as a central pillar of a new Māori Language Strategy; and, ongoing work to support Māori language initiative across Vote: Māori Affairs (for example, support for Māori Language Week 2013, and support for the *He Kāinga Kōrerorero* programme). We also continued to support the Māori language entities within Vote: Māori Affairs, and to act as a critical friend for other agencies that deliver Māori language programmes and services (in particular, within Vote: Education).

We also progressed various work-streams to support Māori language and Māori economic development through broadcasting and e-media. In particular, the Māori Television Service Amendment Bill was introduced and supported through the various Parliamentary stages; we supported the work of Ngā Pū Waea (the National Māori Broadband Working Group) to develop a Māori focus in the UFB and RBI roll-outs; as well as work to consider Māori interests in the 700 MHz band of radio spectrum.

Te Puni Kōkiri also monitors the Māori Language and Broadcasting entities funded through Vote Māori Affairs on behalf of the Minister of Māori Affairs. These include:

- Te Taura Whiri i te Reo Māori - The Māori Language Commission.
- Te Māngai Pāho - The Māori Broadcasting Funding Agency.
- The Māori Television Service.

Māori Culture

During 2012/13, Te Puni Kōkiri continued its programme of work to support marae development. During this time, we focussed on developing, implementing and evaluating the Marae CBD pilot initiative exploring opportunities for marae to position themselves as development hubs for their communities.

In addition, we continued to provide support for marae development activities per se, and for a range of cultural development activities based at marae (in particular, we supported a number of Matariki events at marae and elsewhere). We also provided support for iwi to engage their membership through festivals and events, and through the development of tribal registers; and we provided policy advice and support to other Government agencies that are responsible for protecting and promoting various aspects of Māori culture.

Crown-Māori Relationships

Te Puni Kōkiri maintains relationships with a diverse range of stakeholders including individuals, iwi leaders, rūnanga, trusts, service providers, private sector organisations, State Sector agencies, non-government organisations, local government, international organisations, indigenous bodies and others.

A primary focus for Te Puni Kōkiri in 2012/13 was that of building and sustaining relationships with iwi, hapū and whānau to both progress positive outcomes for Māori, and at the same time, to enhance enduring and robust Crown-Māori relationships.

This has seen us play a role in ensuring the policy advice provided by other State Sector agencies addressed Māori issues. Te Puni Kōkiri also aimed to influence other government agencies regionally and nationally to improve outcomes for iwi, hapū and whānau Māori.

Our regional offices are ideally placed, and continue to act as a conduit for whānau, hapū and iwi to advance their aspirations, and similarly to translate those aspirations into policy advice for Government. A significant part of sustaining these relationships is the ongoing facilitation and brokerage roles we undertake particularly in supporting groups to move from one phase to the next.

Treaty Settlements

Te Puni Kōkiri continued with its significant role in the mandate and ratification phases of Treaty settlements and an associated area of work on development of post-settlement governance entities, as well as providing advice on voting processes to allow better participation and information sharing.

We have been pro-active in working with claimant communities to explain mandating strategies and processes to ensure the achievement of robust mandates that can withstand the settlement process and strengthen the ongoing Crown-Māori relationship. Our facilitation and brokerage activities play a significant role here.

From time to time, we have also convened hui to provide information on the Treaty settlement process and the requirements for claimant communities. These have enabled the claimant community to focus on solutions and helped to break impasses' where these may have arisen.

The ratification of post-settlement governance entities is one of the most important phases for Māori development. The entity needs to be geared to allow a positive Treaty relationship while also balancing the commercial and cultural aspirations of the claimant community. Te Puni Kōkiri plays a significant role in supporting the development of these governance entities, and ensuring that these are



able to meet both the technical expectations of the Crown as well as the strategic and cultural requirements of the settling community.

Post Settlement Accords

The continued implementation, through 2012/13, of post settlement accords has provided opportunities for both the Crown and Māori to further build and enhance their relationships. There are now eight iwi with accords negotiated through the Treaty Settlement process, with the *Te Hiku Social Development and Wellbeing Accord*, signed at Waitangi on 5 February 2013 by representatives from Te Aupouri, Te Rarawa and Ngāi Takoto, being the most recent. Signatories for the Crown included the Rt Hon John Key, Prime Minister, the Hon Dr Pita Sharples, Minister of Māori Affairs, and the Hon Paula Bennett, Minister of Social Development. As at 30 June 2013, a further two proposed accords are currently under negotiation.

A number of successful Ministerial fora also took place during 2012/13. The Prime Minister and other senior Ministers met with Te Arawa, Raukawa and Waikato Tainui in August 2012 and Ngā Rauru held their annual Paepae Rangatira in November 2012. Signing ceremonies to sign most of the outstanding portfolio accords between agencies and Maniapoto, Raukawa and, Te Arawa occurred in September and December 2012. Initially scheduled for late June 2013, the Ministerial Forum with the four Waikato River iwi – Waikato Tainui, Maniapoto, Te Arawa and Raukawa took place in early 2013/14.

These post settlement accords are just one of many examples where the regional networks of Te Puni Kōkiri work to support and enhance

the Crown-Māori relationship. Our intimate knowledge and understanding of the dynamic, interrelated and often complex issues occurring at regional and community levels play a significant role in connecting iwi with relevant government agencies and appropriate non-government organisations to address issues of mutual interest and importance to all parties.

Review of Te Ture Whenua Māori Act

Te Puni Kōkiri in 2012/13 assisted the Associate Minister of Māori Affairs, Hon Christopher Finlayson, to undertake a review of Te Ture Whenua Māori Act 1993. As a result, an independent panel was appointed to review the Act and to recommend what form of legislative interventions might best support the owners of Māori land in reaching their aspirations, while enabling the better utilisation of their land. The Panel, which is chaired by Matanuku Mahuika, also includes Mr Dion Tuuta, Mr Toko Kapea and Ms Patsy Reddy.

The Panel developed five propositions intended to facilitate greater productivity of Māori land:

- utilisation of Māori land should be able to be determined by a majority of engaged owners;
- all Māori land should be capable of utilisation and effective administration;
- Māori land should have effective, fit for purpose, governance;
- there should be an enabling institutional framework to support owners of Māori land to make decisions and resolve any disputes; and
- excessive fragmentation of Māori land should be discouraged.

The Panel produced a discussion document on these five propositions and obtained Cabinet agreement to publicly consult.

Twenty consultation hui were convened and along with 195 submissions, feedback was generally supportive of the overall thrust of the propositions to improve the utilisation of Māori land through the empowerment of Māori land owners.

Natural Resources

Freshwater

Addressing Māori rights and interests in water is of critical importance to the reform of the fresh water management regime and ensuring New Zealand maximises the potential of our fresh water resources.

Te Puni Kōkiri continued to work on an interagency Fresh Start for Fresh Water policy programme, led by the Ministry for the Environment, and the Ministry for Primary Industries. The reforms will deliver recommended areas for immediate foundational water reform in 2013, as well as further aspects which will be built upon and addressed in the medium to long term. In addition, we continue to have a role in supporting the process and direct engagement between Iwi Leaders and Ministers around the freshwater (and resource management) reforms.

Climate Change

Te Puni Kōkiri worked with lead agencies on climate change policy and the implementation of the Emissions Trading Scheme. As part of this work we were closely focused on those aspects of the Scheme that have implications for Māori land and resources and we maintained an involvement in the longer term work on climate change adaptation.

Resource Management Act Reform

A key feature of Te Puni Kōkiri's ongoing relationship with the Ministry for the

Environment in 2012/13 was our continued work to ensure the Ministry and government was aware of the issues of significance to Māori in the context of resource management reforms. This has seen us work closely with the Ministry to lead a policy work programme seeking to enhance Māori participation in the resource management sector.

Energy and Minerals

With the Review of the Crown Minerals Act now complete, Te Puni Kōkiri is focused on supporting and providing advice to the Ministry of Business Innovation and Employment for the development and improvement of their internal policies for engaging with iwi and hapū. This work included developing best practice guidelines for industry-iwi/hapū engagement, and new processes for engaging iwi and hapū with regards to petroleum prospecting and exploration activities in the Exclusive Economic Zone and Extended Continental Shelf.

Aquaculture

The Minister of Māori Affairs is one of four involved in overseeing the implementation of the Aquaculture Settlement. This activity has resulted in progress on the first three regional settlements for Nelson/Marlborough, Northland and Coromandel reform of the aquaculture legislation. In the period since the 2011 aquaculture settlement reforms, Te Puni Kōkiri has worked closely with the Ministry for Primary Industries to implement the resulting aquaculture legislation, for the economic benefit of Māori.

Māori Economy

The Māori Economic Development Strategy and Action Plan, *He kai kei aku ringa*, was launched in November 2012 jointly by the



Minister of Economic Development and the Minister of Māori Affairs. *He kai kei aku ringa* was developed by the Māori Economic Development Panel set up in 2011.

He kai kei aku ringa is the outcome of careful consultation and consideration by the Māori Economic Development Panel. It also builds on earlier work – from the first Hui Taumata in 1984, to the inaugural Māori Economic Summit convened in 2009, and the Māori Economic Taskforce established following the Summit.

He kai kei aku ringa sets out a pathway to a productive, innovative and export-oriented Māori economy, with Māori whānau, hapū, iwi and enterprises determining their own economic and social well being. The strategy has six strategic goals around education, skills, financial literacy, natural resources, and Government and Māori working to drive economic growth. The action plan identifies a range of recommendations for Māori organisations, the private sector and Government to focus on over the next five years.

A Māori Economic Development Advisory Board has been established to provide stewardship of *He kai kei aku ringa*, and a unit has been set up within the Ministry for Business, Innovation and Employment (MBIE) to drive its implementation. This places oversight of the strategy in the centre of public sector investment in economic development. Te Puni Kōkiri continues to work closely with MBIE and other government agencies, as well as with Māori and the private sector, to support implementation of the strategy and action plan. Several sector groups, including Māori organisations, as well as other key private and public sector stakeholders have been formed to progress recommendations made in the action plan.

Māori Business Engagement with China

The Chief Executive of Te Puni Kōkiri accompanied the Rt Hon John Key and the Hon Dr Pita Sharples on the Prime Minister's Trade Delegation to China in April 2013. This included a large number of senior Ministers, top officials and business leaders from New Zealand. The visit strengthened the bilateral relationship with China's new political leaders and re-emphasised the trade, investment and innovation goals of the NZ Inc China Strategy. There were a number of highly respected Māori business leaders on the delegation representing a range of significant Māori and iwi businesses.

There was a strong emphasis throughout the visit on the importance of cultural connections and people-to-people links. Kapahaka rōpū *Ngā Tumanako* provided excellent cultural support to Ministers and the delegation and a number of key delegates commented on the value and importance of having Māori tikanga inherent to the delegation visit. The Minister of Māori Affairs officiated over a ceremony for the return of a korowai (feather cloak) gifted to Chairman Mao Zedong in Tiananmen Square in 1957 by filmmaker Ramai Te Miha Hayward, on behalf of the fifth Māori King, Koroki. The korowai has been loaned to Te Papa for display alongside two exhibitions later this year.

The inaugural Taniwha and Dragon Festival was held at Orakei marae in Auckland on 27 April 2013. The aim of the Festival was to formally acknowledge Aotearoa's Chinese community and to celebrate the many cultural bonds shared by Māori and Chinese peoples.

Two student exchanges have taken place under the Agricultural Education Exchange Programme initiated during our visit to Guizhou

in June 2012. Earlier this year, two Māori students from Rotorua had a life-changing experience working in Guizhou. There are currently two Guizhou students in Aotearoa, up-skilling at Taratahi Agricultural College before gaining some work experience on Māori Incorporation farms in the Bay of Plenty.

There continues to be significant and growing opportunities for Aotearoa New Zealand in China. Both countries have confirmed the commitment to doubling two-way trade to \$20 billion by 2015. There also exist, ambitious goals for tourism, education and investment and in working together to address regional and multinational issues.

Te Puni Kōkiri is committed to doing its part in supporting iwi, hapū and Māori businesses to leverage the unique opportunities of the China market. Te Puni Kōkiri is the lead agency for the NZ Inc China Strategy action to "build and consolidate Māori cultural and business linkages with China".

In association with MBIE, implementing *He kai kei aku ringa*, in particular Māori Inc as a driver of economic growth, (goal six), there are priority actions to "build relationships and manage logistics in export markets, particularly China", and "make the most of the Māori value proposition in export markets." Te Puni Kōkiri participated in the MBIE-led China Market Review, looking at how the value for both visitors for China and the New Zealand economy can be increased. This included industry representatives, such as New Zealand Māori Tourism, Whale Watch Kaikoura and Ngāi Tahu.

Review of Māori Community Development Act

Throughout August/September 2013 Te Puni Kōkiri facilitated a series of consultation hui on proposed changes to the Māori Community Development Act 1962. As a lead up to this initiative, extensive engagement during 2012/13, with both the New Zealand Māori Council and the New Zealand Māori Warden's Association was undertaken on the proposed consultation material as well as options for the reform of the legislation. The 2013 consultation hui had initially been planned for 2012 but, with a number of other significant policy issues being put to Māori for consultation during this period, a decision was taken to defer these.

The consultation arose from the Select Committee's inquiry into the operation of the Māori Community Development Act in 2009/10. In its report, the Committee recommended a range of changes to the 1962 Act, including the establishment of a new independent Māori Wardens' governance body, and a review of the role and funding for the New Zealand Māori Council, subject to wider consultation with Māori. The Government's response to these recommendations indicated that the Government would consult with Māori on the issues raised in the Committee's inquiry.

Research, statistical analysis and regional intelligence

Research, statistical analysis and regional intelligence all play a critical role in ensuring that Te Puni Kōkiri's advice to Ministers and government agencies about how outcomes for Māori can be improved is based on reliable evidence.



An example of research undertaken included investigating the barriers and motivators that cause Māori boys to either engage or disengage with the education system.

Research and statistical analysis was carried out to better understand the value of the Māori export sector and its contribution to both the Māori and New Zealand economies. The research also involved case studies with successful Māori exporting businesses to understand the drivers for economic success.

Research about Māori living in Australia was also undertaken. Based on an analysis of data from the 2011 Australia Census of Population and Housing, the *Māori in Australia* Fact Sheet summarised the demographic and socio-economic profile of Māori in Australia.

A nationwide stock-take of Māori Environment Units was carried out to gain a better understanding of how many people are involved, the types and quantity of work these organisations undertake, their priority goals, and issues and barriers to iwi and hapū engagement in Resource Management Act 1991 processes.

Similarly, a stock-take of Māori organisations with an interest in housing was undertaken. The stock-take provided baseline data about the current status and interests of the Māori housing sector.

Te Puni Kōkiri also participated in a research partnership to investigate rheumatic fever in New Zealand. This aims to develop evidence that will support policy-makers and practitioners to reduce the incidence and impact of this condition.

Regular statistical analysis and briefings were provided to the Minister of Māori Affairs on the most current employment trends

available for all Māori and other critical groupings of Māori such as NEET (Youth Not in Employment, Education or Training), youth and long term unemployed.

Te Puni Kōkiri has been developing an online tool that will meet the statistical needs of many iwi, local community groups and people interested in Māori statistics. The online tool will allow iwi and rohe level census information and analysis on an as-needed basis, freely accessible and easy to use.

We have also worked with Statistics New Zealand to develop the Te Kupenga survey, a post-censal survey that will measure te reo Māori use, as well as provide new information on Māori cultural wellbeing and whānau connectedness. Collaborative work with Statistics New Zealand also included investigating the feasibility of developing a specific Māori Consumer Price Index measure.

Evaluation

Our evaluation activities in 2012/13 focused on a range of community based social and economic development investment categories, including:

- Formative evaluation of the Marae as CBD's Project;
- Developmental evaluation supporting the Whānau Ora for Youth Mental Health initiative;
- Evaluation and Outcomes Framework for the Māori Tourism Strategy Action Plan;
- Formative evaluation of the Growing Māori Assets initiatives; and
- Process-outcomes evaluation of the Cadetship initiatives.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Output Class One: Policy – Crown Māori Relationships		
Treaty Settlements:		
Provide advice, facilitation and brokerage to support governments goal of settling all historic claims by 2014 on mandate and representation, governance and settlement ratification, protection mechanism and settlements policy:		
<ul style="list-style-type: none"> Mandate and ratification decisions: <ul style="list-style-type: none"> – reflect Te Puni Kōkiri advice; – [are] provided within agreed timeframes. <p><i>[note for ease of reporting this measure has been split into two discrete categories]</i></p>	95% agreed timeframes 100% decisions reflect advice	100% 100%
<ul style="list-style-type: none"> Policy advice provided to Minister of Māori Affairs on settlement offers 	100% of all settlement offers	100%
Governance:		
Māori Community Development Act Review – completion of consultation with key stakeholders	Consultation completed by December 2012	Consultation rescheduled to 2013/14 year
Undertake direct consultation with key stakeholders on the Māori Purposes Bill	100% of key stakeholders	100%

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/12 Actual \$000s	30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
- Crown Revenue	8,919	7,993	8,919
- Total Other Revenue	-	-	-
- Total Revenue	8,919	7,993	8,919
- Total Expenses	8,590	7,993	8,919
- Net surplus/(deficit)	329	-	-



OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Output Class Two: Policy – Māori Development		
Statutory Monitoring:		
A sample set of monitoring reports is independently assessed against the following criteria (on a scale of 1-5 each) : relevant, robust, representative and timely	Average score of 3.5	4.75
Research:		
An independent assessment of a sample set of research/statistical reports across each Wāhanga are assessed as achieving against the four criteria being; relevance, representative, methodologically robust and timely – on a scale of 1 to 5	External Assessment – average score of 3.5	3.8
Supporting Māori Innovation:		
Provide information and other capability to Iwi/Māori organisations that supports improved Māori innovation and science outcomes		
Workshops with Māori and iwi organisations	3 workshops completed by 30 June 2013	Workshops and continued engagement ongoing
Māori Language Strategy (MLS):		
Monitor Māori language content of Māori Television Service (MTS) and iwi radio broadcasting to ensure compliance with legislation and licence agreement requirements: monitoring reports prepared	2 monitoring reports by 30 June 2013	2
Prepare Annual Report on the Implementation of the current Māori Language Strategy: report with assessment of lead agencies' activities/contribution to the outcomes of the Māori Language Strategy	Report prepared by 30 June 2013	Report prepared –awaiting completion subject to receipt of final information from MLS agencies for 2012/13 financial year
Review of the Māori Language Sector and Strategy:		
Support the implementation of review findings as agreed by Cabinet, and within agreed timeframes	Implementation activities achieved within 95% of timeframes	Cabinet decisions in relation to review findings not taken during 2012/13

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Broadcasting and E-media Strategy:		
Provide advice on Implementation of Māori Broadcasting and E-media Outcomes Framework: Prepare annual report on implementation of Māori Broadcasting and E-Media Strategy Outcomes Framework	Completed by 30 June 2013	Report prepared –awaiting completion subject to receipt of final information from agencies for 2012/13 financial year
Quality and Timeliness of Policy Advice under Output Class 1 and Output Class 2		
Advice is in accordance with the requirements of the Policy Guide and Quality Assurance Handbook and Cabinet Manual – Evidenced by:		
<ul style="list-style-type: none"> An independent assessment of a sample set of policy advice rates the quality of advice on a scale of 1 to 6 	External Assessment – minimum score of 4 – revised to minimum of 7 re change in criteria ^{see note 8}	6.7
<ul style="list-style-type: none"> An annual Ministerial assessment rates the quality of policy advice on a scale of 1 to 5 	Ministerial Assessment – minimum score of 3 – revised to minimum of 7 re change in criteria ⁸	9.5
<ul style="list-style-type: none"> Policy advice (briefing papers and Cabinet related documents) provided on time 	95% timeframes met	98%

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/12 Actual \$000s	30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
- Crown Revenue	12,281	12,321	12,281
- Total Other Revenue	-	-	-
- Total Revenue	12,281	12,321	12,281
- Total Expenses	12,089	12,321	12,281
- Net surplus/(deficit)	192	-	-

8. New measure adopted to reflect the new *Common Policy Indicators* – agreed by Cabinet in November 2012. This has seen Ministers assess their quality of the advice they receive against ten criteria each of which are scored out of ten. The 'Quality of Policy Advice' assessments have also been included within the new *Common Policy Indicators* and the scores have similarly been adjusted to a 1-10 scale.



OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Output Class Three: Ministerial Servicing		
Written Correspondence:		
Replies to:		
• Parliamentary Questions	100%	100%
• Official Information Act requests to Ministers, and	100%	85%
• Ministerial letters	95%	87%
	timeframes met	
Appointments:		
Co-ordinate the Minister of Māori Affairs' statutory responsibilities and interests in Government appointed Boards and organisations including the key appointments to the Māori Land Court Judges, Waitangi Tribunal Members, Māori Trustee (renamed Te Tumu Paeroa), and members of Te Māngai Pāho, Te Taura Whiri i te Reo and the Māori Television Service		
Co-ordinate appointment processes within agreed timeframes	95% of timeframes met	100%
Nominations:		
Provide nominations for state sector boards and committees	95% of timeframes met	95.74%
Māori Trustee (renamed Te Tumu Paeroa) monitoring:		
Monitor the quarterly performance of the Māori Trustee (Te Tumu Paeroa) against the accountability requirements of the Funding Agreement, and provide advice on performance to the Minister	100% of timeframes met	50% completed on or before time
Monitor Māori Language and Broadcasting agencies funded through Vote Māori Affairs (Te Taura Whiri i te Reo Māori, Te Māngai Pāho, Māori Television Service):		
Advice to responsible Ministers as above along with comments on Entities' Quarterly performance and other matters as required	100% of timeframes met	66% completed on or before time

FINANCIAL PERFORMANCE *(figures are GST exclusive)*

30/06/12 Actual \$000s	30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
- Crown Revenue	1,603	3,000	1,603
- Total Other Revenue	-	-	-
- Total Revenue	1,603	3,000	1,603
- Total Expenses	1,545	3,000	1,603
- Net surplus/(deficit)	58	-	-

39



OPERATIONS MANAGEMENT

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

Major Activities

Māori Potential Framework

The Māori Potential Framework is a key analytical framework applied by Te Puni Kōkiri to its treatment of kaupapa Māori. The framework aligns with and complements our outcomes framework and fits closely with Government's priorities.

In 2012/13, Te Puni Kōkiri funded more than 300 projects totalling \$13.2 million through the Mātauranga, Rawa and Whakamana Non-Departmental Output Expense appropriations. The delivery of investments was primarily undertaken by Te Puni Kōkiri's network of regional offices supported by our strong relationships with Māori communities.

Further commentary on specific initiatives funded and performance measures achieved through the Māori Potential Framework is contained in the Section 32A report tabled in Parliament by the Minister of Finance, as a compendium on behalf of the Minister of Māori Affairs.

Cadetships

In Budget 2013, the Cadetships initiative received \$1 million in new funding for an additional 100 places per year, bringing the total number of Cadetships offered to 350 per annum. This funding is focused on increasing

Māori representation in growth industries where there are recognised skill shortages and significant opportunities for the relatively youthful Māori population.

The key design features of the Cadetships model are that it:

- provides a \$10,000 subsidy (per cadet) to employers to employ/support Māori cadets for at least six months;
- specifically targets Māori, of any age and stage in their career to secure meaningful employment/development opportunities in growth industries; and
- has sufficient flexibility to enable employers to recruit and/or develop cadets in ways that meet the needs of their business/industry.

Te Puni Kōkiri currently partners with larger employers in the energy, infrastructure and telecommunications industries to recruit and support Māori cadets. These are sectors where significant opportunities exist as a result of: the nature and extent of current and future business and technological development opportunities; global and domestic workforce/skill shortages (leading to highly competitive demand); and considerable government investment commitments. Transport and the primary sector may be added as target industries, subject to further analysis of the nature and extent of growth/productivity trends.

An independent evaluation of the first three years of the Cadetships initiative, completed at the end of February 2013, found that:

- Intended outcomes that were achieved included: employers supported cadets to increase their employability; and cadets gained access to the labour market,

entered into growth industries and skilled occupations, and entered into permanent employment. Unintended outcomes included improvements in: cadet health, attitudes, peer relationships, and (cadet) whānau well-being;

- Employers reported that benefits they received from participating in the Cadetships initiative included: seeing positive change in the cadets; building a specially trained workforce; the positive impact that cadets have had on the workplace; and receiving strategic advice from Te Puni Kōkiri about the Māori workforce and how they might best tap into it; and
- Administrative systems and processes were found to be consistent with good practice. Work is underway to address recommended improvements, including increasing understanding of the strategy/initiative and strengthening monitoring systems.

Warm and Healthy Housing

Te Puni Kōkiri has worked actively with communities to support the Energy Efficiency and Conservation Authority (EECA) in its goal to 'Warm Up New Zealand' and to ensure that Māori are accessing the programme and the homes they occupy are insulated. Te Puni Kōkiri assistance, brokering and information sharing - as well as training support for insulators, resulted in more than 800 regional engagements over the 2012/13 period all of which support EECA in meeting its own government targets of 8000 by 2014.

June 2013 saw the Northern Joint Venture partnership between *He Iwi Kotahi Tatou Trust* and the Community Business Environment Centre celebrate the 5000th house insulated in

the North, and the completion of the *Ratana Pa Village* insulation project involving the installation of 116 homes in the village.

The Ngāti Whakaue Assets Trust has allocated \$150,000 towards home insulation for Ngāti Whakaue beneficiaries which in turn has attracted a Crown commitment through EECA of \$486,000 and a further \$150,000 of local investment from Eco-Solutions, an EECA preferred provider in the region.

Other key areas which have seen increases in the number of insulated Māori homes during 2012/13 include Waikato, Tairāwhiti, and Taranaki.

Māori Business Facilitation Service (MBFS)

During 2012/13, the MBFS worked with 611 Māori individuals, small and medium-sized enterprises, and Māori collective organisations including post-settlement governance entities. They were supported to build their business skills and management capabilities to develop and grow economically sustainable commercial enterprises as part of a productive and competitive economy. Such activities are consistent with the government's strategic focus on the Business Growth Agenda and Better Public Services, along with the Crown-Māori Economic Growth Partnership—*He kai kei aku ringa*.

The MBFS assistance was sought to *establish* a business, including 79 businesses in their 'set-up' phase; *manage* a growing business, explore available options to *expand* or diversify a product/service offer, or *strengthen* the commercial operations of turn-around businesses. MBFS clients report:

- 20% - improved business systems and procedures, suggesting that more time could be focused on increasing production and/or



providing services to their clients. In some cases, this could also mean spending more time with whānau;

- 19% - by complying with financial regulations (such as IRD and PAYE), legal and other regulatory requirements, they have experienced positive impacts on their business including increased capability;
- 18% - business growth in terms of expansion of the business client-base and/or through product/service diversification; and
- 14% - the appropriate business structure helped improve the governance and management of the business.

In spite of the challenges currently being faced by small businesses, during 2012/13 the MBFS witnessed the transformation of some businesses that have been previously engaged by the programme. From home-based operations to active participants in the local business community, clients that began their business in primary production expanding into secondary processing, and individual clients taking part in industry/sector clusters not only to achieve economies of scale but to build shared learning and long term relationships amongst each other.

In addition to delivering on its core functions to provide business advisory and facilitating mentoring support, the MBFS has also:

- *Supported* local Māori business networks in their various activities;
- *Strengthened* relationships with the academic community/institutions to encourage and develop work-based and business skills of tertiary students;
- *Collaborated* with government and non-government agencies to enable Māori business owners access the investment support being offered by these organisations, including Māori Women's Development Incorporated; Aotearoa Credit Union; Tauranga-based Enterprise Angels; Poutama Trust; New Zealand Trade and Enterprise; the Ministry of Primary Industries; and the Callaghan Institute; and
- *Facilitated* industry/sector specific initiatives such Māori fashion designers, Māori and Pacifica architects, Māori music industry planning and Māori music managers' development initiatives, and emerging clusters in the Agriculture, Tourism and hospitality sectors.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Māori Potential Funds:		
Refers to the management and administration of the three Non-Departmental Expenses: Whakamana (Leadership), Mātauranga (Knowledge), and Rawa (Resources). Additional performance measures for these appropriations are found in Part 2.2		
Funding recipients sampled are satisfied with the level of Te Puni Kōkiri service in administrating/managing the investment process on a scale of 1 to 5	Minimum score of three	4.21
Iwi Housing Support:		
Refers to the management of the Special Housing Action Zones (SHAZ) programme funded through the Non-Departmental Output Expense: Iwi Housing Support, the details of which are found in Part 2.2		
Facilitation and capacity building investment to enable Māori social housing collectives to fully meet the criteria for Government's social housing funding initiatives, and other support; or productively engage with other capital funders	Minimum of eight projects	12
Land Management Unit:		
Return all Te Puni Kōkiri administered Māori land blocks to owner administration, to the stage where each blocks' individual file can be closed – a total of 64 Māori land blocks remained under Te Puni Kōkiri administration at 1 July 2011	Complete closure of a further 23 files, out of the estimated 46 remaining	12

Table continued overleaf...



Performance Measures

Target Standard 2012/13

Actual Standard 2012/13

Māori Business Facilitation Service (MBFS):

The MBFS provides assistance to Māori owners of small and medium enterprises and collective entities with access to information, advice, and mentoring support to enhance business to develop, grow new businesses, and sustain economic performance of existing businesses.

Administer the Māori Business Facilitation Service through:

<ul style="list-style-type: none"> Existing businesses complete the MBFS continuum (from client engagement through to the review phase) 	At least 120-150 existing businesses	152
<ul style="list-style-type: none"> New businesses start trading* through the support of MBFS <p><small>* In this context 'start trading' refers to business 'start-up's, being businesses in the first stage of their operations.</small></p>	A minimum of 80 businesses start trading	79
<ul style="list-style-type: none"> Support to Māori business networks or business/industry clusters 	At least 3 sectors	6
<ul style="list-style-type: none"> Māori owners of small and medium enterprises engaged through MBFS provide positive feedback on the service provided on a scale of 1 to 5 	Minimum score of 3.5	4.05

FINANCIAL PERFORMANCE (figures are GST exclusive)

30/06/12 Actual \$000s		30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
9,644	Crown Revenue	11,917	13,741	11,917
272	Total Other Revenue	311	-	-
9,916	Total Revenue	12,228	13,741	11,917
9,094	Total Expenses	11,495	13,741	11,917
822	Net surplus/(deficit)	733	-	-

RELATIONSHIPS AND INFORMATION

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

Major Activities

During the 2012/13 year our Relationships and Information Wāhanga assisted in the Crown's consultation with Māori across three priority areas: the "Shares Plus" proposal led by the Treasury, *Water and the Resources Management Act* led by the Ministry for the Environment, and Te Ture Whenua Māori Land Act led by the Independent Panel appointed by the Associate Minister of Māori Affairs. Te Puni Kōkiri's involvement in the Treaty settlement process continues across most of our regions, with key highlights during the past year including:

- the five hui to ratify the historical Treaty settlement package negotiated between the Crown and Ngai Tūhoe held in Wellington, Auckland, Rotorua, Taneātua and Whakatāne;
- our attendance as Crown observers for each of the Taranaki Iwi at a series of hui to ratify their respective Post Settlement Governance Entities; and
- our involvement in the implementation of the ongoing Accord relationships, including the various Ministerial fora to give effect to these accords.

Te Matatini and the Taniwha and the Dragon Cultural Events

Te Puni Kōkiri is a major sponsor of Te Matatini and this year's four day national kapa haka event in Rotorua was a huge success. As well as providing an occasion for kapa

haka teams from across New Zealand and Australia to compete against each other, it is also an excellent opportunity to showcase Māori culture as a unique way to differentiate Aotearoa New Zealand internationally.

Te Puni Kōkiri was also a key sponsor of the inaugural Taniwha and the Dragon Cultural Event held in Auckland in April of this year. This event was jointly hosted by Ngāti Whātua o Orākei and Auckland Chinese community leaders to celebrate 40 years of diplomatic relations between the two nations.

The Committee for Auckland Project

Te Puni Kōkiri is supporting the Committee for Auckland project which has the aim of bringing together iwi leaders and private sector business interests to identify and develop commercial investment opportunities in Auckland. To date, the Project has raised the profile of iwi leaders with businesses and has resulted in a number of members from the iwi consortium participating in the programme. Te Puni Kōkiri will continue to be involved for a third year to facilitate an increase in the number of Māori graduates being accepted into internships from the present twenty.

Emergency Preparedness

In partnership with local Marae, teams from our Te Puni Kōkiri regional offices have been working closely with local agencies including District Health Boards and Regional Councils and the non-government and private sector to ensure that regional Marae have an effective Emergency Management Plan in place. This has involved undertaking needs assessments, the development of local strategies, identification and proposed management of hazards, simulated civil defence exercises and



First Aid Certification. Plans to access food, clothing and other necessities for Marae in the event of an emergency are also being developed in the context of this initiative, which also includes strategies to increase the awareness and preparedness of communities and whānau in the home

Satisfaction Survey

In order to better understand the levels of satisfaction with the quality of our services Te Puni Kōkiri undertook a stakeholder survey of its clients in 2012/13 across the following key areas:

- Advice on settlements;
- Facilitation;
- Brokerage;
- Māori Potential Fund; and
- Mandate/ratification/post settlement governance entity processes.

92 randomly selected clients were chosen to participate in the written survey of which 39 (42%), responses were received.

The survey questionnaire included, among others, eight core questions from the Common Measurement Tool of the State Services Commission Kiwi's Count national survey designed to measure the key drivers of client satisfaction.

Clients were asked to rate Te Puni Kōkiri's service experience on a scale of 1 to 5, where 1 = "very poor" and 5 = "very good". The average score overall was 4.24, where a minimum sought was 3.

In terms of those key drivers, the results were extremely positive with 95% of respondents reporting the service they had received was either good or very good. Responses from two of the 39 respondents suggested that they found the Ministry's approach to processing funding applications demanding and that confusing advice and apparent delays in processing their applications were of concern. These remarks have been referred for management action as appropriate.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Provision of high quality and timely brokerage, facilitation, information and other support to state sector agencies, local government, non-government organisations and others to engage with and encourage Māori inclusion and access to resources and services generally and to assist the Treaty settlement process in particular, evidenced by:		
<ul style="list-style-type: none"> Positive feedback on a scale of 1 to 5 through an annual stakeholder survey 	Minimum score of 3	4.24
<ul style="list-style-type: none"> Regional based facilitation and brokerage activities have led to enhanced Crown-Māori Relationships 	Minimum of 500 examples across all regions	731 recorded examples across all regions

47

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/12 Actual \$000s		30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
7,356	Crown Revenue	7,594	7,610	7,594
52	Total Other Revenue	-	-	-
7,408	Total Revenue	7,594	7,610	7,594
7,066	Total Expenses	7,519	7,610	7,594
342	Net surplus/(deficit)	75	-	-



INTEGRATED WHĀNAU SOCIAL ASSISTANCE

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

Major Activities

Kaitoko Whānau and Oranga Whānau

Forty-eight Kaitoko Whānau workers and twenty one Oranga Whānau workers have been placed in high needs communities. These workers engage with, and walk alongside, vulnerable whānau supporting them to determine their priorities, aspirations and support needs.

In the last year the Kaitoko Whānau and Oranga Whānau workers, and host organisations, provided positive engagement and support to an average of 557 vulnerable whānau per month.

The provider organisations who host these workers have found them to be an invaluable resource. The workers establish rapport and build strong trust with whānau. They work holistically with whānau who might not otherwise understand, or seek support to address, the barriers they face to improving their safety and well-being.

The whānau-centered planning that the Kaitoko Whānau workers have built into their approach is yielding distinctive information about the needs and obstacles faced by whānau as perceived by them (rather than individual service users, providers and/or funders). This experience provides a strong and positive blueprint for adoption as part of the wider Whānau Ora Approach.

A formative evaluation in 2011 of Kaitoko Whānau found evidence of more early progress than expected, well beyond simply navigating whānau through mainstream services. Many participating whānau had improved their knowledge of services available to them; were engaging in whānau planning, and been motivated to transform their lives. In short whānau are growing in resilience. A key success factor was the ability of Kaitoko Whānau workers to facilitate stronger connections for vulnerable whānau with whānau and te ao Māori. Te Puni Kōkiri will continue to trial the Kaitoko and Oranga Whānau approach until June 2016.

Māori Wardens Project

Following an earlier (2011/12) review a number of significant changes to the way the Māori Warden Project has operated for the past 5-6 years was undertaken in 2012/13. The overall intent of these changes was to devolve greater responsibility to Māori Wardens for the delivery of the project at a local level including:

- how training is delivered, with the introduction of an Induction initiative expected to be rolled out in the next six months;
- how uniforms are delivered, with alternative clothing options also being rolled out over this period; and
- simplifying the funding programme to provide for a far more targeted approach to funding and improve both delivery times and effectiveness.

Over the next 2-3 years, Wardens will be better prepared, have a greater say, be more involved in how resourcing is delivered locally, and will continue to focus on building the capacity and capability of Wardens nationally.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Kaitoko Whānau and Oranga Whānau Programmes:		
Manage the Whānau Social Assistance Programme to place a number of Whānau Advocates (community workers) into Māori communities; referred to as Kaitoko Whānau and Oranga Whānau		
Vulnerable whānau are connected to appropriate and essential support services	Minimum of 600 whānau during the period	Average of 557 engagements with vulnerable whānau per month achieved
Māori Wardens Programme:		
A programme to enhance the capacity and capability of Māori Wardens through enhanced training and improved resources		
Undertake training (across course offerings) for Māori Wardens	400 attended courses	468
Māori Wardens gain NZQA – unit standards from accredited training courses attended	80-90% of attendees	90%

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/12 Actual \$000s		30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
7,366	Crown Revenue	6,613	6,626	6,613
-	Total Other Revenue	-	-	-
7,366	Total Revenue	6,613	6,626	6,613
7,294	Total Expenses	6,253	6,626	6,613
12	Net surplus/(deficit)	360	-	-



WHĀNAU ORA ADMINISTRATION

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

Major Activities

Whānau Ora

It is becoming increasingly apparent that the Whānau Ora Approach has the ability and potential to not only reach families and their surrounding communities in real deprivation, but also to bring about meaningful transformation. We are now seeing improvements in whānau capacity and the 34 Provider Collectives with 180 associated health and social service providers report that their services are meeting the needs of whānau – they see strength in working together collectively to achieve results.

Examples of how collectives are building whānau capacity have included:

- supporting whānau to come together, identify their aspirations and needs, and identify how they can prioritise these;
- providing specialist advice and counselling for mental health, relationships and family violence enable whānau to cope better with their issues and support each other;
- tailoring collectives' programmes and services around common issues occurring through whānau planning; and
- helping whānau to gain knowledge and skills that improve their options for employment, better manage money, choose healthier food options, and connect with wider whānau to strengthen cultural links and identity.

Coming to the end of its third year of implementation, Whānau Ora results for 2012/13 speak to a major transformation and a shift from the initial focus on provider capability building towards whānau centred-services. Whānau Ora "navigators" take a lead role in establishing trust with whānau, facilitating whānau to meet their needs and achieve aspirations, co-ordinating support and helping them build their capacity. Whānau planning has been a key component of the navigational role that has required collaboration with a range of organisations and services for whānau benefit.

Provider Collectives are evidencing how whānau engagement and capacity is improving, where:

- **Vulnerable whānau are now engaged where they were not previously.** For example - working with whānau of youth offenders, supporting whānau planning for women and children at Women's Refuge;
- **Whānau relationships are improving through Whānau Ora engagement.** Research suggests that "navigators" are acting as a single point of contact for whānau which is key to building trust;
- **Whānau are learning to set goals and prioritise needs.** Evidence shows that although goals are aspirational, they are achievable when whānau plan and own them;
- **Whānau are completing courses/training through their engagement.** These have included rangatahi leadership, conflict resolution, parenting, PATH planning, financial literacy, tikanga (culture), drivers licensing and NCEA achievement;

- **Whānau are resolving crises and reducing their needs.** Some collectives reported that 70–90 percent of whānau are showing a lower level of need from initial visits and are more confident in managing ongoing issues; and
- **Most whānau are achieving a range of aspirations and some are now "self-managing".** The majority of plans progressed to date show goal achievement across all areas, from te ao Māori and leadership to safety, skill development, education/training, relationships, finances and health. Some collectives estimate that up to 20% of whānau are now self-managing their plans.

The success of Whānau Ora derives from its strong leadership at all levels, and the Whānau Ora Governance Group has been instrumental in providing the Minister for Whānau Ora with strategic advice and leadership in implementing

the Whānau Ora approach. During 2012/13, the Governance Group focused on broadening sector participation in Whānau Ora, embedding the approach and measuring the outcomes.

Additionally, the 10 Regional Leadership Groups, made up of community members and regional managers from Te Puni Kōkiri, District Health Boards and the Ministry of Social Development work together to promote Whānau Ora locally and look for opportunities to support providers and wider Whānau Ora approaches. They have developed regional plans and performance measures which include joint agency outcomes. Pacific leaders are also developing Pacific-focussed Whānau Ora approaches.

Further commentary on specific initiatives funded and performance measures achieved through Whānau Ora is contained in the Section 32A report tabled in Parliament by the Minister of Finance, as a compendium on behalf of the Minister of Māori Affairs.

OUTPUT PERFORMANCE MEASURES AND STANDARDS:

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
This appropriation is established to administer the Whānau Ora service delivery approach through the Non-Departmental Multi-Class Output Appropriation "Whānau Ora-based Service Development", detailed in Part 2.2		
Ministerial Advice		
Provision of advice to the Minister for Whānau Ora (the Minister) on policy settings, implementation progress, performance information, regional priorities and system issues:		
<ul style="list-style-type: none"> To the satisfaction of the Minister based on a qualitative survey asking for feedback 	Feedback is positive	Partially achieved
<ul style="list-style-type: none"> Within agreed timeframes 	95% meets timeframes	87%
Whānau Ora Governance Group		
The Governance Group will lead the Whānau Ora Approach nationally, provide advice to the Minister on strategic priorities, Ministerial appointments, make recommendations to agencies on investments, provide oversight on progress with implementation and impacts, oversee relationships between agencies and providers, and represent Whānau Ora to key stakeholders at a national level		
<ul style="list-style-type: none"> To the satisfaction of the Governance Group based on a qualitative survey asking for feedback 	Feedback is positive	Feedback was positive, score of 4 out of 5
<ul style="list-style-type: none"> Within agreed timeframes 	95% meets timeframes	100%
Whānau Ora Regional Leadership Groups		
Regional Leadership Groups will lead strategic change for Whānau Ora within their region, set regional priorities and develop regional plans, make recommendations on funded activities, provide advice to the Whānau Ora Governance Group, foster relationships between agencies and providers, and represent Whānau Ora governance at the local and regional level		
<ul style="list-style-type: none"> The number of annual regional plans and priorities for co-ordination of and investment in activities that impact on improving outcomes for whānau with regions agreed to by the Governance Group 	10 regional plans	10
<ul style="list-style-type: none"> The number of reports to the Whānau Ora Governance Group on impacts against priorities and activities identified in regional plans from each Regional Leadership Group 	4 consolidated quarterly reports	4

Performance Measures	Target Standard 2012/13	Actual Standard 2012/13
Whānau Ora Delivery and Impacts		
The number of reports on the capability and performance of provider collectives in implementing whānau-centred services to the Minister	No fewer than 6	6
The number of reports on progress with the Whānau Ora Youth Mental Health project and impacts on whānau to the Minister	No fewer than 4	4
The number of reports to the Minister on the impacts of the Whānau Ora Approach on whānau and provider collectives utilising action research and evaluation information and analysis	4 reports	6
Management of the non-departmental funding to ensure:		
<ul style="list-style-type: none"> • The percentage of Initiatives funded from service delivery capability that: <ul style="list-style-type: none"> – meet the agreed criteria; and – adhere to the accountability requirements 	100%	100%
	100%	100%
<i>[note for ease of reporting this measure has been split into two discrete categories]</i>		

FINANCIAL PERFORMANCE

(figures are GST exclusive)

30/06/12 Actual \$000s		30/06/13 Actual \$000s	30/06/13 Main Estimates \$000s	30/06/13 Supp Estimates \$000s
10,840	Crown Revenue	10,985	9,201	10,985
-	Total Other Revenue	-	-	-
10,840	Total Revenue	10,985	9,201	10,985
10,042	Total Expenses	10,942	9,201	10,985
798	Net surplus/(deficit)	43	-	-



ORGANISATIONAL HEALTH AND CAPABILITY

Our priorities for the development of our organisational health and capability include having strong leaders, a clear sense of direction, and constantly communicating the outcomes we want to achieve.

We strive for a healthy, capable and vibrant organisation with all the appropriate resources to enable us to meet our desired outcomes. Even as we do our utmost for continuous improvement, we do so in the context of fiscal constraints and Government's priority of Better Public Services.

The current fiscal environment means that our workforce going into the future may be smaller and more highly and differently skilled. Once the outcomes of the Future Focus review have been confirmed we intend to commence a targeted recruitment campaign to allow us to further build the depth of skills and capabilities we believe will be necessary to fulfil the Ministry's agreed role and functions.

Despite the uncertainties of recent years, including the widespread changes across the public sector generally, the results of our most recent external assessments (summarised in the table opposite), across the full range of public sector indicators confirm that Te Puni Kōkiri continues to maintain both a capacity and a capability comparable to that of our colleague agencies.

KEY ASSESSMENTS OF OUR ORGANISATIONAL HEALTH

Measure / Review	Outcome / Result
Technical Review of Policy Advice for year ended June 2013	NZIER report: 6.7 out of a possible 10 (2012/13).
Treasury led Benchmarking Administrative and Support Services (BASS) report	Compares Te Puni Kōkiri favourably with other agencies with a similar profile. Trend data shows continual improvement in both efficiency and effectiveness over time.
SSC Human Resources Capability Survey Report	Released by SSC in October 2012. Compares Te Puni Kōkiri positively with the core public sector.
SSC PIF Report	Undertaken in 2010. Of the 15 + agencies reviewed since, Te Puni Kōkiri compares favourably. As a matter of continuous improvement, a follow-up self-assessment will be undertaken later in 2013.
2012/13 Stakeholder Surveys	Key Regional Stakeholders Survey – Results 4.24 out of 5. MBFS Client Satisfaction Survey – 4.1 out of 5.
Independent Audit Ratings of our Management Control Environment	Based on Audit NZ ratings for 2012/13 <ul style="list-style-type: none"> • Financial information, systems, and controls – good; • Management control environment – needs improvement; and • Service performance information, systems, and controls – needs improvement.



EQUALITY AND DIVERSITY

The State Sector Act sets out particular employment responsibilities for the public service in relation to the employment and aspirations of Māori people and the need for greater involvement of Māori in the Public Service. 70% of our employees identify as Māori.

With a 50/50 gender ratio within our senior management, Te Puni Kōkiri is a leader in the public sector. We also have one of the lowest gender pay gaps in the Public Service. These measures demonstrate that the ongoing commitment to attracting a diversity of quality applicants for our vacancies, and retaining the talent we employ, is effective.

The People Capability Strategy, which has evolved over recent years, continues to build on the key themes of equity in rewards; participation; fairness and respect. Human resource key performance indicators will continue to monitor for equity, as will periodic reporting mechanisms such as staff participation in performance management and annual reward rounds. 2013 has seen a significant increase in participation in the performance management process.

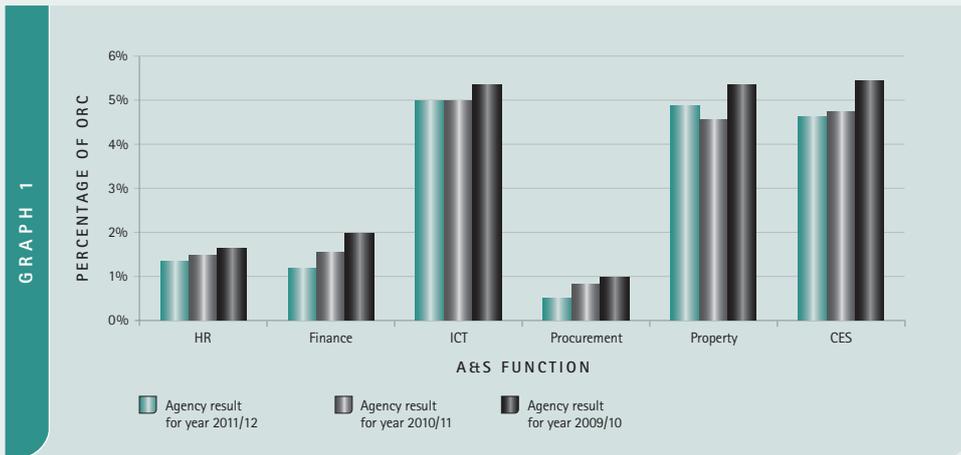
BASS BENCHMARKING SUMMARY RESULTS – 2011/12 FINANCIAL YEAR

This is the third year Te Puni Kōkiri has completed the collection of data for the BASS programme. The BASS programme provides benchmarking information on **costs, efficiency and effectiveness** of Administration and Support Services across the State Sector, and responds to Government demands for:

- better, smarter public services for less. The performance information in the report helps agencies better understand the cost and quality of their internal services and make sound resource allocation decisions; and
- stronger performance practices in the State Sector.

The 2011/12 BASS benchmarking results were published in April 2013 and the summary results are illustrated in the graph opposite, demonstrating improvements across all Administration and Support functions over the past three financial years.

Breakdown of total Te Puni Kōkiri Administration & Support Costs as % of Organisational Running Costs compared to previous FY's



Overall Efficiency

Measuring the use of resources to minimise cost, effort and time

Te Puni Kōkiri recorded an increase in efficiency of 13% (from 54% to 67%) from the 2010/11 financial year. The improvement in efficiency ratings are mainly reflective of the following changes that have occurred within Te Puni Kōkiri in the last 12 months:

- Finance & Payroll restructuring in late 2011;
- Automation & strengthening of systems; and
- Proactive review and analysis of key expenditure area.

Overall Effectiveness

Measuring the extent to which activities achieve results

Te Puni Kōkiri recorded an increase in effectiveness of 9% (from 45% to 54%) from the 2010/11 financial year. The improvement in effectiveness ratings are mainly reflective of the following changes that have occurred within Te Puni Kōkiri in the last 12 months:

- Increased participation in All of Government (AOG) initiatives & Syndicated contracts;
- Strengthened management practices, especially in Property 9/10 (Peer 8/10) and Legal 8/10 (Peer 5/10); and
- ICT supportability and commitment to a 15 minute response time (compared to Peer median 48 minutes and NZ median 60 minutes).



PEOPLE CAPABILITY

Te Puni Kōkiri continues to actively seek ways to maintain a healthy, vibrant and capable organisation with all the appropriate resources contributing to achieving results. The Ministry has been able to remain in sound operational shape despite the pressures and challenges within an environment of fiscal constraint and a public service facing constant change. Staff turnover at 10% is relatively low compared to other State Sector agencies, and a recent staff engagement survey indicates the Te Puni Kōkiri is still a good place to work.

COST EFFECTIVENESS

The Government is committed to delivering high-quality public services in a challenging fiscal environment. To this end, the Ministry is committed to:

- ensuring value for money across all areas of expenditure;
- progressing a demonstrably results-focused work programme; and
- developing and maintaining the capabilities, systems, innovation and flexibility to achieve these objectives.

Our participation in the All of Government purchasing initiative has begun to deliver significant savings to the Ministry. Within the Ministry we have also implemented a number of additional measures including the proposed reduction of our filing footprint, and a review of our approach to print-based publications.

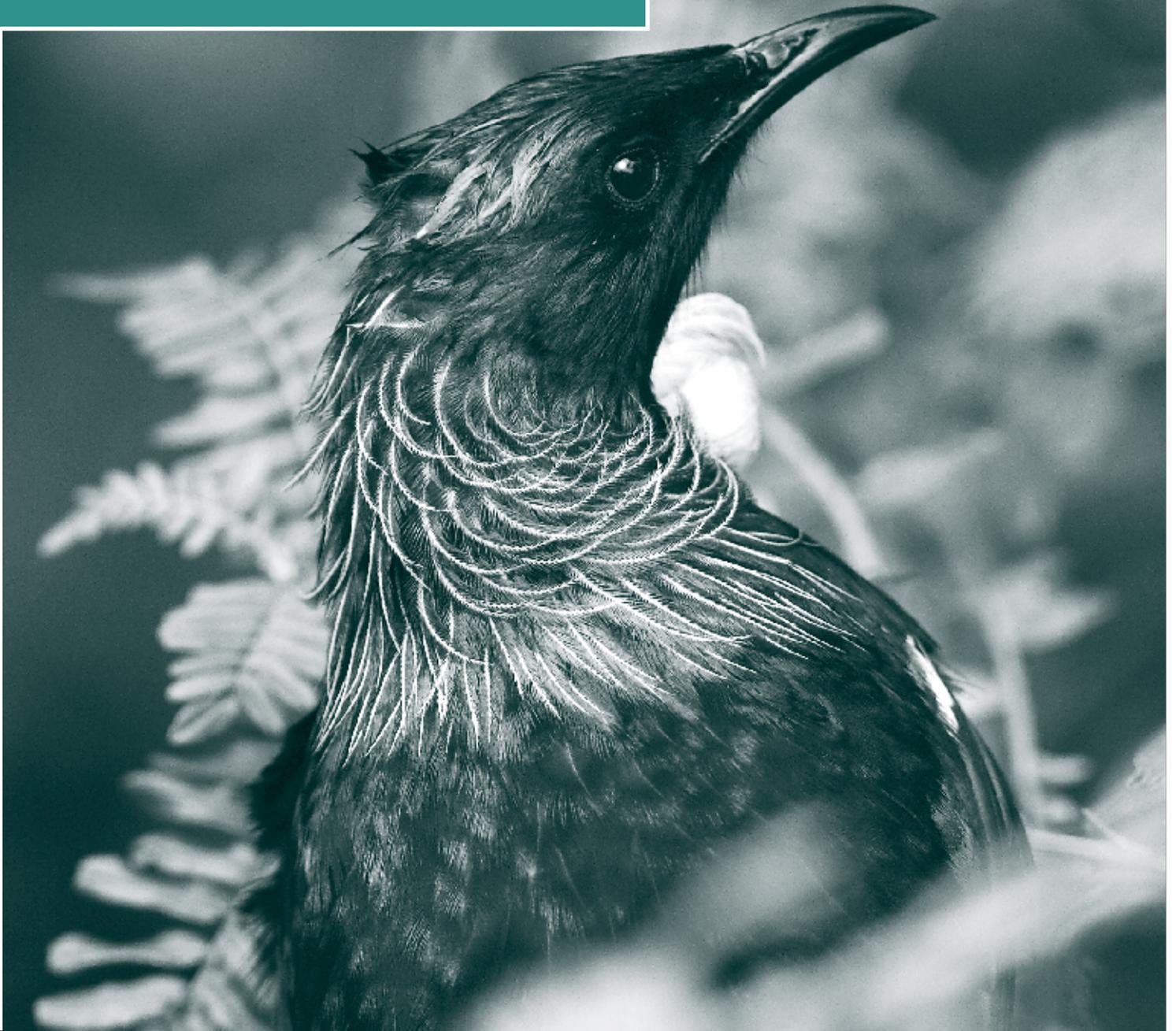
COMMUNICATIONS

Te Puni Kōkiri promoted its 2012/13 activities and achievements in regular publications such as Kōkiri as well as through its Facebook page and its website. Formal publications, fact sheets and newsletters available in both hardcopy and via our website communicates programme/project based activity and research/statistical findings.

Internal communications are spear-headed by the Chief Executive's weekly pānui to All Staff as well as monthly All Staff briefings. Another means of sharing organisational activities and success stories with staff is through the e-newsletter *Kōtuitui* which features on the Ministry's intranet.



 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

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

30-Jun-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Income				
60,917	Crown	59,912	60,492	59,912
863	Other Revenue	311	-	-
61,780	Total Income	60,223	60,492	59,912
Expenses				
29,856	Personnel	28,083	32,653	32,653
27,376	Operating	29,340	26,390	26,115
760	Depreciation and amortisation	640	1,079	774
370	Capital charge	370	370	370
58,362	Total Expenses	58,433	60,492	59,912
3,418	Net Surplus / (Deficit)	1,790	-	-
-	Other comprehensive income	-	-	-
3,418	Total Comprehensive Income	1,790	-	-
(2,165)	Approved expense transfers	(755)	-	-
1,253	Net Surplus/(Deficit) after approved expense transfers	1,035	-	-

Expense transfers of up to \$0.755m have been approved to transfer funding to the 2013/14 financial year.

Explanation of major variances against budget is detailed in note 15.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

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-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Assets				
Current Assets				
14,376		13,133	6,976	6,402
213	7	249	250	250
212		290	-	175
14,801		13,672	7,226	6,827
Non-current Assets				
1,596	8	2,306	3,164	3,302
41	9	16	211	271
1,637		2,322	3,375	3,573
16,438		15,994	10,601	10,400
Liabilities				
Current Liabilities				
5,608	10	6,811	3,380	3,279
3,418		1,790	-	-
2,472	11	2,348	2,250	2,200
11,498		10,949	5,630	5,479
Non-current Liabilities				
319	11	424	350	300
319		424	350	300
11,817		11,373	5,980	5,779
Taxpayers' Funds				
4,621		4,621	4,621	4,621
4,621		4,621	4,621	4,621
16,438		15,994	10,601	10,400

Explanation of major variances against budget is detailed in note 15.

The accompanying notes form part of these financial statements.



STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2013

The Statement of Movements in Taxpayers' Funds shows the reconciliation of funds at the beginning of the year with the funds at the end of the year.

30-Jun-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Balance at 1 July				
4,621	General funds	4,621	4,621	4,621
4,621	Taxpayers' Funds Operating Balance	4,621	4,621	4,621
Changes in Taxpayers' Funds				
Income and Expense for the Period				
3,418	Net surplus / (deficit) for the year	1,790	-	-
3,418	Total Income and Expenses for the period	1,790	-	-
Other Changes				
(3,418)	Repayment of surplus	(1,790)	-	-
(3,418)	Total Changes in Taxpayers' Funds	(1,790)	-	-
Balance at 30 June				
4,621	General funds	4,621	4,621	4,621
4,621	Taxpayers' funds as at 30 June	4,621	4,621	4,621

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

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

30-Jun-12 Actual	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s	\$000s	\$000s	\$000s
Cash Flows from Operating Activities			
Receipts from:			
60,917	59,912	60,492	59,912
708	-	-	-
240	163	-	-
Payments to:			
(27,969)	(27,966)	(27,252)	(30,639)
(29,779)	(28,102)	(32,195)	(32,436)
(370)	(370)	(370)	(370)
271	(414)	605	3,241
4,018	3,223	1,280	(292)
Cash Flow from Investing Activities			
Receipts from:			
341	680	-	-
Purchase of:			
(765)	(1,728)	(2,310)	(2,410)
-	-	(100)	(300)
(424)	(1,048)	(2,410)	(2,710)
Cash Flow from Financing Activities			
(2,149)	(3,418)	-	(3,418)
-	0	0	0
(2,149)	(3,418)	0	(3,418)
1,445	(1,243)	(1,130)	(6,420)
12,931	14,376	8,106	12,822
14,376	13,133	6,976	6,402

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 2013

The Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities shows the non-cash adjustments and other adjustments applied to the net operating surplus as reported in the Statement of Comprehensive Income on page 60 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 63.

30-Jun-12 Actual	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s	\$000s	\$000s	\$000s
3,418	1,790	-	-
Net Operating Surplus			
Add: Non-cash items			
760	640	1,079	774
Depreciation			
Non Current Employee Allowances			
204	-	-	(124)
Asset write-off - Impairment losses			
964	640	1,079	650
Total non-cash items			
Add/(Less) movements in working capital items			
85	129	-	-
(Increase)/Decrease in debtors and receivables			
(32)	(78)	-	-
(Increase)/Decrease in prepayments			
(252)	1,038	101	(942)
Increase/(Decrease) in Creditors & Payables			
(74)	-	-	-
Increase/(Decrease) in Provisions			
77	(19)	100	-
Increase/(Decrease) in current employee entitlements			
(196)	1,070	201	(942)
Net movements in working capital			
Add/(Less) investing activity			
(168)	(277)	-	-
Loss/(Gain) on sale of fixed assets			
(168)	(277)	-	-
Total investing activity			
4,018	3,223	1,280	(292)
Net cash flow from operating activity			

The accompanying notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2013

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

Operating leases include lease payments for premises and motor vehicles.

Te Puni Kōkiri has long-term leases on its premises in New Zealand. The annual lease payments are subject to regular reviews, ranging from one year to four years. The amounts disclosed below as future commitments are based on the current rental rates.

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
Accommodation lease commitments		
2,893	Less than one year	2,955
2,638	One to two years	2,745
5,523	Two to five years	7,242
58	More than five years	2,315
11,112	Total accommodation lease commitments	15,257
Other operating commitments		
58	Less than one year	-
-	One to two years	-
-	Two to five years	-
-	More than five years	-
58	Total other operating commitments	-
11,170	Total commitments	15,257

The accompanying notes form part of these financial statements.



STATEMENT OF DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2013

The Statement of Departmental Contingent Assets and Liabilities shows amounts at balance date that could potentially become assets or liabilities depending on the occurrence of one or more uncertain future events after 30 June 2013. It does not include general or unspecified business risks or conditions.

30-Jun-12 Actual \$000s	30-Jun-13 Actual \$000s
Contingent Liabilities	
- Personnel claims	40
45 Other Liability claims	-
45 Total Contingent Liabilities	40
Contingent Assets	
118 Christchurch earthquake disruption - insurance claims	-
118 Total Contingent Assets	-

The accompanying notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2013

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

30-Jun-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s		\$000s	\$000s	\$000s
VOTE: MĀORI AFFAIRS				
Appropriation for classes of outputs				
6,750	Policy - Social and Cultural	-	-	-
11,706	Policy - Economic and Enterprise	-	-	-
6,410	Policy - Crown Māori Relationships	-	-	-
7,066	Relationships and Information	7,519	7,610	7,594
9,094	Operations Management	11,495	13,741	11,917
10,042	Whānau Ora Administration	10,942	9,201	10,985
7,294	Integrated Whānau Social Assistance	6,253	6,626	6,613
Policy Advice and Related Outputs MCOA				
-	Policy Crown Māori Relationships	8,590	7,993	8,919
-	Policy-Māori Development	12,089	12,321	12,281
-	Ministerial Servicing	1,545	3,000	1,603
58,362	Total Appropriations for Classes of Outputs	58,433	60,492	59,912
Departmental Capital Expenditure				
765	Te Puni Kōkiri – Capital Expenditure PLA	1,728	2,410	2,710

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

Nil (Nil for the year ended 30 June 2012).

Expenses and capital expenditure incurred in excess of appropriation

Nil (Nil for the year ended 30 June 2012).

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

Nil (Nil for the year ended 30 June 2012).

Breaches of projected departmental net assets schedules

Nil (Nil for the year ended 30 June 2012).

STATEMENT OF DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2013

There was no unappropriated expenditure for the year ended 30 June 2013
(Nil for the year ended 30 June 2012).

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 and is domiciled in New Zealand.

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

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

The financial statements of the department are for the year ended 30 June 2013. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 30 September 2013.

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's generally accepted accounting practices (NZ GAAP) and Treasury instructions.

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

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

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

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

CHANGES IN ACCOUNTING POLICIES

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

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

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

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

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in

the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Ministry is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Ministry expects to transition to

the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Ministry is unable to assess the implications of the new Accounting Standards Framework at this time.

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

Revenue

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

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



Capital charge

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

Operating Leases

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

Financial Instruments

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

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

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

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

Cash and cash equivalents

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

Debtors and other receivables

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

Impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

PROPERTY, PLANT AND EQUIPMENT

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

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

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

Additions

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

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

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

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

INTANGIBLE ASSETS

Software acquisition and development

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

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



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

Amortisation

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

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

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

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

CREDITORS AND OTHER PAYABLES

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

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

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

Te Puni Kōkiri recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can

be carried forward at balance date, to the extent that the Ministry anticipates it will be used by staff to cover those future absences.

The Ministry recognises a liability and an expense for performance payments where the Ministry has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

SUPERANNUATION SCHEMES

Defined contribution schemes

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

PROVISIONS

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

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

TAXPAYERS' FUNDS

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

COMMITMENTS

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

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



GOODS AND SERVICES TAX (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

INCOME TAX

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

CONTINGENT ASSETS AND LIABILITIES

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

NET OPERATING SURPLUS

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

BUDGET FIGURES

The budget figures are those included in the Ministry's Forecast Financial Statement published in the Information Supporting the Estimates of Appropriation for the year ending 30 June 2013. In addition, the financial statements also present the updated budget information from the 2012/13 Supplementary Estimates. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

STATEMENT OF COST ACCOUNTING POLICIES

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

Criteria for direct costs

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

Criteria for indirect costs

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

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below:

Long service leave

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

Critical judgements in applying the Ministry's accounting policies

Management has not exercised any critical judgements in applying the Ministry's accounting policies for the period ended 30 June 2013.



Note 2: Other Revenue

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
485	SSRSS employer's contribution-recoveries	-
174	KiwiSaver employer's contribution	-
204	Te Tumu Paeroa service fees	14
-	Other Revenue	20
0	Gain on Sale of Assets	277
863	Total Other Revenue	311

Note 3: Personnel Costs

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
29,442	Salaries and Wages	27,353
414	Other Personnel Costs	730
29,856	Total Personnel Costs	28,083

Note 4: Operating Costs

30-Jun-12	30-Jun-13
Actual	Actual
\$000s	\$000s
154	154
2,954	2,638
86	118
1,920	2,304
571	309
1,255	1,903
4,656	4,447
2,543	3,076
2,104	1,926
5,036	4,475
1,037	973
279	302
9	21
696	595
184	177
136	107
1,427	1,507
551	456
254	272
(168)	0
270	266
204	-
-	1,500
1,218	1,814
27,376	29,340



Note 5: Depreciation & Amortisation

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
150	EDP Equipment	113
497	Motor Vehicles	470
-	Office Equipment	5
47	Furniture & Fittings	27
66	Software Systems	25
760	Total Depreciation Costs	640

Note 6: Capital Charge

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
370	Te Puni Kōkiri pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2013 was 8% (2012: 8.0%).	370

Note 7: Debtors and Other Receivables

30-Jun-12 Actual \$000s	30-Jun-13 Actual \$000s
213 Debtors	84
- Less Provision for impairment	-
- GST refund	165
213 Total Debtors and other receivables	249

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

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

	2012/13			2011/12		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	84	-	84	213	-	213
Total	84	-	84	213	-	213

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

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

There is a nil provision for impairment as of 30 June 2013 (Nil for 2011/12).



Note 8: Property, Plant and Equipment

	EDP Equipment \$000s	Motor Vehicles \$000s	Office Equipment \$000s	Furniture & Fittings \$000s	Leasehold Improvements \$000s	Total \$000s
Cost or valuation						
Balance at 1 July 2011	1,031	2,714	256	1,184	2,134	7,319
Additions	262	401	5	14	82	764
Impairment losses	(396)	-	(5)	(62)	-	(463)
Disposals	-	(847)	-	-	-	(847)
Balance at 30 June 2012	897	2,268	256	1,136	2,216	6,773
Balance at 1 July 2012	897	2,268	256	1,136	2,216	6,773
Additions	85	1,594	40	9	-	1,728
Impairment losses	-	-	-	-	-	-
Disposals	-	(1,764)	-	-	-	(1,764)
Other Movements	-	-	-	-	(85)	(85)
Balance at 30 June 2013	982	2,098	296	1,145	2,131	6,652
Accumulated depreciation and impairment losses						
Balance at 1 July 2011	620	1,451	256	1,000	2,094	5,421
Depreciation expense	150	497	-	47	-	694
Impairment losses	(217)	-	-	(46)	-	(263)
Eliminate on disposal	-	(675)	-	-	-	(675)
Balance at 30 June 2012	553	1,273	256	1,001	2,094	5,177
Balance at 1 July 2012	553	1,273	256	1,001	2,094	5,177
Depreciation expense	113	470	5	27	-	615
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(1,446)	-	-	-	(1,446)
Balance at 30 June 2013	666	297	261	1,028	2,094	4,346
Carrying amounts						
At 1 July 2011	411	1,263	-	184	40	1,898
At 30 June and 1 July 2012	344	995	-	135	122	1,596
At 30 June 2013	316	1,801	35	117	37	2,306

Work in progress

The total amount of property, plant, and equipment in the course of construction is \$40,221 (2011/12 \$125,213)

Note 9 : Intangible Assets

	Acquired software	Internally generated software	Total
	\$000s	\$000s	\$000s
Cost or valuation			
Balance at 1 July 2011	1,194	380	1,574
Additions	-	-	-
Impairment losses	-	-	-
Disposals	(57)	-	(57)
Balance at 30 June 2012	1,137	380	1,517
Balance at 1 July 2012	1,137	380	1,517
Additions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Balance at 30 June 2013	1,137	380	1,517
Accumulated amortisation and impairment losses			
Balance at 1 July 2011	1,083	380	1,463
Amortisation expense	66	-	66
Disposals	(53)	-	(53)
Transfer to Māori Trustee	-	-	-
Balance at 30 June 2012	1,096	380	1,476
Balance at 1 July 2012	1,096	380	1,476
Amortisation expense	25	-	25
Disposals	-	-	-
Balance at 30 June 2013	1,121	380	1,501
Carrying amounts			
At 1 July 2011	111	-	111
At 30 June and 1 July 2012	41	-	41
At 30 June 2013	16	-	16

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-12 Actual \$000s		30-Jun-13 Actual \$000s
5,359	Accrued Expenses	6,811
249	GST payable	-
5,608	Total creditors and payables	6,811

Note 11: Employee Entitlements

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
Current Liabilities		
1,432	Annual Leave	1,381
883	Salaries and Wages	745
4	Long Service Leave	42
153	Sick Leave	180
2,472	Total current portion	2,348
Non-Current Liabilities		
319	Long Service and Retirement Leave	424
319	Total non-current portion	424
2,791	Total employee entitlements	2,772

For the calculation of long service leave, discount rates of 2.71% for year 1, 3.14% for year 2 and 5.50% for year 3 and onwards with a long term salary inflation factor of 3.5% were used. These rates and the model for calculations were provided by the Treasury.

Note 12: Related party transactions and key management personnel

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

Significant transactions with government-related entities

Te Puni Kōkiri has received funding from the Crown of \$60m (2012 \$61m) to provide services to the public for the year ended 30 June 2013.

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

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

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

Te Puni Kōkiri also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2013 totalled \$0.707 million (2011/12 \$0.844 million). These purchases included the purchase of electricity from Genesis and Meridian, legal services from Crown Law Office, postal services from New Zealand Post, ACC levies and capital charge paid to the Treasury.

Te Puni Kōkiri has received other revenue from entities related to the Crown. These transactions included receiving funds from Te Tumu Paeroa totalling \$0.014 million for the year ended 30 June 2013.

Last year we received funds from the State Services Commission and Te Tumu Paeroa totalling \$0.9 million.

As at 30 June 2013, Te Puni Kōkiri had \$0.041 million (2011/12 \$0.170 million) in trade receivables from entities related to the Crown.

Transactions with related parties

Te Puni Kōkiri staff

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



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

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

Key management personnel compensation

30-Jun-12 Actual \$000s		30-Jun-13 Actual \$000s
1,704	Salaries and other short-term employee benefits	1,486
28	Post-employment benefits	41
1,732	Total key management personnel compensation	1,527

Key management personnel include the Chief Executive, the Deputy Chief Executive and four Deputy Secretaries, who are all members of the Executive Leadership Team (ELT).

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

There were no related party transactions involving key management personnel in 2012/13 (nil 2011/12).

Note 13: Capital Management

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

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

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

Note 14: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2013" for an explanation of significant budget changes between the 2012/13 Main Estimates and 2012/13 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 503 and 506).

Note 15: Explanation for Significant Variances

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

Statement of Comprehensive Income (page 60)

Statement of Financial Performance	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Variance
	\$000s	\$000s	\$000s
Personnel	28,083	32,653	(4,750)
Operating	29,340	26,390	2,950
Depreciation	640	1,079	(439)

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

Operating: The variance is largely due to higher contractor costs covering vacancies until permanent appointments are made.

Depreciation and Amortisation: The variance relates to timing of asset purchases relating to EDP Hardware and Leasehold Improvements.

Statement of Financial Position (page 61)

Statement of Financial Position	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Variance
	\$000s	\$000s	\$000s
Cash and cash equivalents	13,133	6,976	6,157
Property, plant and equipment	2,306	3,164	(858)
Creditors and other payables	6,811	3,380	3,431

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

Property, plant and equipment: The variance relates to timing of asset purchases relating to EDP Hardware and Leasehold Improvements.

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



Statement of Departmental Expenditure and Capital Expenditure Appropriations (page 67)

Statement of Departmental Expenditure and Capital Expenditure Appropriations	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Variance
	\$000s	\$000s	\$000s
Departmental Expenditure			
Operations Management	11,495	13,741	(2,246)
Whānau Ora Administration	10,942	9,201	1,741
Integrated Whānau Social Assistance	6,253	6,626	(373)
Policy Advice and Related Outputs MCOA			
– Policy-Crown Māori Relationships	8,590	7,993	597
– Policy Māori Development	12,089	12,321	(232)
– Ministerial Servicing	1,545	3,000	(1,455)
Departmental Capital Expenditure			
Te Puni Kōkiri – Capital Expenditure PLA	1,728	2,410	(682)

The variances above for departmental expenditure largely reflect the fiscally neutral transfers between departmental appropriations that were actioned by Te Puni Kōkiri in the 2013 March Baseline Update.

The fiscally neutral transfers were the result of reprioritisation of Te Puni Kōkiri work programme to respond to a new set of government priorities within an environment of fiscal constraint. On-going prioritisation has ensured that Te Puni Kōkiri met agreed government priorities within the 2012/13 departmental baseline.

The underspend for departmental capital expenditure is due to timing of asset purchases relating to EDP Hardware and Leasehold Improvements.

Note 16: Financial instrument

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

30-Jun-12 Actual \$000s	30-Jun-13 Actual \$000s
Loans and receivables	
14,376 Cash and cash equivalents	13,133
213 Debtors and other receivables	249
14,589 Total loans and receivables	13,382
Financial liabilities measured at amortised cost	
5,608 Creditors and other payables	6,811

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

Market risk

Currency risk

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

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

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

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

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



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

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

Interest rate risk

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

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

Credit risk

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

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

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

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

Liquidity risk

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

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

NON-DEPARTMENTAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 30 JUNE 2013

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

SCHEDULE OF NON-DEPARTMENTAL REVENUE FOR THE YEAR ENDED 30 JUNE 2013

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

30-Jun-12 Actual	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s	\$000s	\$000s	\$000s
Current Revenue			
<i>Non-Tax Revenue</i>			
171 Miscellaneous Receipts	228	10	10
171 Total Current Revenue	228	10	10
Capital Revenue			
35 Gain on Sale of Properties	126	-	-
35 Total Capital Revenue	126	-	-
206 Total Crown Revenue	354	10	10

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.



SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2013

The Schedule of Expenses summarises Non-Departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Non-Departmental Expenditure and Capital Expenditure Appropriations on pages 91 to 93. Figures are GST exclusive.

30-Jun-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s	Note	\$000s	\$000s	\$000s
Non-Departmental Expenses				
Operating Annual Appropriations				
129,841	Non-Departmental Output Expenses	129,897	141,392	141,242
480	Benefits and Other Unrequited Expenses	257	480	480
4,943	Other Expenses to be Incurred by the Crown	5,473	4,665	5,583
135,264	Total Operating Annual Appropriations	135,627	146,537	147,305
300	Capital Expenditure	-	-	-
15	Appropriations for Other Expenses	15	15	15
730	Loss on Revaluation of Crown Land	-	-	-
136,309	Total Non-Departmental Expenses	135,642	146,552	147,320

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 2013.

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2013

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-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Operating Annual Appropriations				
<i>Non-Departmental Output Expenses</i>				
40,332	Māori Television Broadcasting	40,332	40,332	40,332
11,344	Māori Radio Broadcasting	10,744	10,744	10,744
1,808	Administration of Māori Broadcasting	1,808	1,808	1,808
5,204	Promotion of the Māori Language	5,204	5,204	5,204
438	Iwi Housing Support	453	456	456
16,611	Māori Television Channel	16,611	16,611	16,611
10,347	Māori Trustee Functions	10,347	10,347	10,347
1,000	Growing Māori Productivity and Export Growth	968	1,000	1,000
1,952	Strengthening and Promoting Māori Tourism	1,660	1,660	1,660
<i>Whānau Ora-based Service Development MCOA</i>				
13,516	- Service Delivery Capability	24,618	33,190	32,660
7,671	- Whānau Integration, Innovation and Engagement	3,919	6,400	6,400
21,187	Total Whānau Ora-based Service Development MCOA	28,537	39,590	39,060
<i>Māori Potential Framework</i>				
5,543	- Mātauranga (Knowledge)	5,378	3,472	5,872
7,157	- Whakamana (Leadership)	2,484	4,697	2,597
6,918	- Rawa (Resources)	5,371	5,471	5,551
19,618	Total Māori Potential Framework	13,233	13,640	14,020
129,841	Total Non-Departmental Output Expenses	129,897	141,392	141,242

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 2013.

Table continued overleaf...



30-Jun-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s		\$000s	\$000s	\$000s
<i>Benefits and Other Unrequited Expenses</i>				
480	Rangatiratanga Grants	257	480	480
480	Total Benefits and Other Unrequited Expenses	257	480	480
<i>Other Expenses to be Incurred by the Crown</i>				
196	New Zealand Māori Council	196	196	196
1,163	Māori Wardens	1,170	1,178	1,178
626	Māori Registration Service	626	626	626
131	Te Putahi Paoho	131	131	131
328	Te Waka	-	-	-
-	- Te Ariki Trust	-	21	21
1,867	Māori Women's Development Fund	1,867	1,867	1,867
7	Orakei Act 1991	7	7	7
20	Administrative expenses for Crown Land	4	49	49
500	Turanganui-a-Kiwa Capacity Building	500	500	500
105	New Zealand Wall Enhancement at UN Headquarters	55	90	90
-	- Impairment of Crown Land	917	-	918
4,943	Total Other Expenses to be Incurred by the Crown	5,473	4,665	5,583
135,264	Total Operating Annual Appropriations	135,627	146,537	147,305
<i>Capital Contributions to other persons or organisations</i>				
300	Māori Trustee Capital	-	-	-
300	Total Capital Contributions	-	-	-
<i>Appropriations for Other Expenses</i>				
15	Payments to Trust Boards	15	15	15
15	Total Other Expenses	15	15	15
135,579	Total Non-Departmental Appropriations	135,642	146,552	147,320

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

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

STATEMENT OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE AS AT 30 JUNE 2013

There was no unappropriated expenditure for the year ended 30 June 2013
(Nil for the year ended 30 June 2012).

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2013

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-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Current Assets				
17,068	Cash	6,455	18,754	9,044
131	Accounts Receivable/Prepayments	131	-	-
17,199	Total Current Assets	6,586	18,754	9,044
Property Plant and Equipment				
1,835	Land	490	2,565	1,835
1,835	Total Property Plant and Equipment	490	2,565	1,835
19,034	Total non-departmental assets administered by Te Puni Kōkiri	7,076	21,319	10,879

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 2013.



SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2013

30-Jun-12 Actual		30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Supps Estimates
\$000s		\$000s	\$000s	\$000s
Current Liabilities				
12,051	Creditors and Payables	13,257	3,896	3,896
Non-Current Liabilities				
425	Other Liabilities	425	425	425
12,476	Total Liabilities	13,682	4,321	4,321

An explanation of major variances against budget is detailed in note 3.

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2013

The Schedule of Non-Departmental Commitments shows the future contractual obligations (exclusive of GST) that will become liabilities if and when the terms and conditions of existing contracts are met.

30-Jun-12 Actual		30-Jun-13 Actual
\$000s		\$000s
Category		
5,680	Māori Potential Fund	4,275
18,478	Whānau Ora	22,932
89,630	Crown Entities & Non-Government Organisations	91,880
113,788	Total Crown Commitments by Category	119,087
Out year commitments		
103,829	Less than one year	112,806
8,063	One to two years	6,281
1,896	Two to five years	-
-	More than five years	-
113,788	Total Crown Commitments by out year	119,087

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 2013.

STATEMENT OF NON-DEPARTMENTAL CONTINGENT ASSETS AND LIABILITIES AS AT 30 JUNE 2013

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 2013. 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 2013 (2011/12 nil).

Contingent assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2013 (2011/12 nil).

NOTES TO THE NON-DEPARTMENTAL FINANCIAL STATEMENTS

Note 1: Statement of Non-Departmental Accounting Policies

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

The Non-Departmental balances are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for 2012/13.

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's generally accepted accounting practice as appropriate for public benefit entities.

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

Statement of Compliance

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

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.



Measurement System

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

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

Accounting Policies

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

Budget Figures

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

Revenue

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

Goods and Services Tax (GST)

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

Commitments

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

Note 2: Explanation for Significant Budget Changes

Refer to "The Supplementary Estimates of Appropriations for the year ending 30 June 2013" for an explanation of budget changes between the 2012/13 Main Estimates and 2012/13 Supplementary Estimates for Vote Māori Affairs (B.7 – Pages 507 to 510).

Note 3: Explanation for significant variances

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

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE (PAGES 91 – 92)

	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Variance
	\$000s	\$000s	\$000s
Whānau Ora-based Service Development MCOA	28,537	39,590	(11,053)
– Mātauranga (Knowledge)	5,378	3,472	1,906
– Whakamana (Leadership)	2,484	4,697	(2,213)
Impairment of Crown Land	917	-	917
Te Ariki Trust	-	21	(21)

The funding in the Whānau Ora based Service Development MCOA primarily relates to delivery of the multi-year Programmes of Action. Timelines for the delivery of the Programmes of Action has largely been set by the provider collectives themselves and the funding from appropriations to support these is adjusted to reflect the completion of key milestones. Approved expense transfers are in place to transfer unutilised funding to 2013/14.

The variances for the Mātauranga (Knowledge) and Whakamana (Leadership) appropriations largely reflect a fiscally neutral adjustment of \$2.100m for the cadetship initiative to ensure the continuity and consistency in use of the Mātauranga appropriation, reflecting the 'learning' outcomes of the Cadetship initiatives.

The Te Ariki Trust appropriation of \$0.021m is for the cost of administering the new Te Ariki Trust and was not used on 2012/13 as the trustees had not been appointed.

The Impairment of Crown Land is a new appropriation that was appropriated in the Supplementary Estimates of Appropriation for the year ending 30 June 2013.

SCHEDULE OF NON-DEPARTMENTAL ASSETS (PAGE 93)

	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Variance
	\$000s	\$000s	\$000s
Cash	6,455	18,754	(12,299)
Land	490	2,565	(2,075)

The Cash balance as of the Main Estimates included the Crown surpluses from previous years which have since been returned to the NZDMO. The variance also reflects higher than anticipated level of creditors and other payables at year end.

The reduction in Land reflects the disposal of a number of Crown owned land blocks during the year.



SCHEDULE OF NON-DEPARTMENTAL LIABILITIES (PAGE 94)

	30-Jun-13 Actual	30-Jun-13 Main Estimates	30-Jun-13 Variance
	\$000s	\$000s	\$000s
Creditors and Payables	13,257	3,896	9,361

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

Note 4: Financial instruments

30-Jun-12 Actual		30-Jun-13 Actual
\$000s		\$000s
	Loans and receivables	
17,068	Cash and cash equivalents	6,455
	Financial liabilities measured at amortised cost	
12,051	Creditors and other payables	13,257

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

Credit risk

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

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

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

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

Note 5: Related party transactions

Te Puni Kōkiri provides funding through the Crown appropriation process to other entities controlled, significantly influenced, or jointly controlled by the Crown. Funding to these government-related entities for the year ended 30 June 2013 totalled \$85 million (2011/12 \$86 million).

Note 6: Crown Entities

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

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

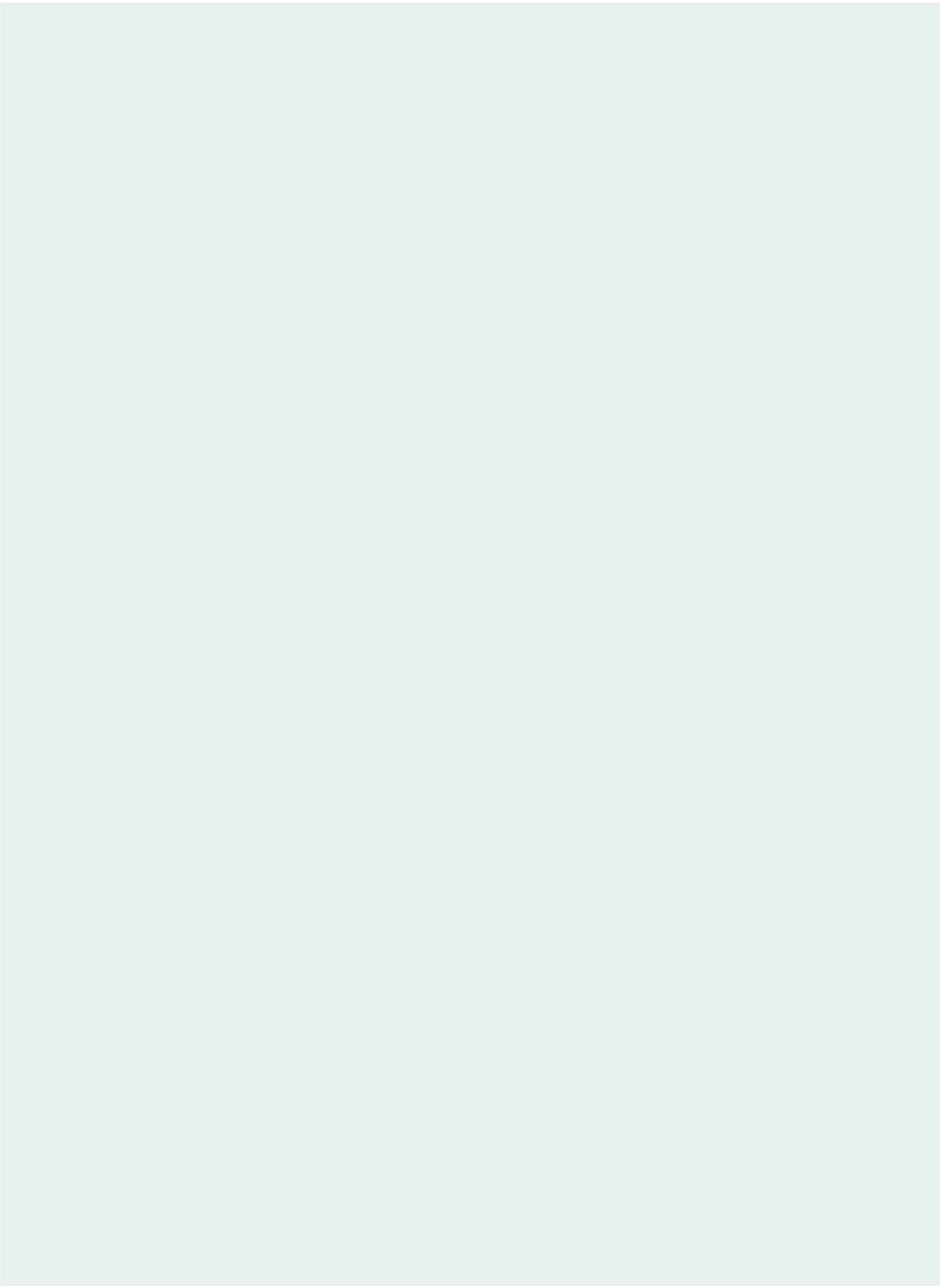
The investment in these entities is recorded within the Financial Statements of the Government on a line by line basis. No disclosure is made in this schedule.

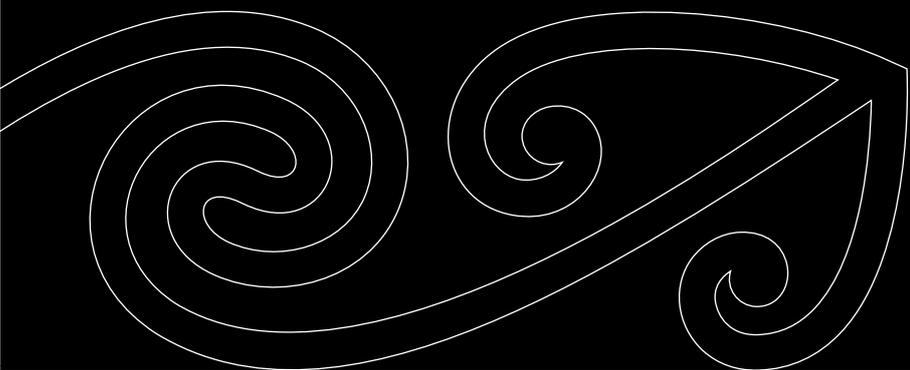
Please refer to the Annual Reports at the following websites:

- Te Māngai Pāho at www.tmp.govt.nz;
- Te Taura Whiri i te Reo Māori at www.tetaurawhiri.govt.nz; and
- Māori Television Service at www.Māoritelevision.com

for information on their financial performance and position.









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