



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Te Kāwanatanga o Aotearoa

E47 AR (2016)

Annual Report

For year ended 30 June 2016



Cover

Bella Thompson and her seven-year-old granddaughter, Rylee Thompson, both of Ngāti Wai / Ngāpuhi descent are shown on the Ngaiotonga Māori land block known as the Ngaiotonga Station, north of Bland Bay (looking toward Cape Brett).

As a trustee for this land, Bella has for 16 years managed the station raising beef cattle.



Pūrongo ā-tau

Annual Report of Te Puni Kōkiri

Mō te mutunga o te tau i te 30 o ngā rā o Pipiri 2016
For year ended 30 June 2016

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







Minister for Māori Development & Minister for Whānau Ora

I present to you the Annual Report of Te Puni Kōkiri for the year ended 30 June 2016.

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

Michelle Hippolite
Toihautū | Chief Executive



Papatohu

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Rārangi Take

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Mai Te Toihautū

From the Chief Executive



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

Our focus over the past year has been guided by Ministerial priorities, all of which contribute to the outcome areas of Te Puni Kōkiri. These priorities are characterised by:



Whakapapa - A focus on strengthening the relationships between whānau, hapū and iwi, especially as they relate to te ao Māori.

We focused on more whānau speaking quality Māori. The passage of Te Ture mō Te Reo Māori 2016 was a momentous achievement as it creates a dual relationship between the Government and Te Mātāwai, an entity which enables Māori to strategise and support whānau, hapū and iwi reo development.



Whānau - A focus on enabling whānau to thrive.

We focused on lifting a whānau-centred approach and working with Commissioning Agency partners to support Whānau Ora. In the second year of supporting the Whānau Ora Partnership Group to steward the Whānau Ora approach, we have advised that the commissioning model is achieving results and is presenting stronger evidence of the impact for whānau health, education, housing, skills development and economic outcomes.



Whare - A focus on improving and developing whānau housing.

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



Whenua - A focus on Māori land reform and supporting whenua Māori development.

We focused on the introduction of Te Ture Whenua Māori Bill into the House, which includes changes such as the establishment of a new Māori Land Service.





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

We focused on direct contributions to the Government's regional growth programme through services to prospective and current Māori entrepreneurs and Māori asset owners, and a business hub in Tairāwhiti.

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

Increased funding through Budget 2015 of over \$100 million over four years, and a similar increase in Budget 2016, has required us to adapt and strengthen Te Puni Kōkiri. A process to strengthen a whānau-centred approach and working in an integrated way means we need to increase capability and a process to increase capacity across the Ministry is underway. All proposed changes are intended to deliver an end-to-end process that makes it easier for iwi, hapū, and whānau to reach their potential, and succeed as Māori.

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

Ngā mihi

Michelle Hippolite

Toihautū | Chief Executive



Our Part in Māori Development

Te Puni Kōkiri, established under the Ministry of Māori Development Act 1991, is a small Ministry with a wide span of responsibility. Our formal role is to provide strategic advice on Māori policy issues, be the principal advisor on Crown-Māori relationships, and develop and implement innovative trials and investments that promote better results for Māori. Our areas of focus cover a broad range of sectors, spanning social, economic, natural resources and cultural policy.

At any one time we could be assisting the Minister to advance legislation through Parliament, helping other agencies on how to best engage with Māori, working to grow Māori businesses in the Far North, assisting whānau with housing repairs in Ikaroa-Rāwhiti, and funding māra kai gardens to support whānau in Te Waipounamu.

These roles enable us to support government to strengthen Treaty of Waitangi partnerships and facilitate iwi, hapū and whānau to succeed at home and globally.

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

- **Te Wero** – pursuing excellence;
- **Manaakitanga** – valuing people and relationships;
- **He Toa Takitini** – working collectively; and
- **Ture Tangata** – being creative and innovative.

In response to efforts to more directly address challenges facing Māori, and corresponding Ministerial priorities, Te Puni Kōkiri has also experienced an increase in emphasis towards more innovative trials and investments that promote better results for whānau. Whānau Ora is perhaps the best known example of this; however, Budget 2015 saw a step-change in funding focused on service delivery and investments, including improving housing outcomes for Māori.



Making a Difference – our Outcome Framework and Priority Kaupapa

Te Puni Kōkiri focuses primarily on areas and issues where it has a particular role, mandate, or a specific level of influence. These have been brought together under four high-level outcome areas. To achieve these outcomes, across 2015/16 Te Puni Kōkiri concentrated particular effort on five key kaupapa directly aligned to Ministerial priorities.



Te Puni Kōkiri on a Page

Our Approach



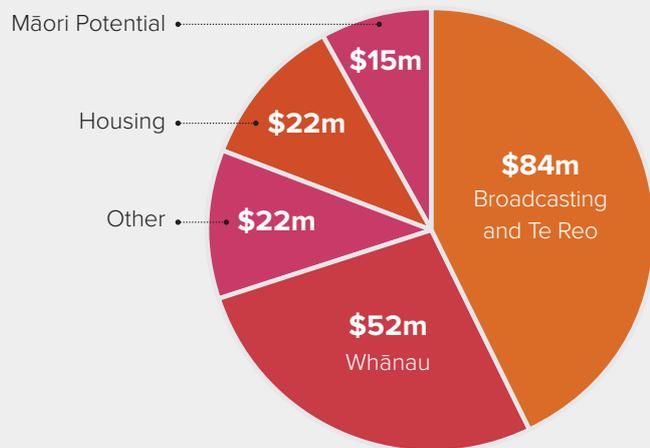
Our Staff

65% female and the lowest gender pay gap in the public sector



Our Non-Departmental Funding

\$195 million set aside for projects, programmes and external agencies.



Contribution to Government priorities

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

- Better Public Services Result Area One: Reduce the number of people who have been on a working age benefit for more than 12 months; Result Area Two: Increase participation in early childhood education; Result Area Five: Increase the proportion of 18-year-olds with NCEA Level 2 or equivalent qualification; and Result Area Six: Increase the proportion of 25- to 34-year-olds with advanced trade qualifications, diplomas and degrees (at Level 4 or above);
- *He Whare Āhuru He Oranga Tāngata* (Māori Housing Strategy) outcomes: improving housing for Māori and their whānau; and increasing housing choices for Māori by growing the Māori housing sector;
- Business Growth Agenda goals related to Strategic Priority Two: Building a more productive and competitive economy; and
- *He Kai Kei Aku Ringa* (the Crown-Māori Economic Growth Partnership) goals and framework.

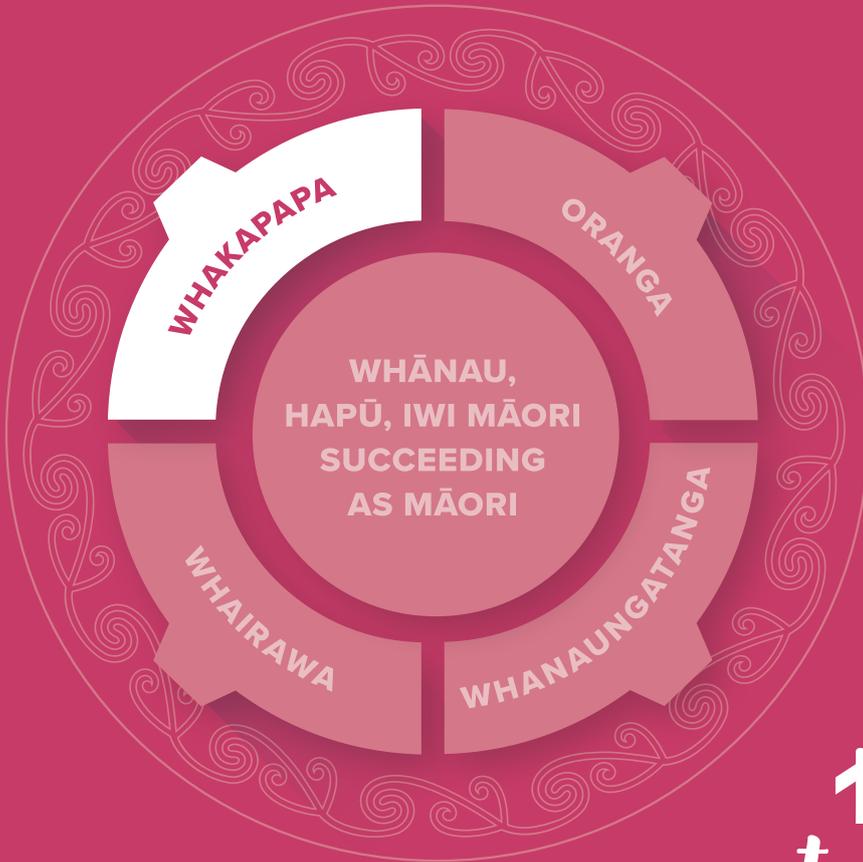
Te Puni Kōkiri also contributes to the achievement of Government priorities through its ability to:

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





Whakapapa



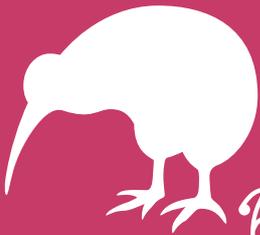
communities

tikanga



taonga diversity

kapa haka



tūrangawaewae

marae

pride

culture

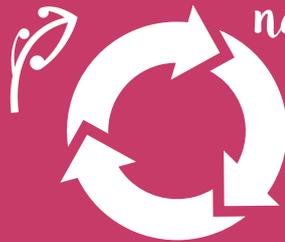
language



sense of self



natural environment



te reo

manaakitanga



Te Reo Māori contributes to Whakapapa

Through the focus on te reo Māori our work contributes to the outcome of *Whakapapa*. Under this outcome Te Puni Kōkiri is seeking to recognise notions of identity, encompassing genealogy, language, culture, belonging, and relationships between whenua and taonga.

As a Ministerial priority our efforts and activities include:

- **Whakapapa** - supporting te reo Māori through the passage of legislation establishing a new entity and enabling the development of language strategies, plus leadership and support within the Māori language sector;
- increasing the engagement of Aotearoa New Zealand with Māori culture by supporting projects on marae, advice on cultural heritage including commemorations, and partnering at the local level with initiatives that strengthen whakapapa outcomes; and
- working with Māori and government agencies to identify ways in which Māori rights, interests and aspirations are understood, applied and taken into account in areas such as ownership, use and management of natural resources.

Te Reo Māori

Te Ture mō Te Reo Māori (Māori Language Act) 2016

On 14 April 2016, the Māori Language Bill passed its third reading in the House to become Te Ture mō Te Reo Māori (Māori Language Act) 2016. This was an historic milestone due to it being a dual-language Act in which the te reo Māori version has legal precedence – a first for Aotearoa New Zealand.

Te Ture mō Te Reo Māori 2016 will see iwi drive language revitalisation with whānau, hapū, iwi and Māori communities, with the Crown focusing its efforts across government. It reaffirms the status of te reo Māori in Aotearoa New Zealand, and establishes Te Mātāwai – a new organisation to lead language revitalisation on behalf of whānau. Te Mātāwai comprises 13 members: seven iwi cluster appointments; four Te Reo Tukutuku (Māori language stakeholder) appointments; and two ministerial appointments.

Coordination and collaboration of Crown-Māori efforts to revitalise the Māori language is paramount. Te Ture mō Te Reo Māori 2016 provides for the Crown's ongoing commitment to work in partnership to actively protect and promote this taonga, for current and future generations.

Over the last financial year, Te Puni Kōkiri focused on providing assistance to the Minister for Māori Development and the Māori Affairs Select Committee in advance of the Bill's passage into law. Primarily this was through: Cabinet decisions regarding amendments to the Māori Language (Te Reo Māori) Bill; refinements to the roles and structural arrangements for Te



Mātāwai, Te Taura Whiri i te Reo Māori and Te Māngai Pāho; and the preparation and delivery of a departmental report which included analysis of public submissions to the Committee on the Bill.

Cabinet agreed that the Bill be enacted as a dual-language Act, with te reo Māori as the prevailing text in case of any conflict in the meaning between the English and Māori versions. This was a significant development, reflecting the aspiration for te reo Māori as a living language in all spheres of our lives. Achieving a dual-language Act was not straightforward, requiring a new process for translation to be developed, plus considerable cross-government consultation, particularly with the Parliamentary Counsel Office.

Te Mātāwai

Te Mātāwai will provide leadership for te reo on behalf of iwi and Māori in their role as kaitiaki of te reo Māori. Te Mātāwai will be responsible for a range of functions, including: development of the Maihi Māori strategy;¹ advice and assistance across government on matters relating to the Māori language; nominations and appointments to Māori Language Sector boards;² and language planning support services at iwi, hapū, whānau and community levels.

Following the passing of Te Ture mō Te Reo Māori 2016, Te Puni Kōkiri began the process of supporting Te Mātāwai to become fully operational. We facilitated the process for appointing the first members of Te Mātāwai and commenced the development of the Crown's strategy (Maihi Karauna). Budget 2016 provided funding of \$3 million per annum for te reo Māori whānau and Community Planning initiatives.

Promotion of Māori language and culture

Te Puni Kōkiri also supports the promotion of Māori language and culture through its direct engagement and monitoring role of Māori language entities funded through Vote Māori Development, namely:

- Te Taura Whiri i te Reo Māori (Māori Language Commission), which supports initiatives to revitalise, develop and promote the Māori language;
- Te Māngai Pāho, which provides funding support for over 60,000 hours of iwi radio broadcasting and 600 hours of Māori-related television programming; and
- Māori Television Service, which provides 7,100 hours of television broadcasting, now reaching 87 per cent of New Zealanders.

Over 2015/16 Te Puni Kōkiri convened hui with government sector agencies aimed at greater coordination and alignment across the sector, leading to more demonstrable results that, over time, increase the number of te reo Māori speakers.

¹ The Maihi Māori strategy will provide objectives, policies and related matters for iwi and Māori relevant to Māori language revitalisation.

² Nominations to the boards of Te Taura Whiri i te Reo Māori, Te Māngai Pāho, and appointments to the Māori Television Service.



Māori medium education

Māori medium education is a vehicle to increase the use of te reo Māori and strengthen cultural identity. Results have shown taura Māori achieve higher results and engage with education longer in a Māori medium setting. Te Puni Kōkiri provides policy advice at a national level to the Ministry of Education in an effort to better understand Māori achievement in Māori medium education.

Promoting Māori culture

Māori cultural events are a unique and distinctive contributor to how we see ourselves and, therefore, have been a focus for Te Puni Kōkiri support. Through Māori Potential funding this has included over 125 initiatives supporting annual Matariki celebrations and kapa haka, both of which are enjoying a growing national profile.

Protecting and safeguarding Māori interests in natural assets

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

- the Resource Legislation Amendment Bill;
- policy proposals and options as part of the freshwater rights and interests work plan; and
- producing material to allow the Government to consult on policy proposals for addressing iwi and hapū rights and interests in fresh water.



Measuring our Success: Whakapapa

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

Key outcome measures	Desired trend	Actual trend	Latest result	Comment
<p>Māori language proficiency - at different levels</p> <p>Measured by the percentage of Māori who can speak te reo Māori very well, well or fairly well</p> <p><i>(Source: Census, Te Kupenga)</i></p>	↑	↔	55% of Māori adults have some ability to speak te reo (2013)	Improved from 42% in 2001, but fluent speakers have dropped from 25% in 2001 to 21% in 2013
<p>Attitudes of New Zealanders towards Māori language</p> <p>Measured by the percentage of non-Māori who said that not enough Māori is currently being spoken</p> <p><i>(Source: Te Taura Whiri survey using Statistics New Zealand data, New Zealand Attitudes and Values Survey)</i></p>	↑	↑	38% of non-Māori think that not enough Māori is currently being spoken (2009)	Improved from 30% in 2003 and 31% in 2006
<p>Connection to marae</p> <p>Measured by the percentage of Māori who have visited their ancestral marae in the last year</p> <p><i>(Source: Census, Te Kupenga)</i></p>	↑	N/A	34% of Māori had visited their ancestral marae in the last year (2013)	No earlier result
<p>Māori values and interests related to the use and management of natural resources</p> <p>Measure (see Comment section below)</p>	↑	N/A	See comment on page 19	No earlier result

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



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

Te Puni Kōkiri is at the forefront of efforts to support te reo and Māori culture and values. The passing of Te Ture mō Te Reo Māori 2016, a bilingual Act with te reo prevailing – a first for New Zealand – was a significant development in 2015/16. The Act also recalibrates responsibilities for supporting te reo, affirming the role of Māori and iwi as kaitiaki for the language. Further efforts by Te Puni Kōkiri to improve the place of te reo, along with Māori culture and values, span a wide range of activities. These include: coordination with the te reo broadcasting agencies; support and funding for language, culture and marae-based activities (including kapa haka and Matariki); and engaging with and influencing other natural resource agencies (such as Ministry for the Environment and Land Information New Zealand).

Evaluating Progress

We recognise that outcome measures identified here, at a macro level, are influenced by multiple factors and multiple government agencies. No one performance indicator will be adequate to measure the progress made in Whakapapa. The performance measures, therefore, provide a different lens to the notion of Whakapapa and the improvements being advanced by Te Puni Kōkiri.

Increasing the ability to speak te reo Māori

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



Improving attitudes towards te reo Māori

Attitudes towards the Māori language are trending up. The percentage of non-Māori who consider that not enough Māori is currently being spoken increased from 30 per cent in 2003, to 38 per cent in 2009.

The most recent University of Auckland New Zealand Attitudes and Values Study (NZAVS) shows that support for teaching Māori language in New Zealand primary schools and singing the national anthem in Māori and English has increased steadily from 2009 to 2015.

Connecting to marae

The connection to ancestral marae demonstrates the value of the 'connection' within Māori society. The 2013 Te Kupenga survey reported that 62 per cent of Māori had been to their ancestral marae at some stage, with one-third stating they had done so in the previous year. Those with higher te reo capability and older Māori were more likely than others to have visited their ancestral marae within the past year.

Measuring Māori values relating to natural resources

Te Puni Kōkiri is in the process of developing a measure for Māori values and interests related to the use and management of natural resources. The measure is intended to be available from 2019/20.

Māori values and interests towards natural resources were particularly evident through consultation on the exposure draft of Te Ture Whenua Māori Bill. In 2015/16, Te Puni Kōkiri hosted 45 hui and 14 wānanga (attended by 2,700 people) across Aotearoa. These hui highlighted deep interest and very passionate views about whenua and how best it should be managed in the future. These views were carefully considered by Te Puni Kōkiri and were used to shape and strengthen subsequent drafts.

In addition, Statistics New Zealand and the Ministry for the Environment recently published *Environment Aotearoa 2015*, the first comprehensive report covering measures for all aspects of the environment. The report recognises the importance of te ao Māori in understanding an environment that benefits all New Zealanders and the Government's obligation to provide information that contributes to Māori decision-making and wellbeing. This included the notion of kaitiakitanga based on mātauranga Māori, customary rights and use of the environment which represent the permanent and unique relationship Māori have with the environment. For example, deeds of settlement relating to Te Urewera and Whanganui River clearly articulate a te ao Māori view of the relationship between people and the environment.





Oranga



Whānau | Whare contributes to Oranga

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

The Ministerial priorities and other activities and efforts by Te Puni Kōkiri that contribute to Oranga include:

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

WHĀNAU – Whānau Ora

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

Whānau Ora

The Whānau Ora approach is centred on empowering whānau with tools to achieve their aspirations and control over their lives. The Whānau Ora approach puts whānau at the centre of decision-making about how to build on their strengths and work towards improvements in areas such as health, education, housing and skills development. Whānau Ora is a key Ministerial priority which grew in 2015/16 and has expanded further through Budget 2016 decisions.





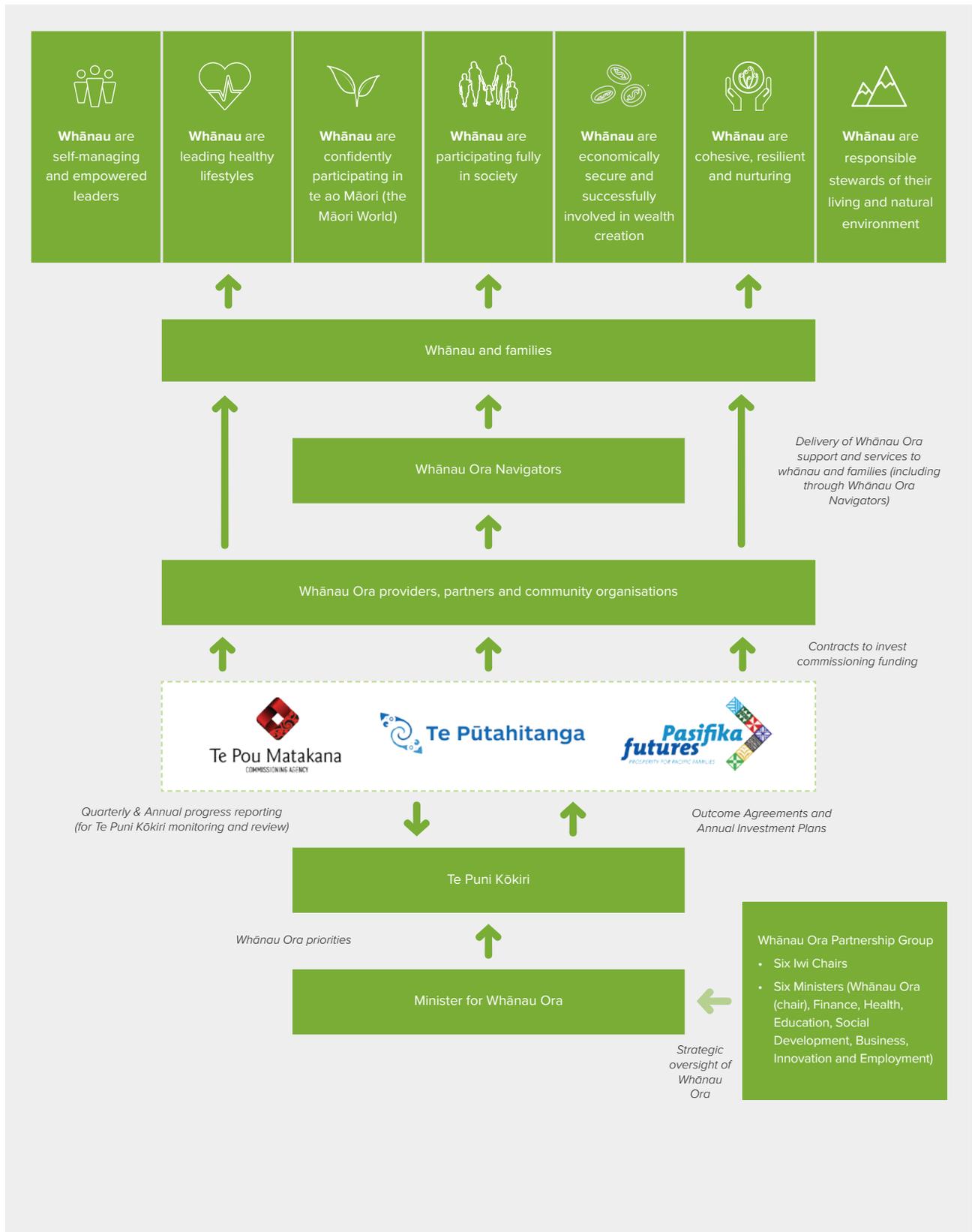
How Whānau Ora works

Te Puni Kōkiri is the administering agency for Whānau Ora, which is in its second phase. In Phase Two we contract three Commissioning Agencies (Te Pou Matakana, Pasifika Futures and Te Pūtahitanga o Te Waipounamu) to commission Whānau Ora initiatives to support whānau in their communities. During 2015/16 a total of \$48.32 million was allocated to these agencies. Activities, outcomes and measures prioritised by Commissioning Agencies are documented and agreed in Annual Investment Plans with Te Puni Kōkiri. Strategic oversight is provided through the Whānau Ora Partnership Group comprised of six representatives of the Iwi Chairs Forum, and the Ministers for Whānau Ora (chair), Finance, Health, Education, Social Development and Economic Development.

Key to Whānau Ora are Navigators (or Kaiārahi) who have the standing and experience needed to work alongside whānau and individuals with complex needs. It is through this direct engagement with whānau in their homes and communities, listening to their needs and aspirations, and then working closely with them to ensure that whānau drive the objectives and outcomes of Whānau Ora.



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



Phase Two Whānau Ora Measurement

In 2015/16, Te Puni Kōkiri developed and began implementing a programme of work to measure the overall performance of Whānau Ora.³ This work programme incorporates four work-streams producing reports on research into, and monitoring and evaluating the outcomes and effectiveness of Whānau Ora. This framework aims to provide an overall picture of the performance and implementation of Phase Two of Whānau Ora. Monitoring, research, and evaluation outputs in line with this work programme are currently being prepared and will be released as they become available.

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

Conclusion of Phase One

Concluding the transition to the commissioning approach, 2015/16 has been the final year of Phase One of Whānau Ora in which Te Puni Kōkiri directly contracted providers and collectives to deliver services to whānau.

In June 2016, preliminary data showed that over 273 whānau, representing over 676 individuals, across Aotearoa New Zealand were supported by Phase One providers and collectives through contracts with Te Puni Kōkiri. Of this amount, 55.7 per cent of whānau members identified as Māori, 12.6 per cent as New Zealand European, and 31.7 per cent as 'Other', including unknown or not stated.

During the year providers and collectives continued to deliver a range of support to: enhance whānau capacity; facilitate whānau planning; identify and support leaders within whānau; initiate programmes to enhance skills and leadership; and provide whānau with access to a range of support services.

³ Work in 2015/16 focused on funding and results from year one of Phase Two Whānau Ora (2014/15).



Key Commissioning Agency achievements

During the year we supported Whānau Ora Commissioning Agencies to refine and further develop their investment approaches, and have continued to support their enhanced cross-government activity in promoting the Whānau Ora approach.

Additional Whānau Ora commissioning funding of \$10 million per year (over four years) has been secured through Budget 2016, and a further \$9.29 million transferred from Vote Social Development to support Whānau Ora outcomes from 1 July 2016 onwards. This brings the total funding supporting Whānau Ora commissioning activity to \$68.981 million for the 2016/17 financial year.

In 2015/16 we saw improvements reported for whānau and families across the three Commissioning Agencies, including:⁴

- 83 per cent of whānau engaged by Te Pou Matakana prioritising health goals had been connected to services and resources enabling them to achieve these goals (and 34 per cent of whānau have gone on to achieve these goals);
- 81 per cent of whānau engaged by Te Pou Matakana prioritising economic security goals had been connected to services and resources enabling them to achieve these goals (and 26 per cent of whānau have gone on to achieve these goals);
- 54 per cent of families engaged by Pasifika Futures prioritising financial literacy goals have developed a financial plan or budget;
- 23 per cent of families engaged by Pasifika Futures prioritising a reduction in debt have reduced their total level of debt by 5 per cent or more; and
- 21 per cent of families engaged by Pasifika Futures prioritising participation in the education system have now enrolled their children in Early Childhood Education.

In addition to these results, Te Pūtahitanga o Te Waipounamu has invested in 50 innovative initiatives (as at 30 June 2016), ranging from providing support and early intervention to whānau with infants, to promoting healthy lifestyles for whānau through market gardens, cooking tutorials, gardening lessons and physical activities. Collectively, these initiatives had engaged with approximately 700 whānau as at 30 June 2016.

Beyond these specific achievements, Commissioning Agencies are also reporting expanded and enhanced community engagements which are helping to improve the lives of whānau and families.

⁴ A more detailed account of Whānau Ora can be found in the Minister's Report on Non-Departmental Operating Expenditure.



Whānau experiences

A grandmother with a chronic health condition and suffering elevated stress levels

was the full-time caregiver of four mokopuna, including one with a developmental issue. She was struggling to cope.

Following engagement with Whānau Ora, she was receiving regular support, her diabetes was more stable, she was receiving one-on-one support for the mokopuna with developmental needs, and had begun working towards full-time employment.

A woman lost her job after 40 years of full-time employment,

was struggling to pay bills, had little food in the cupboard, and was extremely stressed.

Through engagement with Whānau Ora, she was referred to a budgeting service, developed a financial plan to reduce debt and live within her means, and was supported to update her CV and prepare for job interviews.

A family of nine engaged with Whānau Ora support with a goal to establish a catering enterprise.

The family of nine had a background of welfare dependency, high debt and low education levels.

The family has been supported to develop their commercial skills, completing a business plan and working with experts to increase the standard of their food products in preparation for market.

To date the family has appointed a manager and chef and has completed over a dozen successful catering jobs. The family are on the pathway to achieving their aspirations and goals: increasing family income, reducing their debt, and owning and operating their own businesses.



Māori Housing Network

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

Māori are currently over-represented in key measures of housing deprivation. Poor housing outcomes impact negatively on health, education, employment, and other socio-economic outcomes. It is therefore not surprising that whare is a key Ministerial priority and a focus for Te Puni Kōkiri.

Following a successful budget bid in 2015 which secured an annual budget of \$14.491 million, on 3 October 2015, Te Puni Kōkiri established the Māori Housing Network to build on the energy and enthusiasm of iwi, hapū, and whānau Māori to work collectively to improve housing for whānau. As of 30 June 2016, 87 proposals totalling \$24.465 million have been approved (some of these projects run over two to three years).

The Māori Housing Network has three medium-term strategic focus areas:

- improving the quality of housing for whānau;
- increasing the supply of affordable housing for Māori; and
- building the capability of whānau, hapū and iwi within the Māori housing sector.

How the Māori Housing Network Operates

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

Te Puni Kōkiri staff engage directly with iwi, hapū, and whānau Māori to understand what their housing needs and aspirations are. Once these aspirations are well understood, staff work with them to develop a proposal for funding.

Our staff also work with Māori to ensure they are referred to other agencies where necessary. We act as a broker of information including across other organisations such as Housing New Zealand Corporation, Ministry of Social Development, Māori housing organisations and local government.

Emergency housing

During the year the Māori Housing Network also worked with iwi, hapū, and whānau Māori to support solutions for whānau who are experiencing homelessness.

Five emergency housing projects were funded, and additional projects to be funded in 2016/17 were identified. We also coordinated closely with other government agencies, particularly the Ministry of Social Development (the agency with primary responsibility for emergency housing) to ensure that the needs of whānau are considered in developing policy in this area.



Key achievements

The diagram below details the key Māori Housing Network achievements made during 2015/16.



Note: Some projects may not be completed until 2016/17 or 2017/18



Whānau experiences



It took three years, but the Turner whānau papakāinga is finally becoming a reality.

At a ceremony to turn the first sod in Ngāruawāhia, Rangitāmoana Wilson, spokesperson for the Turner whānau, said: “I am stoked that we are here today. It’s been three hard years for us to get to this point for us to realise our moemoeā. We first started this dream after going through Whānau Ora.”

Rangitāmoana believes the papakāinga represents a turning point for the whānau.

“We decided that our whānau would want to be able to create our own answers to our problems. We as a whānau have come together to find a solution, to find a way to build our papakāinga.”

Minister Hon Te Ururoa Flavell with Te Rangi Hoapu Herangi (mokopuna from the Turner whānau) turning the first sod of the Turner whānau papakāinga.



Ngāti Hinewera Trust

- Ngāti Hinewera opened up its first papakāinga in Waiohiki; and
- Eight homes, with a variety of two-, three- and-four bedroom homes were built on this 1.45 hectare site providing security for future generations.

“With the shortage of good-quality housing for our whānau, having to live in sheds and caravans and decrepit houses, this is a good way to utilise our land.”

Waiohiki papakāinga housing.



Promoting whānau wellbeing and supporting healthy lifestyles

In addition to the range of formal programmes outlined below, Te Puni Kōkiri also supports wellbeing and healthy lifestyles through Māori Potential funding. For 2015/16 this included over 130 māra kai garden projects, and around 90 projects spanning vulnerable whānau to youth-focused interventions. Culturally grounded projects such as māra kai, which are often marae-based, encourage better health choices for many whānau Māori.

Rangatahi suicide prevention

The rate of Māori suicide is more than double that of non-Māori. The Rangatahi Māori Suicide Prevention Fund was established in 2015 to assist in addressing the issues of Māori rangatahi suicide. The fund will allocate a total of \$2.1 million to help address this issue.

In 2015/16, the fund was allocated to community-focused initiatives with a strong rangatahi leadership component. The initiatives include marae wānanga, online resources and takatāpui-focused programmes.

All funded initiatives have a strong emphasis on using Māori cultural frameworks to build protective factors of strength and resilience within rangatahi. Evaluation results will help to determine what has worked and will be shared to inform other rangatahi programmes.

Moving the Māori Nation

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

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

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

A new contestable fund for 2016 aims to support new initiatives addressing current or emerging needs and replicating successful existing initiatives in other communities or regions in order to benefit more whānau.

Children's Action Plan and Teams

The Children's Action Plan provides a framework for government services to help change the lives of vulnerable children and their whānau. Children's Teams target specific areas for action to protect and support children.



In 2015/16, Te Puni Kōkiri continued to be involved in the Vulnerable Children's Board, contributing to cross-agency governance for the establishment and implementation of Children's Teams across the country, and providing valuable insights to the processes to improve outcomes for Māori children.

Enhancing Māori qualifications and skills development

Te Puni Kōkiri works with others including the Ministry of Education to increase the number of Māori with high-level qualifications and helps enable them to identify the foundation and resiliency skills they need to achieve success.

This requires us to have a clear understanding of what works for Māori at home and in the education system. As our understanding in this area grows we will work closely with other agencies to provide policy advice that supports access, participation and achievement rates for Māori.

Te Puni Kōkiri has actively supported the implementation of the Ka Hikitia strategy and trade training, and worked with the education sector to profile Māori success. Our understanding of opportunities and barriers to training and jobs was also enhanced through four short-term programmes run nationwide that assisted 285 rangatahi to obtain driver licence training and testing.

Cadetship Programme

A key purpose of the Cadetship Programme is to provide Māori with valuable work experience and formal qualifications, with the goal of upskilling and creating greater employment opportunities and resilience.

Our Cadetship Programme focuses on creating a meaningful employment pathway for Māori at any stage of their career. This year, a total of 336 cadets were placed with 19 employers across a range of sectors including energy, infrastructure, and telecommunications.

Employers recruit, select, train and develop cadets to meet the needs of their business. The aim is for cadets to gain work experience, skills and the ability to participate in the labour market.⁵

⁵ More detailed information can be found in the Vote Māori Development Non-Departmental Operating Expenditure report.



Measuring our Success: Oranga

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

Key outcome measures	Desired trend	Actual trend	Latest result	Comment
Stronger whānau Measured by the percentage of whānau Māori who are doing well or extremely well <i>(Source: Te Kupenga)</i>	↑	N/A	83.4% of whānau are doing well or extremely well (2013)	No earlier result
Increased skill levels Measured by the percentage of 25-34 year-old Māori with advanced trade qualifications, diplomas or degrees at Level 4 or above <i>(Source: Household Labour Force Survey)</i>	↑	↔	33% of 25-34 year-old Māori with advanced trade qualifications, diplomas and degrees at Level 4 or above (2016)	Little change from 32.7% in 2013
Decrease in the number of long-term job seekers Measured by the number of Māori who have received job seeker support for more than 12 months <i>(Source: Ministry of Social Development)</i>	↓	↓	52.4% of Māori who receive job seeker support have done so for more than 12 months (2015/16)	Improved from 53.9% in 2013/14
Whānau Māori in quality housing Measured by the number of Māori households that do not require immediate or extensive repairs <i>(Source: General Social Survey)</i>	↑	N/A	86.9% of Māori households do not require immediate or extensive repairs (2014)	No earlier result



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

Oranga outcomes are one of the most significant areas of priority and financial investment for Te Puni Kōkiri. Whānau Ora – the programme and approach – seeks to empower whānau to take control of their lives. The Māori Housing Network, the result of Budget 2015 decisions, is already reaching many whānau through the different types of housing support on offer. In both cases we are seeing very positive impacts for whānau. Te Puni Kōkiri also contributes to wider Māori wellbeing through efforts in education and training, cadetships, māra kai (communal gardens) and other areas of whānau-focused investment.

Evaluating progress

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

Building stronger whānau

The 2013 Te Kupenga survey was the first time information relating to whānau wellbeing was explicitly collected. The results showed 11 per cent considered they were doing 'very well', with a much larger group, 72 per cent, doing 'well'. This left 17 per cent of whānau in the 'neither well or badly' to 'extremely badly' categories. The feeling of doing well or extremely well is an indicator of confidence, in that it measures how connected whānau Māori are and the strength of relationships between Māori.

The three Whānau Ora Commissioning Agencies implementing whānau-centric approaches and engaging with 11,500 whānau have also been reporting good whānau impact, with whānau achieving or starting to achieve health, economic security and other goals.



Increased skill levels

The ability to contribute to society through meaningful work and attracting a high income is a major factor contributing to wider life achievements. The Government has recognised this and has developed a measure to improve the percentage of the population who have advanced qualifications. This measure (known as Better Public Services Result Six) has a target of 60 per cent of all 25 to 34-year-olds having a New Zealand Qualification Framework Level 4 or above qualification in 2018.

Household Labour Force Survey reports that one-third of Māori aged 25-34 have a Level 4 or above qualification. This has remained stable since 2013 at around 33 per cent. By comparison, 58 per cent of all New Zealanders aged 25-34 have a Level 4 or above qualification – an increase from 53 per cent in 2013. Support of 1,230 cadetships by Te Puni Kōkiri since 2009 through the Māori Potential Fund has been a small but significant contribution in this area.

Reducing long-term dependency on job seeker assistance

Participation in the labour market is a key indicator of improved economic and wellbeing outcomes. The longer that a person is out of the workforce, the less likely they are to return to the workforce. A key indicator of connectedness to the workforce is being out of the workforce for over a year. The Government has recognised this, and has developed a measure (known as Better Public Services Result One) to reduce Work and Income working age client numbers by 25 per cent to 220,000 from 295,000 as at June 2014.

The proportion of Māori receiving job seeker support for more than 12 months has decreased from 55.5 per cent in 2012/13 to 52.4 per cent in 2015/16.

Improving housing quality

People need to live in healthy homes that are safe, secure and fit for purpose. Information collected as part of the General Social Survey reports that up to 13 per cent of Māori live in homes requiring repairs. This compares to 7.1 per cent of the total population. The survey also reported that 13.9 per cent of Māori reported major problems with damp or mould in their homes, compared to 6.2 per cent of the total population. 38.2 per cent of Māori reported that their homes were always or often colder than they would like, compared to 21.2 per cent of the total population. From a standing start, Te Puni Kōkiri has made a significant effort to address housing quality and supply issues for whānau Māori, as evidenced by funding for 243 urgent housing repairs. As the Network only began in the earlier part of the 2015/16 financial year, the longer-term benefits and impacts for whānau will become more apparent over time.





Whenua | Whanaketanga contributes to Whairawa

Through the priorities of whenua and whanaketanga our work contributes to the outcome of *Whairawa*. As an outcome Te Puni Kōkiri is seeking to enable Māori to exercise choices, particularly through the protection and utilisation of assets, resources and skills.

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

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

Whenua Māori reforms and development

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

Te Ture Whenua Māori Bill

A major step to improving the legal frameworks, systems, and structures relating to whenua Māori was taken in May 2016, with the introduction of the Te Ture Whenua Māori Bill to the House of Representatives.

Te Ture Whenua Māori Bill is intended to empower and assist owners of whenua Māori to retain their land for whatever *they* determine is its optimum utilisation (from strict preservation and protection through to intensive use), and to create an administrative platform more comparable in terms of ease of access and use as with general land.

By virtue of whakapapa and tikanga, whenua Māori endures as a taonga tuku iho. This has particular importance to the way that land is perceived and is to be managed within a Māori context.



Given the focus on land as an issue central to Treaty settlements and the historical grievances on which they are based, it is not surprising that discussion of whenua Māori issues is highly sensitive. This was a clear feature of the extensive consultation process undertaken on the Te Ture Whenua Exposure Draft – a pre-Parliamentary process used specifically so that Māori voices could shape the principles and content of the draft proposal before it even entered Parliament.

Te Puni Kōkiri facilitated a total of 45 hui across the country and 14 wānanga with trustees and owners on the reforms and exposure draft that over 2,700 people attended.

The Bill is only one part of a broader reform and support programme that Te Puni Kōkiri has been leading and that seeks to respond to issues that Māori landowners have had to contend with over a number of years. The reforms also include establishing a new Māori Land Service and managing the new Whenua Māori Fund.

The Māori Land Service

The Māori Land Service is intended to be a one-stop shop where Māori landowners can access official information about their land and get practical support to make informed decisions about their whenua. This includes services such as mediation and advice on setting up appropriate governance structures. It is also intended to support whānau engagement with their lands by creating better processes around issues such as land ownership records, succession, and dispute resolution.

Through 2015/16, Te Puni Kōkiri led a cross-agency initiative with Land Information New Zealand and the Ministry of Justice to complete a scoping exercise for the Māori Land Service. Due to the significance and highly specialised nature of the service, a more detailed design phase was agreed under Budget 2016 and will be progressed in 2016/17.

Whenua Māori Fund

Of the 1.456 million hectares of Māori freehold land in New Zealand (5.5 per cent of total), 80 per cent is believed to be either under-performing or under-utilised.

The Whenua Māori Fund is part of the wider Te Ture Whenua work programme to give Māori landowners more say and control over what happens with their land. The fund of \$3.2 million per annum supports owners and trustees of Māori land who are looking to improve their existing operations, diversify, or prepare for new opportunities.

The Fund was launched by Te Puni Kōkiri in February 2016. Funding for 11 projects encompassing around 48,000 hectares from Northland to Stewart Island was approved in the first round. These projects include planting of exotic pine in Te Tai Tokerau and farming in Waikato-Waiariki.



Regional Development

The Māori economy, is a significant and an increasingly important contributor to New Zealand's economy with an asset base of \$42.5 billion in 2013. It is estimated that gross domestic product from the Māori economy topped \$11 billion in 2013 – equivalent to 5.6 per cent of New Zealand's total value-added production.

Regional development, which has a strong focus on economic elements, aims to grow a more productive, innovative and connected Māori economy that delivers improved levels of prosperity for Māori, through enabled whānau, productive resources and innovative businesses.

Regional economic development has direct benefits for the material wellbeing of whānau Māori as well as having wider effects on society as a whole. By increasing the opportunities for individuals to actively participate in the economy and in social relationships through the labour market, economic development can enhance social connectedness and cohesion.

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

- *He Kai Kei Aku Ringa* oversight and implementation;
- regional Māori economic development strategies;
- Regional Growth Programme;
- Māori Business Facilitation Service and Māori business hubs;
- Māori trade strategy and missions, and international relationships;
- natural resource management;
- direct funding, including through the Māori Potential Fund; and
- a range of other areas of input (covered elsewhere in this report), including whenua reforms and support, housing, cadetships and ICT.

Especially at the systems-level, the role of Te Puni Kōkiri is as a co-lead or support partner. The emphasis is on providing a meaningful and Māori-focused contribution to work led by other agencies including the Ministry of Business, Innovation and Employment, New Zealand Trade and Enterprise, the Ministry for Primary Industries and the Ministry of Foreign Affairs and Trade.



He Kai Kei Aku Ringa

He Kai Kei Aku Ringa is the Crown-Māori Economic Growth Partnership strategy. In 2012, the strategy and accompanying action plan were released to guide Crown-Māori efforts to support Māori economic development. The action plan is scheduled for a refresh in 2017.

As the Government's principal advisor on Government-Māori relationships and policy affecting Māori wellbeing, Te Puni Kōkiri plays an important role in the coordination of government activities to support the strategy's implementation. This role includes actively supporting the other partner agencies to engage with Māori on their projects that contribute towards the achievement of the strategy's six goals.

Te Puni Kōkiri is also facilitating eight regional hui between 10 March 2016 and 10 November 2016. Three of these hui (in Ikaroa-Rāwhiti and Te Tai Tokerau) were held in 2015/16, with over 370 attendees (including individuals and representatives of organisations). The purpose of the hui is to provide an opportunity to involve iwi, Māori businesses and government agencies in setting the direction for the next step in the implementation of *He Kai Kei Aku Ringa*. The regional hui will culminate in a national summit in 2017.

Regional Growth Programme

Te Puni Kōkiri works with a range of agencies to support and, in some cases, co-lead the Government's efforts within the Regional Growth Programme.

We consider that the Regional Growth Programme will only be successful if Māori are equal partners in the process and are actively engaged in the development and implementation of the Regional Economic Action Plans.

In an effort to facilitate the engagement and contribution of Māori with the Regional Growth Programme, Te Puni Kōkiri has actively engaged with the Ministry of Business, Innovation and Employment, and Māori entities on Māori regional growth.

Te Puni Kōkiri has also provided support to Māori in focus regions to develop Māori Economic Development Strategies that are aligned with the opportunities in the Regional Economic Action Plans.

In 2015/16 progress was made in the following regions:

- Manawatū/Whanganui and the East Coast completed Phase One of the Regional Growth Programme, through commissioning a regional growth study, developing a regional action plan and implementing an economic plan; and
- Te Tai Tokerau and Bay of Plenty completed Phase Two of the Regional Growth Programme, through launching and implementing regional action plans.



Whānau experiences

Northland Economic Action Plan – the Mānuka Initiative

Te Puni Kōkiri is providing funding for the ‘Mānuka Initiative’ – a primary growth partnership initiative. It is to support the establishment of a high-performance mānuka plantation on the Northland College farm site with an associated community development and employment project focused on long-term unemployed adults from Kaikohe.

Te Puni Kōkiri funding has assisted efforts for the first 30 hectares (of the total 100 hectares) of the establishment phase. This has included contributions for purchasing high quality mānuka seedlings, a supervisor for the community work team and a contract planting team to work alongside the community work team.

The project objectives include developing an apiculture learning context, increasing the work-readiness and skills of long-term unemployed adults, gathering knowledge and expertise for further economic development, testing an operating model for joint commercial/community initiatives, and increasing diversification.



Hon Te Ururoa Flavell with a group of Kaikohe jobseekers planting mānuka on Northland College land.



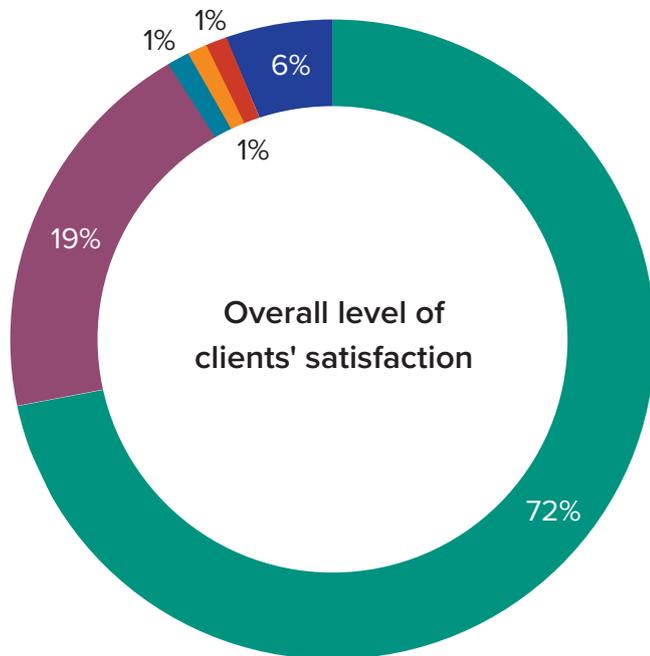
Māori Business Facilitation Service

The Māori Business Facilitation Service (MBFS) provides business information, support, guidance and advice to Māori business owners, as well as Māori entrepreneurs starting out.

In 2015/16 there was a reorientation of MBFS. This involved moving away from connecting businesses with mentors to focusing on delivering specific business assistance and connecting businesses in similar phases through themed workshops across regions.

More than 700 participants have taken part in the business workshops delivered by MBFS in partnership with private and public sector providers.

The areas covered by the MBFS business workshops included business fundamentals, marketing, e-commerce, project tendering, asset utilisation and productivity through to managing business growth and governance. The client satisfaction feedback from the business workshops indicated that 91 per cent of participants were 'satisfied' or 'very satisfied' with the service provided by the MBFS.



■ Very satisfied
 ■ Satisfied
 ■ Neutral
 ■ Dissatisfied
 ■ Very dissatisfied
 ■ NA/Blank



Te Tairāwhiti Māori business hub pilot

Business hubs are collaborative work environments that encourage knowledge sharing by providing shared facilities and resources currently utilised by start-up businesses. As the demand for collaborative work environments continues to grow, there has been an increase in the number of business hubs nationally and internationally.

In 2015/16, Te Puni Kōkiri established the Tairāwhiti Māori business hub as an innovative trial to better meet the needs of Māori business owners and entrepreneurs. The pilot sought to support Māori entrepreneurs in achieving their business goals and was grounded in the principles of He Kai Kei Aku Ringa.

The hub is open during normal business hours and hosts weekly clinics where government agency representatives engage with Māori entrepreneurs and provide advice and information. The hub coordinator regularly hosts private sector providers and businesses to present business-related topics of interest to hub users.

Te Puni Kōkiri commissioned an evaluation of the hub pilot in Te Tairāwhiti, which highlighted the successful core components of a Māori business hub in meeting the needs of the businesses and recommended that Te Puni Kōkiri consider replicating the business hub in other regions.

Culture and trade missions

Te Puni Kōkiri worked with the Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise to support the Minister for Māori Development to undertake two trade missions to Asia, the first to China in late October 2015 and then to Japan and Korea in June 2016.

The business delegation to China, comprising 12 Māori enterprise representatives, included discussions with China's State Ethnic Affairs Commission (SEAC) and visits to seafood, tourism and food and beverage companies. Connecting with key industries in one of New Zealand's largest trading markets and encouraging authentic Māori models of development globally were important achievements.



As the first ever Māori mission to Japan and Korea, this trade mission established cultural and political relationships with those leaders who hold economic responsibilities and are keen to facilitate trade between our countries. The mission created new relationships with significant business leaders in fishing, forestry, horticulture, apiculture and tourism in both countries. By the conclusion of the visit, orders had already been received by Māori businesses for mānuka honey, kānuka oil, wine, kiwifruit and fish.

These trade missions have assisted business delegates to gain knowledge, to scope markets, identify new opportunities to sell their products and inform business development decisions.

Financial capability

Te Puni Kōkiri has sought to assist financial capability through the Partner Working Group set up to support implementation of *He Kai Kei Aku Ringa* (goal 3). The Partner Working Group identified the need to increase Māori awareness of the importance of financial capability, and to target financial education and information services to Māori.

In response to this recommendation, Te Puni Kōkiri commissioned the development and publishing of two reports on the status of Māori financial capability.

In coordination with the release of the two Māori financial capability reports, Te Puni Kōkiri supported the Ministry of Business, Innovation and Employment to run a series of four financial capability pilot programmes specifically targeted towards Māori. The focus of these programmes were: marae-based; land trusts; Whānau Ora; and kura-based. These pilot programmes have been positively evaluated, and there will be an upscaling of the marae-based and land trusts programmes in 2016/17.

Māori Potential Fund

Te Puni Kōkiri has also supported Whairawa outcomes through direct funding to over 50 initiatives aimed at increasing financial resilience in whānau Māori, increasing productive use of Māori owned or controlled assets, and growing the Māori business sector.



Whānau experiences

Māori Business Facilitation Service – Te Tairāwhiti business hub evaluation

The Te Tairāwhiti business hub was established as a pilot in September 2015. Operating out of the Te Puni Kōkiri Gisborne office, the hub principally supports Māori entrepreneurs through a weekly two-hour clinic, where government agencies and the private sector engage with Māori entrepreneurs to provide advice and information.

The hub gives Māori entrepreneurs the chance to build confidence and express their business aspirations and challenges in a supportive kaupapa Māori environment with other Māori business people. The spiritual feeling of whanaungatanga and manaakitanga creates a whānau dynamic between Māori businesses and government agencies. The reciprocity demonstrated between the start-up businesses and established businesses builds on a whānau dynamic, as established businesses attend the clinics to awahi and support the other hub users.

Since September 2015, the hub has registered around 75 entrepreneur clients. One of the key strengths of the hub is having an experienced and dedicated coordinator to follow up and support the growth of start-up businesses. Survey data from participants suggest that they get the most value from information provided regarding their business compliance obligations.

An independent evaluation of the hub concluded that it: supports a suitable environment for Māori entrepreneurs to access business advice and information services; and enables government agencies to develop a deeper understanding of Māori business needs. The evaluation supported the idea that the pilot be extended to other regions.

“As a shy person coming into the hub, I’ve found the hub useful for building my confidence in terms of what it takes to operate a business” – Delilah Gray 2016.

Māori business award winners who have been supported by MBFS:

Lily Stender of the Tolaga Bay Inn won the “Tourism Excellence Award” for the Westpac Gisborne Business Awards in October 2015. Lily was assisted by MBFS to review her financial systems and implement improvements to forecasting and planning, marketing her business to increase awareness of the services offered by Tolaga Bay Inn and advice on putting her business plan into action.

Dinnie Moehau of Dman Entertainment won the “New Business Excellence Award” for the Taranaki Chamber of Commerce Business Awards in October 2015. Dinnie was assisted by MBFS to improve his business financial systems to best practice level, develop an operational plan to streamline his business processes and to strengthen his marketing capability through enhanced product design and promotional strategies.

Nick King of “Nick’s café” in Waiuku won the NZ café of the year 2016 “People’s Choice Award”. Nick was assisted by MBFS to develop and implement planning for the expansion of his business growth, financial systems best practice and marketing including using social media.



Te Puni Kōkiri seeks to encourage greater Māori involvement in business by supporting efforts to celebrate the achievements of enterprising Māori business leaders and companies, including through sponsorship of awards.

Te Puni Kōkiri, for example, has supported the Te Taitokerau Māori Business Awards – which focus on the contribution of Māori-led enterprises to their whānau, communities and rohe – since inception in 2009. These awards cover a range of themes including emerging enterprises, non-government organisations, business excellence, and rangatahi. Such recognition produces confidence and profile for Māori business people and their enterprises.

Sponsorship support was also provided to the Ahuwhenua Young Māori Farmer of the Year award won in 2016 by Jack Raharuhi. Born on the West Coast and currently managing a 450 hectare dairy unit in Westport, Jack said, he “got into the wrong crowd as a teenager and chose the wrong path”, before dairying, “got me in line.” He has now set his sights on being a supervisor and eventually moving into an advisory role.



Michelle Hippolite Chief Executive of Te Puni Kōkiri, presents the 2016 Ahuwhenua Young Māori Farmer of the Year award to Jack Raharuhi.

Measuring our Success: Whairawa

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

Key outcome measures	Desired trend	Actual trend	Latest result	Comment
Whānau saving Measured by net savings <i>(Source: BERL - Māori in the Economy Report)</i>	↑	↑	The net savings position of Māori: \$4.0 billion shortfall in 2013	Improved from \$5.5 billion shortfall in 2010
Regional socio-economic disparity Measured by the percentage of Māori living in deprivation <i>(Source: Socioeconomic Deprivation Indexes from the Department of Public Health at the University of Otago)</i>	↓	↓	54.8% of Māori live in high deprivation (2013)	Improved from 57.9% in 2006
Use of whenua Māori Measured by the percentage of Māori land that is "utilised" <i>(Source: See commentary below)</i>	↑	N/A	17.2% compared to 25.5% for all land	See Comment section below
Māori gross domestic product Measured by the amount of GDP from Māori producers <i>(Source: BERL - Māori in the Economy Report)</i>	↑	↑	GDP from Māori economy producers totalled \$11 billion in 2013	Improved by \$720 million, or 7.0% in nominal terms since 2010

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



Te Puni Kōkiri contributes to high-performing Māori people, assets and enterprises through two inter-related work-streams. One is targeted and supports changes at a systems level, such as whenua Māori reform and the establishment of a Māori Land Service, as well as regional economic development, including through the Regional Growth Programme. The other involves more direct interventions and investments aimed at Māori businesses and whānau, including through the Māori Business Facilitation Service, promoting the Māori economy overseas through trade missions, and initiatives to improve whānau financial capability.

Evaluating progress

Increasing whānau saving and net worth

In 2013, the Māori in the Economy Report, prepared by BERL, reported that since 2010, the level of Māori savings has improved by \$1.5 billion, from negative \$5.5 billion to negative \$4 billion net savings. This improvement in whānau savings contributes towards high performing people through the ability to save for high-priced items, make investments and manage unexpected expenditure.

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

Reducing socio-economic disparity and deprivation

In New Zealand socio-economic disparity is measured through the deprivation index. New Zealand Deprivation is a widely used measure of socio-economic condition to identify the least and most deprived areas. It is based on a range of factors including working age people receiving a means-tested benefit, people without qualifications, home ownership, and access to the internet and a car. Census 2013 data suggests that Māori are twice as likely to live in high deprivation, compared to non-Māori.

Existing statistical data, unfortunately, highlights negatives and does not capture opportunities. Consistent with our whānau-centred work in other areas, particularly Whānau Ora, Te Puni Kōkiri will be seeking more potential-focused data-sets to draw on.



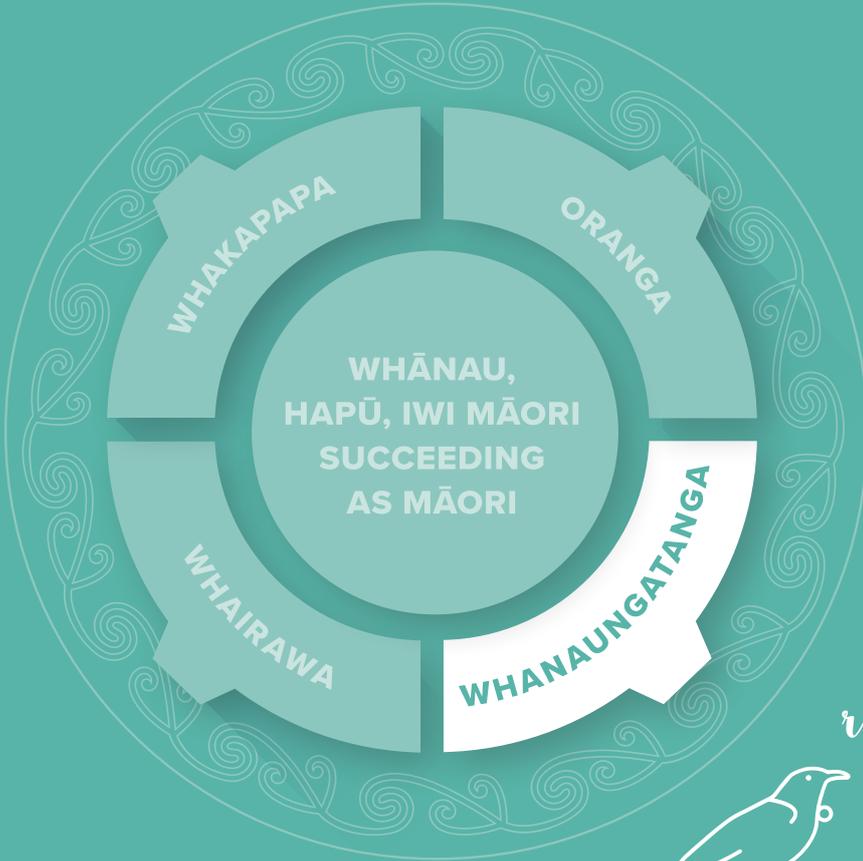
Increasing Māori land use

In 2015/16, Te Puni Kōkiri employed land use as a proxy for high performing land. According to Land Use Capability statistics provided by Land Information New Zealand, 17.2 per cent of Māori land is currently in the most productive category, compared to 25.5 per cent of all land in New Zealand.

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



Whanaungatanga



rights and interests



kaitiakitanga

Crown-Iwi

partnership

taonga
future



natural resources



leadership



Engagement

protection

connection
whenua



settlement



Treaty of Waitangi



Crown | Māori engagement contributes to Whanaungatanga

The principal role of Te Puni Kōkiri is to provide advice on Crown-Māori relationships contributing to the outcome of *Whanaungatanga*. As an outcome Te Puni Kōkiri seeks to create an environment in which Crown-Māori relationships, including the understanding of responsibilities and the shared experience of working together, are productive and enduring.

Crown – whānau, hapū and iwi Māori relationships and interactions operate across a number of levels – national, regional, local and sectoral. They also traverse a range of issues and contexts, each with their own unique set of circumstances, dynamics and pressures.

In recent years, Māori, particularly iwi, have taken an increasing leadership role in their engagement with the Crown. This is very positive. The picture across Māoridom and specific issues however is uneven, resulting in a more complex and nuanced operating environment.

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

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

Crown-Māori engagement

Te Puni Kōkiri provides strategic leadership and advice to Ministers on the Crown's relationships with iwi, hapū and whānau Māori, and assists in developing coordinated and streamlined approaches for engagement. Successful Māori engagement is increasingly playing an important role in the public sector and underpins the achievement of positive outcomes for, and with, Māori.

Crown-Māori engagement was also a critical factor in the process leading to the introduction of Te Ture Whenua Māori Bill to the House of Representatives. Extensive consultation with Māori, which adopted a tikanga Māori approach, helped shape the content and principles of the draft finally introduced.

Te Puni Kōkiri also supports the Crown in its relationships with iwi, hapū and whānau Māori at a regional level through cultural and logistical support and connections with Māori stakeholder networks. This is evident during events of national significance – Waitangi Day and Rātana celebrations – and for various Crown-Māori consultations, including the New Zealand Flag Consultation and climate change issues (with the Ministry for the Environment).



Regional teams play an important bridging role for relationships between Crown and Māori, for example, by facilitating processes on land tenure issues (e.g. Minginui village in the Bay of Plenty), and supporting the Children's Action Teams, established across the country, to connect with local Māori health and social service organisations.

In 2015/16, Te Puni Kōkiri also contracted with Treaty Solutions to deliver a workshop to assist public sector organisations to have practical strategies, relationships and knowledge to engage with iwi, hapū, whānau, and Māori organisations. Te Puni Kōkiri hosted the workshop and sourced the attendees through its public sector networks.

Treaty settlements

Te Puni Kōkiri provides support for Treaty settlement and Treaty-related responsibilities. Across 2015/16 this has included:

- supporting the Minister for Māori Development to mandate and ratify Treaty of Waitangi settlements for Taranaki Iwi, Te Rūnanga o Ngāti Maru and Ngā Kupu Tūtohu a Te Kawe Tūtaki;
- preparing an Annual Report on the progress made by the Crown in implementing Waitangi Tribunal recommendations;
- managing process and making appointments of 16 Waitangi Tribunal members that expired between August 2015 and January 2016, which included the warrant for the Chairperson; and
- supporting the Waikato River Iwi Annual Relationship Forum and the Taranaki Whānui ki Te Upoko o Te Ika – Annual Ministerial Forum.

International obligations and agreements

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

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

As part of our international work programme, Te Puni Kōkiri was involved in inter-agency work coordinated by the Ministry of Foreign Affairs and Trade and the Crown Law Office in relation to the Waitangi Tribunal claim (WAI 2522) on the Trans-Pacific Partnership (TPP). This included providing advice on the Treaty of Waitangi Exception clause and Crown-Māori Engagement, and the TPP Hui and Roadshow, led by the Ministry of Foreign Affairs and Trade.



Te Puni Kōkiri staff led the New Zealand Government Delegation that attended the United Nations Permanent Forum on Indigenous Issues in New York, May 2016. The Permanent Forum deals with indigenous issues related to economic and social development, culture, the environment, education, health and human rights. The delegation presented on the “Indigenous Peoples: conflict, peace and resolution” forum.

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

Meetings with Canadian representatives signalled the possibility of a Ministerial visit to New Zealand to discuss indigenous affairs and highlighted that the prioritisation of indigenous affairs is generating increased interest among policy-makers in Canada to learn from the New Zealand experience.

Nominations service

The Ministry provides advice on appropriate candidates for appointment to government boards, committees, advisory groups and trusts. Board membership is a way to increase Māori participation in the governance of a wide range of important national interests, including social and environmental wellbeing, science, law and commerce. Māori have a vital role to play, and the Government is keen to ensure that qualified and experienced Māori voices are represented.

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



Measuring our Success: Whanaungatanga

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

Key outcome measures	Desired trend	Latest result	Comment
Status of the Crown-Māori relationship Measure: see commentary below	↑	See commentary below	New Zealand's first bilingual Act in which te reo takes precedence

The status of Te Tiriti o Waitangi within New Zealand’s constitutional framework, plus its underpinning of partnership principles, highlights the importance of the Crown-Māori relationship. The parties desire to have dialogue and mechanisms that advance a mature, strengths-based relationship. To this end, the past few years have seen a significant shift in the way in which the Crown through its Ministers and, in turn, the Government through its agencies and officials, engages with its Treaty partner. As a multi-layered set of relationships and relationship interests, there is no single statistical measure on which this relationship can be measured. Rather we must rely on a range of indicators, signals and narratives that speak to the health of the relationship and overall trends. Te Puni Kōkiri continues to consider a more formal mechanism of gathering perspectives on the Crown-Māori relationship.

Te Puni Kōkiri is engaged in a range of activities that contribute to building the Crown-Māori relationship and improving the relationship architecture. Most notably, in 2015/16 the relationship was strengthened through the passing of the historic Te Ture mō Te Reo Māori (Māori Language Act) 2016; the first bilingual Act where the te reo version has precedence and which recalibrates responsibilities for supporting te reo, affirming the role of Māori and iwi as kaitiaki for the language. Through our extensive consultation on the exposure draft of Te Ture Whenua Māori Bill we ensured that the Māori voice informed the shape of draft legislation. More generally, we support the Iwi Chairs Forum, ensure that Māori perspectives and effective ways of working with Māori are shared with other government agencies, assist Treaty settlement processes, ensure Māori interests in relevant international forums are represented and considered, and support Māori participation through governance structures.





Organisational Capability



Organisational Capability

Te Puni Kōkiri operates in a complex and evolving environment. The past 12 months have seen substantial shifts in the operating environment of the Ministry and, as a result, we have had to make important strides to ensure that we are fit-for-purpose and can continue to support better outcomes for iwi, hapū, and whānau Māori.

Our people

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

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

For some years women have filled 50 per cent or more of senior positions within the Ministry and our gender pay gap is the lowest in the sector.

Gender	
Women	64.7%
Men	35.3%

Ethnicity distribution	
NZ Māori	70.8%
NZ European	18.2%
Other	11.0%

As anticipated in the 2014 refocus of Te Puni Kōkiri, the Ministry has a role in investment, focused on innovative trials to test policy and programme models. In response to efforts to more directly address challenges facing Māori, and corresponding Ministerial priorities, Budget 2015 and 2016 saw a step-change for Te Puni Kōkiri investments to promote better results for iwi, hapū, and whānau Māori.

This shift in focus and overall increase in work justifiably led to an organisational response. The Executive Team undertook a review of the Ministry's investment function in late 2015/16 and as a result has committed to strengthening the Ministry, its people and resources, to better deliver services to, and test initiatives directly with, whānau.

While we have seen a shift in the emphasis of our role in Māori development, Te Puni Kōkiri still has a significant policy function. Over 2015/16, there was a strong focus on increasing the quality of our policy advice through foundational and advanced learning modules. An increased New Zealand Institute of Economics Research rating of our policy advice now places Te Puni Kōkiri in a tier with ten other Ministries and demonstrates our ongoing progress and priority within this space.



The way we work

In 2015/16, we worked to strengthen our approach to policy and delivery which we consider to be 'Policy-to-Pā'. This refers to an end-to-end process in which we take an initial concept for approval through the policy process, design and deliver its implementation to iwi, hapū, or whānau (i.e. at the pā level), and monitor and evaluate its success.

Working collaboratively across the Ministry, our Programme Support Office (PSO) has introduced a project management framework and supporting training and tools consistent with public sector practice to support an end-to-end approach.

Also underpinning our end-to-end approach has been an enhanced cross-Ministry process around Kaupapa Planning for our five key priorities, and Senior Leadership Team involvement in Four-Year Plan development.

Kaupapa Planning means ensuring that all relevant groups across the Ministry are involved early in annual planning efforts for key initiatives in order to establish clear objectives, accountability and management, facilitate information flows, and enable more effective risk management. This is part of a wider effort to harness our capabilities from across the Ministry which has also involved the Senior Leadership Team taking ownership for organisational improvement in particular areas including improved focus and prioritisation around kaupapa.

Support systems and governance

It is important that as a Ministry we support our people and the way we work through effective systems, procedures and a safe working environment.

Te Puni Kōkiri acknowledges that a safe and healthy workplace is integral and supports improved productivity and engagement from staff. As a result of changes in legislation we conducted a review of our health, safety and security systems. Of particular importance to the Ministry has been building a culture of risk identification and mitigation at all levels so that discussing and addressing health and safety issues are a normal part of our business.

In the latter part of 2015/16 Te Puni Kōkiri commenced the development of an Information Services Strategic Plan (ISSP). In developing the ISSP, staff were engaged through workshops to understand the organisation's information needs now and in the future. The ISSP aims to better align technology to the needs of our staff and our key stakeholders (including iwi, hapū, and whānau Māori) to more effectively support our strategic initiatives and realise better outcomes for Māori.



In response to the findings of a privacy audit undertaken in 2014, Te Puni Kōkiri established the Protective Security and Privacy Requirements Governance Group to ensure we meet a number of mandatory and evolving expectations of Cabinet and the Government Chief Privacy Officer around security and privacy. The Governance Group undertook a self-assessment and developed a 'roadmap' (work programme) for 2015/16 and 2016/17 to improve the level of security maturity within Te Puni Kōkiri to the desired level. The Protective Security Roadmap is being reviewed regularly to assess progress.

The 2015/16 financial year also saw a refresh of the Audit and Risk Committee. This committee is made up of external advisors who provide independent advice to the Chief Executive. It meets quarterly and provides advice on the maintenance of internal control, responsible resource management, governance duties and risk management. This is an important form of checks and balances for Te Puni Kōkiri and is served by our internal risk and assurance function which undertakes assignments on issues identified by the Committee.



Statement of Responsibility

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

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

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2016 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2017 and its operations for the year ending on that date.

Michelle Hippolite

Toihautū | Chief Executive

30 September 2016



Independent Auditor's Report

To the readers of Te Puni Kōkiri's annual report for the year ended 30 June 2016

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

- the financial statements of the Ministry on pages 82 to 107, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2016 contained in the tables on pages 17, 33, 48, 55 and pages 66 to 80; and
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2016 on pages 116 to 123; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 108 to 115 that comprise:
 - the schedules of assets, liabilities, commitments, and contingent liabilities as at 30 June 2016; and
 - the schedules of expenses, and revenue for the year ended 30 June 2016; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year ended on that date;
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Ministry:
 - presents fairly, in all material respects, for the year ended 30 June 2016:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure;
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 116 to 123 are presented fairly, in all material respects, in accordance with the



requirements of section 45A of the Public Finance Act 1989.

- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 108 to 115 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets, liabilities, commitments, and contingent liabilities as at 30 June 2016; and
 - the expenses, and revenue for the year ended 30 June 2016.

Our audit was completed on 30 September 2016. 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 information we audited is 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 information we audited. 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 information we audited. The procedures selected depend on our judgement, including our assessment

of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Ministry's preparation of the information we audited 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 performance information within the Ministry's framework for reporting performance;
- the adequacy of the disclosures in the information we audited; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited. Also, we did not evaluate the security and controls over the electronic publication of the information we audited.

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 that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.



- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

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

The Chief Executive is responsible for such internal control as is determined is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

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.

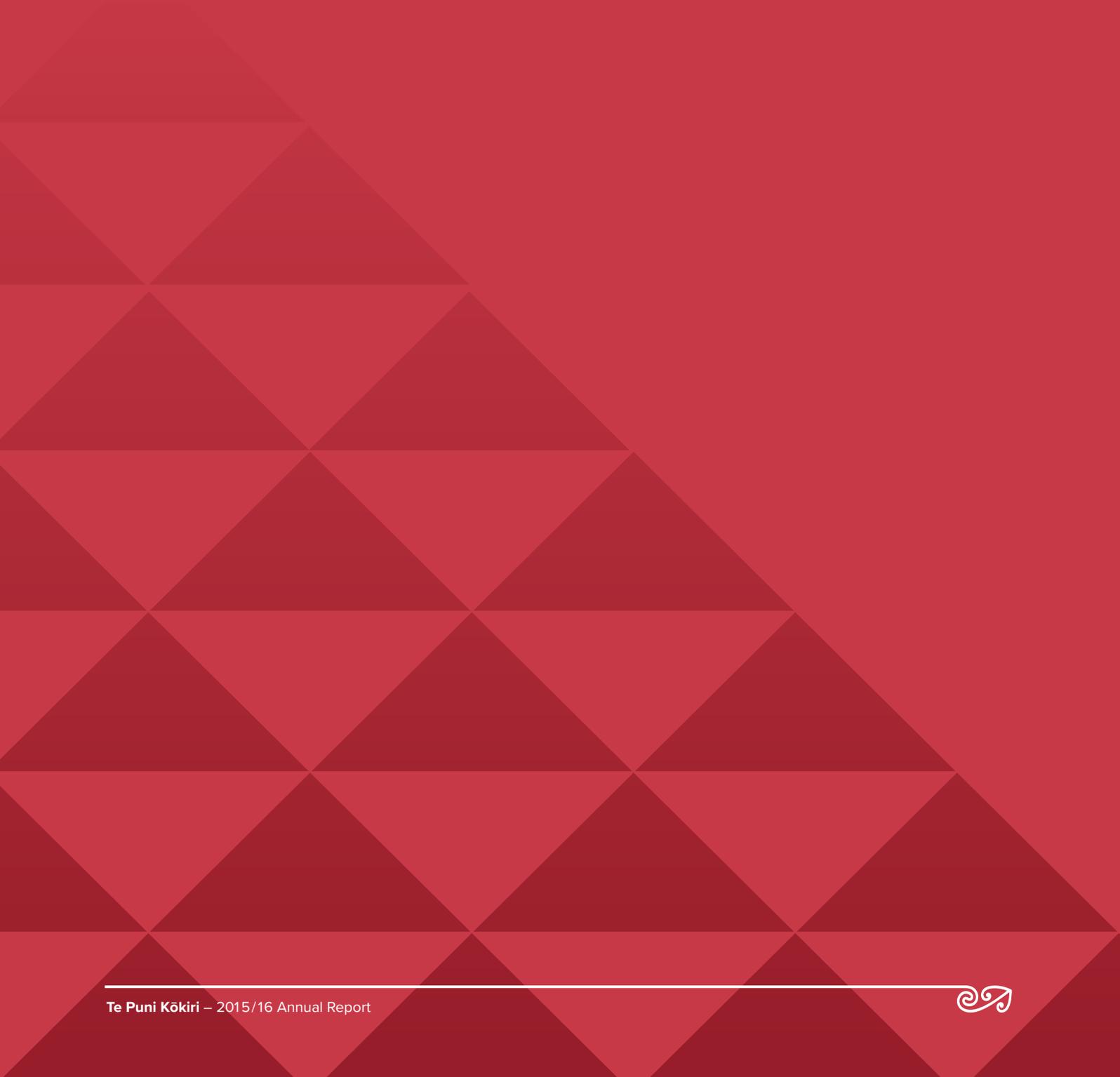
Other than the audit, we have no relationship with or interests in the Ministry.

Ajay Sharma

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



Statement of Service Performance



Statement of Service Performance

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

Te Puni Kōkiri's 2015/16 service performance results are arranged by appropriation (as detailed in *Budget 2015: Estimates of Appropriations*) and are outlined in this section of the Annual Report.

Integrated whānau social assistance appropriation

Scope

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

Purpose

This appropriation is intended to provide community-level social assistance:

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

Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual		Actual	Revised Budget	Budget
2014/15		2015/16	2015/16	2015/16
\$000		\$000	\$000	\$000
6,983	Revenue Crown	2,507	2,507	6,983
-	Revenue Other	-	-	-
6,983	Total Revenue	2,507	2,507	6,983
6,866	Total Expenses	2,345	2,507	6,983
117	Net Surplus	162	-	-



Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
Our community level social assistance will result in a minimum number of whānau engagements by Kaitoko Whānau and Oranga Whānau advocates	50	40
Our community level social assistance will result in a minimum number of Māori wardens receiving a mix of resources and support across a continuum of training and development opportunities	700	1,476

Variance

The reduction of community-level social assistance during the year reflects a wind-down of this activity. During the year there were 10 fewer whānau engagements than forecast due to Te Puni Kōkiri exiting from existing contracts at a faster rate than originally envisaged.

Assistance provided to Māori wardens exceeded our annual performance targets and reflects the Ministry’s desire to improve the capability of wardens through targeting specialist training and assistance.



Operations management appropriation

Scope

This appropriation is limited to the design, delivery and management of community investment programmes, the Māori Business Facilitation Service, and management of land administered under Part 2 of the Māori Affairs Restructuring Act 1989.

Purpose

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

- Māori Potential Fund – involving the management and administration of the Ministry's three non-departmental expenses:
 - Whakamana (leadership);
 - Mātauranga (knowledge); and
 - Rawa (resources).
- Māori Business Facilitation Service (MBFS) – providing information, advice and mentoring support to enhance business to develop, grow new businesses and sustain economic performance of existing businesses.

Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual		Actual	Revised Budget	Budget
2014/15		2015/16	2015/16	2015/16
\$000		\$000	\$000	\$000
12,196	Revenue Crown	14,796	14,796	12,292
222	Revenue Other	390	390	176
12,418	Total Revenue	15,186	15,186	12,468
12,367	Total Expenses	15,072	15,186	12,468
51	Net Surplus	114	-	-



Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
Percentage of Community Investment Programmes administered across all relevant appropriations and in accordance with relevant funding policies	100%	100%
Production of case studies that demonstrate tangible benefits, in accordance with the scope of the initiative, to recipients of Community Investment Programmes	4 completed case studies	Achieved
Percentage of Māori owners of small businesses satisfied that the information, advice and mentoring support received has enhanced their business performance	70%	95.4%
Case studies completed that demonstrate tangible economic and business benefits over time to recipients of Māori Business Support	2 completed case studies	Achieved



Relationships and information appropriation

Scope

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

Purpose

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

Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual		Actual	Revised Budget	Budget
2014/15		2015/16	2015/16	2015/16
\$000		\$000	\$000	\$000
7,246	Revenue Crown	6,851	6,851	7,246
-	Revenue Other	-	-	-
7,246	Total Revenue	6,851	6,851	7,246
7,026	Total Expenses	6,832	6,851	7,246
220	Net Surplus	19	-	-



Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
Local engagement, facilitation and coordination of effective relationships which support whānau Māori to achieve their goals and aspirations		
A minimum of 600 facilitated and coordinated relationship engagements that enable whānau Māori to achieve their goals and aspirations	600	661
Summaries of success describing the involvement of Te Puni Kōkiri in assisting whānau Māori to achieve their goals and aspirations	12 summaries	Achieved



Whānau Ora administration appropriation

Scope

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

Purpose

This appropriation is intended to achieve progress towards the Whānau Ora outcome goals that whānau and families are:

- self-managing;
- living healthy lifestyles;
- participating fully in society;
- confidently participating in te ao Māori (the Māori world);
- economically secure and successfully involved in wealth creation; and
- cohesive, resilient and nurturing.

Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual		Actual	Revised Budget	Budget
2014/15 \$000		2015/16 \$000	2015/16 \$000	2015/16 \$000
5,060	Revenue Crown	1,522	1,522	4,585
-	Revenue Other	-	-	-
5,060	Total Revenue	1,522	1,522	4,585
4,557	Total Expenses	1,221	1,522	4,585
503	Net Surplus	301	-	-



Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
Provision of ongoing and quarterly advice to the Minister for Whānau Ora on policy settings, implementation progress, performance information, and system issues including: <ul style="list-style-type: none"> • issues, barriers and opportunities • stakeholder engagement • results being achieved for whānau 	Quarterly advice	Achieved
The satisfaction of the Minister for Whānau Ora with the advice provided will be assessed through the Ministerial Satisfaction Surveys	95%	41.1%
Advice will be provided within agreed timeframes	95%	Refer to comment below

Variance

Reports were prepared at the close of each quarter and submitted to the Minister accordingly. Te Puni Kōkiri did not seek agreement to any specified timeframes in relation to these reports, which were prepared once relevant data and content was received.



Whānau Ora commissioning administration appropriation

Scope

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

Purpose

This appropriation is intended to contribute to commissioning to build the capability of whānau and achievement of the Whānau Ora outcome goals that whānau and families are:

- self-managing;
- living healthy lifestyles;
- participating fully in society;
- confidently participating in te ao Māori (the Māori world);
- economically secure and successfully involved in wealth creation; and
- cohesive, resilient and nurturing.

Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual		Actual	Revised Budget	Budget
2014/15 \$000		2015/16 \$000	2015/16 \$000	2015/16 \$000
2,625	Revenue Crown	5,500	5,500	3,000
-	Revenue Other	-	-	-
2,625	Total Revenue	5,500	5,500	3,000
2,165	Total Expenses	5,027	5,500	3,000
460	Net Surplus	473	-	-



Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
Provision of ongoing and quarterly advice to the Minister for Whānau Ora on policy settings, implementation progress, performance information, and system issues arising in the administration of the Whānau Ora Commissioning approach including: <ul style="list-style-type: none"> • issues, barriers and opportunities • stakeholder engagement • results being achieved for whānau 	Quarterly advice	Achieved
The satisfaction of the Minister for Whānau Ora with the advice provided will be assessed through the Ministerial Satisfaction Surveys	95%	41.1%
Advice will be provided within agreed timeframes	95%	Refer to commentary on page 73



Policy advice and related outputs appropriation (MCA)

Scope

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

Purpose

This appropriation is intended to achieve:

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

This appropriation covers the following outputs classes:

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



Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual 2014/15 \$000		Actual 2015/16 \$000	Revised Budget 2015/16 \$000	Budget 2015/16 \$000
23,061	Total Revenue from Crown	27,127	27,127	23,667
1,884	Ministerial Servicing	2,334	2,334	1,884
7,529	Policy – Crown-Māori Relationships	8,059	8,059	6,681
13,648	Policy – Māori Development	16,734	16,734	15,102
22,669	Total Expenses	25,339	27,127	23,667
1,813	Ministerial Servicing	2,360	2,334	1,884
7,243	Policy – Crown-Māori Relationships	7,571	8,059	6,681
13,613	Policy – Māori Development	15,408	16,734	15,102
392	Net Surplus	1,788	-	-



Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
MCA Performance The performance of the MCA as a whole is assessed by achievement against all of the MCA measures	All measures achieved	Not achieved
Ministerial Servicing This category is intended to achieve the provision of timely and high quality advice to Ministers, enabling them to discharge their portfolio responsibilities		
Technical Quality Assessment Score ⁶	70%	70%
Ministerial Satisfaction Score ⁷	70%	41.1%
Total cost per output per hour	\$155	\$179
Parliamentary questions timeframes met	100%	81%
OIAs timeframes met	100%	66%
Other timeframes met	95%	72%
Policy – Crown-Māori Relationships This category is intended to achieve stronger connectivity and understanding between Māori and the Crown		
Technical Quality Assessment Score	70%	70%
Ministerial Satisfaction Score	70%	41.1%
Total cost per output per hour	\$155	\$179
Policy – Māori Development This category is intended to achieve progress towards Māori: protecting, sustaining and growing their reo, taonga, mātauranga and tikanga; sustainably growing and developing their resources; and acquiring skills and knowledge		
Technical Quality Assessment Score	70%	70%
Ministerial Satisfaction Score	70%	41.1%
Total cost per output per hour	\$155	\$179

⁶ The technical quality of our policy advice was assessed by a survey with a methodological robustness of 90% (as administered by NZIER) in accordance with common policy indicator framework.

⁷ The satisfaction of the Minister for Māori Development and Minister for Whānau Ora with the policy advice provided was assessed through the Ministerial Satisfaction Survey.



Variance

Official correspondence

The volume of official correspondence across the years 2011-2015 had remained relatively static. However, in 2015/16, the volume of official correspondence increased by 54 per cent from the previous year. The focus of external requests also largely fell in those areas already experiencing high levels of activity due to the delivery of significant work and legislative change programmes. These factors, plus reductions in the timeframes for response have contributed to an overall decrease in timeliness.

A programme of learning, guidance material provision and tools to support and contribute to improving performance has been developed and implemented during the year. We anticipate results improving going forward noting that close monitoring will continue to ensure timeliness lifts.

Robust processes and procedures already exist to support the production of correspondence that is of a quality standard and delivered on time. However, further emphasis must be placed on compliance and seeking accountability when appropriate.

Cost of policy

The hourly cost of policy is \$179. This increase of \$24 is the result of a change in the methodology used to calculate the cost. The change in methodology was the application of a Treasury prescribed approach whereby policy staff are surveyed directly to determine how much time they spend on providing policy advice. As a result of this, we believe that the outcome is a more accurate reflection of what the cost of policy advice is for Te Puni Kōkiri. When the budget was originally set, we could not foresee the impact of the work on Te Ture Whenua Māori, and staff turnover within the policy unit would have on the final outcome.



Te Puni Kōkiri – capital expenditure appropriation

Scope

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

Purpose

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

Expenditure

Expenditure incurred against this appropriation for the 2015/16 financial year is summarised in the following table:

Actual 2014/15 \$000		Actual 2015/16 \$000	Revised Budget 2015/16 \$000	Budget 2015/16 \$000
960	Total capital expenditure	1,351	1,632	994

Performance reporting

Achievement against our performance reporting requirements for the 2015/16 financial year is summarised in the following table:

Assessment of Performance	2015/16 Target	2015/16 Actual
Expenditure is in accordance with Te Puni Kōkiri expenditure plan	100%	100%



Financial Statements



Financial Statements

For the year ended 30 June 2016

Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2016

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

30-Jun-15			30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-17
Actual		Note	Actual	Budget	Forecast
\$000			\$000	\$000	\$000
Revenue					
57,171	Crown		58,303	57,773	66,102
222	Other revenue	2	461	176	579
57,393	Total Revenue		58,764	57,949	66,681
Expenses					
26,407	Personnel	3	29,790	29,987	30,085
28,039	Operating	4	24,613	26,348	35,266
834	Depreciation and amortisation	5	1,063	1,244	960
370	Capital charge	6	370	370	370
55,650	Total Expenses		55,836	57,949	66,681
1,743	Net Surplus / (Deficit)		2,928	-	-
-	Other comprehensive revenue and expenses		-	-	-
1,743	Total Comprehensive Revenue and Expenses		2,928	-	-

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

The accompanying notes form part of these financial statements.



Statement of Financial Position as at 30 June 2016

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-15			30-Jun-16	Unaudited	Unaudited
Actual		Note	Actual	30-Jun-16	30-Jun-17
\$000			\$000	Budget	Forecast
				\$000	\$000
Assets					
Current Assets					
10,178	Cash and cash equivalents		10,786	8,925	13,857
45	Debtors and other receivables	7	54	250	313
198	Prepayments		186	175	175
10,421	Total Current Assets		11,026	9,350	14,345
Non-current Assets					
2,022	Property, plant and equipment	8	2,514	2,363	4,508
597	Intangible assets	9	336	378	486
2,619	Total Non-current Assets		2,850	2,741	4,994
13,040	Total Assets		13,876	12,091	19,339
Liabilities					
Current Liabilities					
3,367	Creditors and other payables	10	3,368	4,800	5,778
1,743	Repayment of surplus		2,928	-	-
2,331	Employee entitlements	11	1,781	2,300	2,350
800	Provision for restructure	12	889	-	-
8,241	Total Current Liabilities		8,966	7,100	8,128
Non-current Liabilities					
178	Employee entitlements	11	289	370	390
178	Total Non-current Liabilities		289	370	390
8,419	Total Liabilities		9,255	7,470	8,518
4,621	Net Assets		4,621	4,621	10,821
Equity					
4,621	Taxpayers' funds		4,621	4,621	10,821
4,621	Total Equity		4,621	4,621	10,821

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

The accompanying notes form part of these financial statements.



Statement of Changes in Equity for the year ended 30 June 2016

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

30-Jun-15		30-Jun-16	Unaudited	Unaudited
Actual		Actual	30-Jun-16	30-Jun-17
\$000	Note	\$000	Budget	Forecast
			\$000	\$000
4,621	Balance at 1 July	4,621	4,621	4,621
1,743	Total comprehensive revenue and expenses	2,928	-	-
-	Capital injection	-	-	6,200
(1,743)	Repayment of operating surplus to the Crown	(2,928)	-	-
4,621	Balance as at 30 June	4,621	4,621	10,821

The accompanying notes form part of these financial statements.



Statement of Cash Flows for the year ended 30 June 2016

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

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Budget \$000	Unaudited 30-Jun-17 Forecast \$000
Cash Flows from Operating Activities				
Receipts from:				
57,171	Crown	58,302	57,773	66,102
205	Department(s)	390	-	-
70	Other	(9)	176	449
Payments to:				
(28,650)	Suppliers	(25,192)	(26,874)	(35,373)
(29,048)	Employees	(29,514)	(29,942)	(30,042)
(370)	Capital charge	(370)	(370)	(370)
(81)	Goods and services tax (net)	(31)	553	580
(703)	Net Cash from Operating Activities	3,576	1,316	1,346
Cash Flow from Investing Activities				
Receipts from:				
35	Sale of property, plant and equipment	128	-	-
Purchase of:				
(590)	Property, plant and equipment	(1,255)	(994)	(2,464)
(370)	Other non-current assets	(98)	-	(150)
(925)	Net Cash from Investing Activities	(1,225)	(994)	(2,614)
Cash Flow from Financing Activities				
(1,074)	Repayment of surplus	(1,743)	-	-
-	Capital injection	-	-	6,200
(1,074)	Net Cash from Financing Activities	(1,743)	-	6,200
(2,702)	Net Increase / (Decrease) in Cash	608	322	4,932
12,880	Cash at the beginning of the year	10,178	8,603	8,925
10,178	Cash at the end of the year	10,786	8,925	13,857

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 2016

The Reconciliation of Net Operating Surplus to Net Cash Flows from Operating Activities shows the non-cash adjustments and other adjustments applied to the net operating surplus as reported in the Statement of Comprehensive Revenue and Expenses on page 82 to arrive at the net cash flows from operating activities disclosed in the Statement of Cash Flows on page 85.

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Budget \$000	Unaudited 30-Jun-17 Forecast \$000
1,743	Net Operating Surplus	2,928	-	-
	Add: Non-cash Items			
834	Depreciation and amortisation	1,063	1,244	960
834	Total Non-cash Items	1,063	1,244	960
	Add / (Less) Movements in Working Capital Items			
106	(Increase) / Decrease in debtors and receivables	3	-	(130)
(728)	Increase / (Decrease) in creditors and payables	1	(98)	446
(2,159)	Increase / (Decrease) in provision for restructure	89	-	-
(482)	Increase / (Decrease) in employee entitlements	(437)	170	70
(3,263)	Net Movements in Working Capital	(344)	72	386
	Add / (Less) Investing Activity			
(17)	Loss / (Gain) on sale of fixed assets	(71)	-	-
(17)	Total Investing Activity	(71)	-	-
(703)	Net Cash Flow from Operating Activities	3,576	1,316	1,346

The accompanying notes form part of these financial statements.



Statement of Departmental Commitments as at 30 June 2016

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

Operating leases include lease payments for premises.

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

Capital commitments relate to the purchase and development of a mobile office to increase reach to rural communities.

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000
	Accommodation Lease Commitments	
2,712	Not later than one year	3,229
6,967	Later than one year and not later than five years	6,644
198	Later than five years	1,605
9,877	Total Accommodation Lease Commitments	11,478
	Capital Commitments	
-	Motor vehicles	159
-	Total Capital Commitments	159
9,877	Total Commitments	11,637

Lease commitments as lessor

During the year ended 30 June 2016, Te Puni Kōkiri leased office space to four other organisations. The future minimum contractual lease rental receipts are as follows:

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000
	Lease Commitments as Lessor	
219	Not later than one year	590
591	Later than one year and not later than five years	420
-	Later than five years	-
810	Total Lease Commitments as Lessor	1,010

The accompanying notes form part of these financial statements



Statement of Departmental Contingent Assets and Contingent Liabilities as at 30 June 2016

The Ministry has no contingent assets or contingent liabilities at 30 June 2016 (2015: Nil)

The accompanying notes form part of these financial statements.



Notes to the Financial Statements

Note 1: Statement of Accounting Policies

Reporting Entity

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

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

The primary objective of Te Puni Kōkiri is to provide services to the public as opposed to making a financial return. Accordingly, the department has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the department are for the year ended 30 June 2016. The financial statements were authorised for issue by the Chief Executive of Te Puni Kōkiri on 30 September 2016.

Basis of Preparation

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

Statement of Compliance

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

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

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

Presentation Currency and Rounding

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

Changes in Accounting Policies

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

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

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

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

In May 2016 the External Reporting Board issued a new Public Benefit Entities Conceptual Framework which applies to public benefit entities including Government Departments. The Framework is effective from 1 January 2017. The Ministry will apply the new Framework in preparing its 30 June 2017 financial statements. The Ministry expects there will be minimal or no change in applying the new Framework.



Significant Accounting Policies

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

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

Revenue

Revenue Crown

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

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

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

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

Rental Revenue

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

Capital Charge

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

Operating Leases

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

Financial Instruments

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

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

Cash and Cash Equivalents

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

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

Debtors and other Receivables

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

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



Property, Plant and Equipment

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

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

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

Additions

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

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expenses in the period in which the transaction occurs.

Subsequent costs

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

Depreciation

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

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

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

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

Intangible Assets

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.



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

Costs associated with development and maintenance of the Ministry's website are recognised as an expense when incurred.

Amortisation

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

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

Impairment of Property, Plant and Equipment and Intangible Assets

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

Non-cash generating assets

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

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

Value in use is the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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

Creditors and other Payables

Creditors and other payables are measured at fair value.

Employee Entitlements

Short-term employee entitlements

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

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

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



Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Superannuation Schemes

Defined contribution schemes

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

Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the

obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Equity

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

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 provision has been made for income tax.

Contingent Assets and Liabilities

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

Net Operating Surplus

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

Statement of Cost Accounting Policies

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

Criteria for direct costs

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

Criteria for indirect costs

'Indirect costs' are those costs that cannot be attributed in an economically feasible manner, to a specific output. These are allocated to outputs based on average full-time equivalent staff members (FTEs) attributable to each output.

Critical Accounting Estimates and Assumptions

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

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

Long Service Leave

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

Critical Judgements in Applying the Ministry's Accounting Policies

Management has not exercised any critical judgements in applying the Ministry's accounting policies for the period ended 30 June 2016.

Budget and Forecast Figures

Basis of the budget and forecast figures

The 2015/16 Budget figures are for the year ended 30 June 2016 and were published in the 2014/15 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to Treasury in the 2015 Budget Economic and Fiscal Update (BEFU) for the year ended 2015/16.



The 2016/17 Forecast figures are for the year ending 30 June 2017, which are consistent with the best estimate financial forecast information submitted to Treasury in the 2016 BEFU for the year ending 2016/17.

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

The 30 June 2017 forecast figures have been prepared in accordance with, and comply with the *PBE FRS 42 Prospective Financial Statements*.

The forecast financial statements were approved for issue by the Chief Executive on 14 April 2016.

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

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2017 will not be published.

Significant assumptions used in preparing the forecast financial statements

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions of what may occur during the 2016/17 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 14 April 2016, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.
- Personnel costs were based on 301 full-time equivalent staff. The Ministry is currently engaged in consultation which may result in an increase to establishment staff numbers. However, at the time of forecasting the result of the consultation was unconfirmed.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Estimated year-end information for 2015/16 was used as the opening position for the 2016/17 forecasts.

The actual financial results achieved for 30 June 2017 are likely to vary from the forecast information presented, and the variations may be material.



Note 2: Other Revenue

30-Jun-15		30-Jun-16
Actual		Actual
\$000		\$000
Revenue from Exchange Transactions:		
205	Rental revenue	390
17	Gain on sale of assets	71
222	Total Other Revenue	461

Note 3: Personnel Costs

30-Jun-15		30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Budget
\$000		\$000	\$000
24,629	Salaries and wages	28,131	29,061
675	Employer contribution to superannuation	789	176
1,103	Other personnel costs	870	750
26,407	Total Personnel Costs	29,790	29,987



Note 4: Operating Costs

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Budget \$000
165	Audit fees for audit of financial statements	168	165
2,574	Operating lease rentals	2,595	3,200
77	Overseas and Pacific travel	321	385
1,843	Domestic travel	1,920	2,546
513	Printing, books and publicity	588	816
5,169	Contract workers	5,472	5,769
2,652	Consultancy fees	3,932	4,514
556	Research	141	178
2,399	MBFS commission	2,095	1,850
5,021	Programmes	720	742
875	Telecommunications	753	871
285	Computer related expense	135	186
9	Koha	18	18
589	Conference/hui	499	771
294	Legal fees	530	621
223	Māori Wardens' uniforms	147	245
1,793	Building maintenance and utilities	1,512	1,269
261	Motor vehicle running costs	256	196
557	Software maintenance	602	581
290	Honoraria/meeting fees	309	219
1,894	Other operating costs	1,900	1,206
28,039	Total Operating Costs	24,613	26,348



Note 5: Depreciation and Amortisation

30-Jun-15		30-Jun-16
Actual		Actual
\$000		\$000
242	EDP equipment	296
393	Motor vehicles	397
8	Office equipment	8
24	Furniture and fittings	102
16	Leasehold improvements	49
151	Software systems	211
834	Total Depreciation and Amortisation Costs	1,063

Note 6: Capital Charge

Te Puni Kōkiri pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2016 was 8.0% (2015: 8.0%).

The total capital charge for the year ended 30 June 2016 was \$370,000 (2015: \$370,000).

Note 7: Debtors and other Receivables

30-Jun-15		30-Jun-16
Actual		Actual
\$000		\$000
Debtors and other Receivables from Exchange Transactions:		
45	Debtors and other receivables	54
45	Total Debtors and other Receivables	54



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

	2015/16			2014/15		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	54	-	54	45	-	45
Past due 1-90 days	-	-	-	-	-	-
Total	54	-	54	45	-	45

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

There is a nil provision for impairment as at 30 June 2016 (2014/15: Nil).



Note 8: Property, Plant and Equipment

	EDP Equipment \$000	Motor Vehicles \$000	Office Equipment \$000	Furniture & Fittings \$000	Leasehold Improvements \$000	Total \$000
Cost or Valuation						
Balance at 1 July 2014	1,416	2,057	296	1,170	2,141	7,080
Additions	364	-	-	-	226	590
Impairment losses	-	-	-	-	-	-
Disposals	-	(57)	-	(1)	-	(58)
Other movements	-	-	-	-	-	-
Balance at 30 June 2015	1,780	2,000	296	1,169	2,367	7,612
Balance at 1 July 2015	1,780	2,000	296	1,169	2,367	7,612
Additions	330	460	-	561	-	1,351
Impairment losses	-	-	-	-	-	-
Disposals	-	(295)	-	-	-	(295)
Other movements	49	4	56	(47)	(10)	52
Balance at 30 June 2016	2,159	2,169	352	1,683	2,357	8,720
Accumulated Depreciation and Impairment Losses						
Balance at 1 July 2014	831	695	269	1,051	2,101	4,947
Depreciation expense	242	393	8	24	16	683
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(40)	-	-	-	(40)
Balance at 30 June 2015	1,073	1,048	277	1,075	2,117	5,590
Balance at 1 July 2015	1,073	1,048	277	1,075	2,117	5,590
Depreciation expense	296	397	8	102	49	852
Impairment losses	-	-	-	-	-	-
Eliminate on disposal	-	(236)	-	-	-	(236)
Balance at 30 June 2016	1,369	1,209	285	1,177	2,166	6,206
Carrying Amounts						
At 30 June and 1 July 2014	585	1,362	27	119	40	2,133
At 30 June 2015	707	952	19	94	250	2,022
At 30 June 2016	790	960	67	506	191	2,514

Work in progress

Total leasehold improvements work in progress is \$39,000 (2014/15: \$226,000).

Total motor vehicles work in progress is \$57,000 for manufacture of a mobile office (2014/15: Nil)



Note 9: Intangible Assets

	Acquired Software \$000	Internally Generated Software \$000	Total \$000
Cost or Valuation			
Balance at 1 July 2014	1,514	380	1,894
Additions	370	-	370
Impairment losses	-	-	-
Disposals	-	-	-
Other movements	-	-	-
Balance at 30 June 2015	1,844	380	2,264
Balance at 1 July 2015	1,884	380	2,264
Additions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Other movements	(50)	-	(50)
Balance at 30 June 2016	1,834	380	2,214
Accumulated Amortisation and Impairment Losses			
Balance at 1 July 2014	1,136	380	1,516
Amortisation expense	151	-	151
Impairment losses	-	-	-
Disposals	-	-	-
Balance at 30 June 2015	1,287	380	1,667
Balance at 1 July 2015	1,287	380	1,667
Amortisation expense	211	-	211
Impairment losses	-	-	-
Disposals	-	-	-
Balance at 30 June 2016	1,498	380	1,878
Carrying Amounts			
At 30 June and 1 July 2014	378	-	378
At 30 June 2015	597	-	597
At 30 June 2016	336	-	336

The total amount of intangible assets in the course of construction is nil (2014/15: \$0.370m).

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-15 Actual \$000		30-Jun-16 Actual \$000
Creditors and Payables under Exchange Transactions		
3,148	Accrued expenses	3,180
Creditors and Payables under Non-exchange Transactions		
219	GST payable	188
3,367	Total Creditors and Payables	3,368

Note 11: Employee Entitlements

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000
Current Liabilities		
1,323	Annual leave	1,475
724	Salaries and wages	132
205	Long service leave	110
79	Sick leave	64
2,331	Total Current Portion	1,781
Non-current Liabilities		
178	Long service leave	289
178	Total Non-current Portion	289
2,509	Total Employee Entitlements	2,070

For the calculation of long service leave, discount rates of 2.12% for year 1, 1.95% for year 2 and 3.13% for year 3 and onwards with a long-term salary inflation factor of 3.0% were used. These rates and the model for calculations were provided by the Treasury.

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

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



Note 12: Provision for Restructure

The restructuring provision relates to a proposal for strengthening Te Puni Kōkiri through a whānau-centred approach which was released on 4 May 2016.

	Provision for Restructure \$000
Balance at 1 July 2014	2,959
Additional provisions made	800
Amounts used	(2,872)
Unused amounts reversed	(87)
Balance at 30 June 2015	800
Balance at 1 July 2015	800
Additional provisions made	603
Amounts used	(514)
Unused amounts reversed	-
Balance at 30 June 2016	889



Note 13: Related Party Transactions and Key Management Personnel

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

Transactions with related parties

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

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

Related party transactions required to be disclosed

Te Puni Kōkiri had no related party transactions requiring disclosure for the year ended 30 June 2016 (2014/15: Nil).

Te Puni Kōkiri staff

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

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

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

Key management personnel compensation

30-Jun-15		30-Jun-16
Actual		Actual
\$000		\$000
1,422	Remuneration	1,738
5	<i>Full-time equivalent staff</i>	5

Key management personnel include the Chief Executive and four Deputy Chief Executives, who are all members of the Executive Team.

Key management personnel compensation excludes the remuneration and other benefits that the Minister for Māori Development receives. The Minister's remuneration and other benefits are set by the Remuneration



Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority (PLA), and not paid by Te Puni Kōkiri.

There were no related party transactions involving key management personnel in 2015/16 (2014/15: Nil).

Note 14: Capital Management

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

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

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



Note 15: Explanation for Significant Variances

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

Statement of Comprehensive Revenue and Expenses (page 82)

Statement of Comprehensive Revenue and Expenses	Unaudited		
	30-Jun-16	30-Jun-16	30-Jun-16
	Actual	Budget	Variance
	\$000	\$000s	\$000s
Personnel	29,790	29,987	197
Operating	24,613	26,348	1,735
Depreciation and amortisation	1,063	1,244	181

Personnel: The budget was based on full establishment of staff for 2015/16. During the year, various positions were vacant for periods of time due to staff turnover.

Operating: Actual expenditure was lower than budget largely due to a continued hold on constitutional review activities. Also, fewer contractors and consultants than forecast were required to assist priority work streams during the year.

Depreciation and amortisation: The timing of asset purchases occurred later than budgeted for, resulting in actual depreciation and amortisation expenditure being less than budget.

Statement of Financial Position (page 83)

Statement of Financial Position	Unaudited		
	30-Jun-16	30-Jun-16	30-Jun-16
	Actual	Budget	Variance
	\$000	\$000s	\$000s
Cash and cash equivalents	10,786	8,925	(1,861)
Current employee entitlements	1,781	2,300	519
Creditors and other payables	3,368	4,800	1,432
Provision for restructure	889	-	(889)

Cash and cash equivalents: The actual cash position is higher than budget largely due to the net operating surplus, offset by lower than forecast year end accruals.

Current employee entitlements: The actual outstanding current employee entitlements are lower than budget due to lower than expected leave accruals at year end where annual leave and long service leave are based on assumptions of staff turnover and discount rates which cannot be projected with accuracy at the time of budgeting.



Creditors and other payables: The actual creditors and other payables position is lower than budget due to lower than expected year end accruals due to a larger number of 2015/16 liabilities being paid out prior to year end than was expected at the time of budgeting.

Provision for restructure: The actual provision for restructure is higher than budget because further restructuring provisions were not expected to be required at the time of budgeting for 2015/16.

Note 16: Financial Instruments

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

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000
Loans and Receivables		
10,178	Cash and cash equivalents	10,786
45	Debtors and other receivables	54
10,223	Total Loans and Receivables	10,840
Financial Liabilities measured at Amortised Cost		
3,367	Creditors and other payables	3,368

Financial Instrument Risks

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

Credit risk

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

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

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

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



Non-departmental Statements and Schedules for the year ended 30 June 2016

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

Schedule of Non-departmental Revenue for the year ended 30 June 2016

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

30-Jun-15		30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
Revenue				
19	Miscellaneous receipts	479	10	10
19	Total Crown Revenue	479	10	10

Schedule of Non-departmental Expenses for the year ended 30 June 2016

The Schedule of Non-departmental Expenses summarises non-departmental expenses that Te Puni Kōkiri administers on behalf of the Crown. Further details are provided in the Statement of Expenditure and Capital Expenditure Appropriations on pages 119 to 120. Figures are GST exclusive.

30-Jun-15		30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
Non-departmental Expenses Operating Annual Appropriations				
149,663	Non-departmental output expenses	166,179	169,359	172,289
477	Benefits and other unrequited expenses	480	480	480
7,226	Other expenses to be incurred by the Crown	16,767	20,875	21,894
157,366	Total Operating Annual Appropriations	183,246	190,714	194,663
15	Appropriations for other expenses	15	15	15
157,381	Total Non-departmental Expenses	183,441	190,729	194,678

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

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

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2016.



Schedule of Non-departmental Assets as at 30 June 2016

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-15		30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
Current Assets				
7,652	Cash	18,377	2,873	7,736
84	Accounts receivable/prepayments	-	-	-
7,736	Total Current Assets	18,377	2,873	7,736
Property, Plant and Equipment				
490	Land	462	490	490
490	Total Property, Plant and Equipment	462	490	490
8,226	Total Non-departmental Assets administered by Te Puni Kōkiri	18,839	3,363	8,226

Schedule of Non-departmental Liabilities as at 30 June 2016

30-Jun-15		30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
Current Liabilities				
4,074	Creditors and payables	3,578	7,807	4,074
Non-current Liabilities				
425	Other liabilities	-	425	425
4,499	Total Liabilities	3,578	8,232	4,499

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

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 2016.



Schedule of Non-departmental Commitments as at 30 June 2016

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

The Ministry on behalf of the Crown has no non-departmental commitments as at 30 June 2016 (2014/15: Nil).

Statement of Non-departmental Contingent Assets and Liabilities as at 30 June 2016

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 2016. 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 2016 (2014/15: Nil).

Contingent Assets

The Ministry on behalf of the Crown has no contingent assets as at 30 June 2016 (2014/15: Nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2016.



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 2015/16.

Basis of Preparation

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

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

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

Accounting Policies

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

Revenue

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

Commitments

Future 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.

Goods and Services Tax (GST)

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



Grant expenditure

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

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

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

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

Budget figures

The budget figures are consistent with the financial information published in the Main Estimates of Appropriations for the year ended 30 June 2016. In addition, these financial statements also present the updated budget information from the Supplementary (Supp.) Estimates of Appropriations for the same year. These amounts are not audited.



Note 2: Explanation for Significant Variances

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

Schedule of Non-departmental Assets

	30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Main Estimates \$000s	Unaudited 30-Jun-16 Variance \$000s
Cash	18,377	2,873	(15,504)

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

Schedule of Non-departmental Liabilities

	30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Main Estimates \$000s	Unaudited 30-Jun-16 Variance \$000s
Creditors and payables	3,578	7,807	4,229

The variance is the result of lower year end accruals than originally forecast due to a higher number of 2015/16 liabilities being paid out prior to year end than was expected at the time of budget-setting.



Note 3: Financial Instruments

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000
Loans and Receivables		
7,652	Cash and cash equivalents	18,377
Financial Liabilities measured at Amortised Cost		
4,499	Creditors and other payables	3,578

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 and deposits with banks.

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

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



Note 4: Reconciliation of Total Non-departmental Expenses to Total Non-departmental Appropriations

The reconciliation shows the adjustments to the total non-departmental expenses as reported in the Schedule of Non-departmental Expenses on page 108 to arrive at the total non-departmental appropriations disclosed in the Statement of Non-departmental Expenditure and Capital Expenditure Appropriations on pages 119 to 120.

30-Jun-15		30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
157,381	Total Non-departmental Expenses	183,441	190,729	194,678
	Add/(Less): Expired Non-departmental Output Appropriations			
-	Part 2 Loans Write-offs*	285	-	-
157,381	Total Non-departmental Appropriations	183,726	190,729	194,678

*Provision made from an appropriation called 'Part 2 Loans Write-offs' in 2009 is no longer a Crown liability and as such has been credited back to the Crown's operating balance.

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 2016 totalled \$95 million (2014/15: \$95 million).

Note 6: Crown Entities

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

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

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

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

Te Māngai Pāho:
www.tmp.govt.nz

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

Māori Television Service:
www.maoritelevision.com



Appropriation statements

Statement of Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2016

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

30-Jun-15		30-Jun-16	Unaudited 30-Jun-16	Unaudited 30-Jun-16
Actual		Actual	Main Estimates	Supp. Estimates
\$000		\$000	\$000	\$000
VOTE: MĀORI DEVELOPMENT				
Appropriation for classes of outputs				
7,026	Relationships and Information	6,832	7,246	6,851
12,367	Operations Management	15,072	12,468	15,186
4,557	Whānau Ora Administration	1,221	4,585	1,522
2,165	Whānau Ora Commissioning Administration	5,027	3,000	5,500
6,866	Integrated Whānau Social Assistance	2,345	6,983	2,507
Policy Advice and Related Outputs Multi Category Output Appropriation (MCA)				
7,243	• Policy - Crown-Māori Relationships	7,571	6,681	8,059
13,613	• Policy - Māori Development	15,408	15,102	16,734
1,813	• Ministerial Servicing	2,360	1,884	2,334
22,669	<i>Total Policy Advice and Related Outputs MCA</i>	25,339	23,667	27,127
55,650	Total Appropriations for Classes of Outputs	55,836	57,949	58,693
Departmental Capital Expenditure				
960	Te Puni Kōkiri - Capital Expenditure PLA	1,351	994	1,632

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



Explanation for Significant Variances

Statement of Departmental Expenditure and Capital Expenditure Appropriations	30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Main Estimates \$000s	Unaudited 30-Jun-16 Variance \$000s
Departmental Expenditure			
Whānau Ora Administration	1,221	4,585	3,364
Whānau Ora Commissioning Administration	5,027	3,000	(2,027)
Operations Management	15,072	12,468	(2,604)
Integrated Whānau Social Assistance	2,345	6,983	4,638
Policy Advice and Related Outputs MCA	25,339	23,667	(1,672)

Whānau Ora Administration: funding was transferred from the Whānau Ora Administration appropriation following Main Estimates. \$2.500 million was transferred to ensure that resources were correctly aligned to the Ministry's work programme. A further \$563,000 was transferred to the Commissioning Whānau Ora Outcomes non-departmental appropriation to support activities transferred from Vote Social Development. These transfers contributed to expenditure being considerably less than the Main Estimates budget.

Whānau Ora Commissioning Administration: additional funding was transferred to the Whānau Ora Commissioning Administration appropriation following Main Estimates. \$2.500 million was transferred from the Whānau Ora Administration appropriation to support the Whānau Ora commissioning approach. This transfer led to expenditure in excess of the Main Estimates budget.

Operations Management: additional funding was transferred to the Operations Management appropriation following Main Estimates. \$2.718 million was received to ensure that resources were correctly aligned to the Ministry's work programme, to reflect additional rent revenue received by the Ministry and to support the Māori ICT Development Fund. These transfers led to expenditure in excess of the Main Estimates budget.

Integrated Whānau Social Assistance: funding was transferred from the Integrated Whānau Social Assistance appropriation following Main Estimates. \$4.476 million was transferred to ensure that resources were correctly aligned to the Ministry's work programme. This transfer contributed to expenditure being considerably less than the Main Estimates budget.

Policy Advice and related Outputs MCA: additional funding was transferred to the Policy Advice and Related Outputs MCA appropriation following Main Estimates. \$3.460 million was received to ensure that resources were correctly aligned to the Ministry's work programme and to assist with the implementation of the Māori Land Service programme. These transfers led to expenditure in excess of the Main Estimates budget.



Statement of Departmental Unappropriated Expenditure and Capital Expenditure as at 30 June 2016

There was no unappropriated expenditure for the year ended 30 June 2016 (Nil for the year ended 30 June 2015).

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

Nil (Nil for the year ended 30 June 2015).

Expense and capital expenditure incurred in excess of appropriation

Nil (Nil for the year ended 30 June 2015).

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

Nil (Nil for the year ended 30 June 2015).



Statement of Non-departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2016

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-15 Actual \$000		30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Main Estimates \$000	Unaudited 30-Jun-16 Supp. Estimates \$000	Location of End-of-Year Performance Information*
Operating Annual Appropriations					
<i>Non-departmental Output Expenses</i>					
40,332	Māori Television Broadcasting	40,332	40,332	40,332	1
13,744	Māori Radio Broadcasting	13,744	13,744	13,744	1
2,183	Administration of Māori Broadcasting	2,183	2,183	2,183	2
9,501	Promotion of the Māori Language	9,521	9,521	9,521	3
456	Iwi Housing Support	1,954	1,956	1,956	2
16,611	Māori Television Channel	16,611	16,611	16,611	4
10,347	Māori Trustee Functions	10,347	10,347	10,347	5
1,660	Strengthening and Promoting Māori Tourism	1,660	1,660	1,660	2
27,629	Commissioning Whānau Ora Outcomes	46,562	43,207	48,320	6
2,000	Establishment of a Whānau Ora Commissioning Approach	-	-	-	6
13,168	Whānau Ora - Service Delivery Capability	3,895	3,933	3,933	6
-	Māori Housing Network	5,681	5,735	5,735	7
-	Rangatahi Māori Suicide Prevention	391	1,200	400	2
-	Te Ture Whenua Network	-	3,200	2,200	2
<i>Māori Potential Fund</i>					
5,650	Mātauranga (Knowledge)	4,341	5,668	5,668	7
4,718	Whakamana (Leadership)	4,887	5,394	5,394	7
1,664	Rawa (Resources)	4,071	4,668	4,285	7
12,032	<i>Total Māori Potential Framework</i>	13,299	15,730	15,347	
149,663	Total Non-departmental Output Expenses	166,180	169,359	172,289	
<i>Benefits and Other Unrequited Expenses</i>					
477	Rangatiratanga Grants	480	480	480	2
477	Total Benefits and Other Unrequited Expenses	480	480	480	



Table Continued

30-Jun-15 Actual \$000		30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Main Estimates \$000	Unaudited 30-Jun-16 Supp. Estimates \$000	Location of End-of-Year Performance Information*
Other Expenses to be Incurred by the Crown					
196	New Zealand Māori Council	196	196	196	2
1,063	Māori Wardens	1,074	1,178	1,178	2
626	Māori Registration Service	626	626	626	2
131	Te Pūtahi Paoho	131	131	131	2
-	Te Ariki Trust	21	21	21	2
1,867	Māori Women's Development Fund	1,867	1,867	1,867	2
7	Ngāti Whātua Ōrākei Reserves Board	7	7	7	2
7	Administrative Expenses for Crown Land	11	49	49	2
500	Tūranganui-a-Kiwa Capacity Building	500	500	500	2
2,000	Māori Language Research	2,000	2,000	2,000	2
-	Kāinga Whenua Infrastructure Grant	4,819	2,800	5,938	7
-	Rural and Māori Housing	4,643	4,000	7,181	7
29	Māori ICT Development Fund	-	4,500	-	2
800	Moving the Māori Nation - Supporting Māori Culture and Sport	1,156	3,000	1,200	2
-	Xin and Tāne Stage Production	-	-	1,000	2
7,226	Total Other Expenses to be Incurred by the Crown	17,051	20,875	21,894	
157,366	Total Operating Annual Appropriations	183,711	190,714	194,663	
Appropriations for Other Expenses					
15	Taranaki Māori Trust Board PLA	15	15	15	2
15	Total Other Expenses	15	15	15	
157,381	Total Non-departmental Appropriations	183,726	190,729	194,678	

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

- 1 The Te Reo Whakapuaki Irirangi (Te Māngai Pāho) Annual Report.
- 2 No reporting due to an exemption obtained under section 15D of the PFA.
- 3 The Te Taura Whiri i Te Reo Māori (Māori Language Commission) Annual Report.
- 4 The Māori Television Service Annual Report.
- 5 The Te Tumu Paeroa (the Māori Trustee) Annual Report.



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- 6 To be reported by the Minister for Whānau Ora in the Vote Māori Development Non-departmental Appropriations Report.
 - 7 To be reported by the Minister for Māori Development in the Vote Māori Development Non-departmental Appropriations Report.



Explanation for Significant Variances

Refer to “The Supplementary Estimates of Appropriations for the year ending 30 June 2016” for an explanation of budget changes between the 2015/16 Main Estimates and 2015/16 Supplementary Estimates for Vote Māori Development (B.7 – Pages 478 to 483).

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

Appropriation	30-Jun-16 Actual \$000	Unaudited 30-Jun-16 Main Estimates \$000s	Unaudited 30-Jun-16 Variance \$000s
Commissioning Whānau Ora Outcomes	46,562	43,207	(3,355)
Kāinga Whenua Infrastructure Grant	4,819	2,800	(2,019)
Māori ICT Development Fund	-	4,500	4,500
Mātauranga (Knowledge)	4,341	5,668	1,327
Moving the Māori Nation - Supporting Māori Culture and Sport	1,156	3,000	1,844
Rangatahi Māori Suicide Prevention	391	1,200	809
Rural and Māori Housing	4,643	4,000	(643)
Te Ture Whenua Network	-	3,200	3,200

Commissioning Whānau Ora Outcomes: additional funding was transferred into the Commissioning Whānau Ora Outcomes appropriation following Main Estimates. \$2.500 million was transferred from 2014/15 to 2015/16 to support adjusted phasing of fund distribution, \$2.050 million was reprioritised from Vote Social Development to support the transfer of activities to the Whānau Ora model, and \$563,000 was transferred from the Whānau Ora Administration departmental appropriation to further support activities transferred from Vote Social Development. These transfers led to expenditure in excess of the Main Estimates budget.

Kāinga Whenua Infrastructure Grant: additional funding was transferred into the Kāinga Whenua Infrastructure Grant appropriation following Main Estimates. \$3.138 million was received from Vote Building and Housing during 2015/16 to support ongoing Kāinga Whenua infrastructure projects. This transfer led to expenditure in excess of the Main Estimates budget.

Māori ICT Development Fund: Cabinet agreed to adjustments to the Māori ICT Development Fund to reflect new fund management arrangements and the re-phasing of expenditure over the next five years. Expenditure will now commence from 2016/17 onwards.

Mātauranga (Knowledge): during 2015/16 Māori community providers were required to assist Te Puni Kōkiri with the delivery of a larger, more diverse work programme than in previous years. This meant that many providers were unable to fully deliver programmes funded through the Mātauranga (Knowledge) appropriation during the year.



Moving the Māori Nation - Supporting Māori Culture and Sport: funding was transferred from the Moving the Māori Nation - Supporting Māori Culture and Sport appropriation following Main Estimates. \$1.800 million was transferred from 2015/16 to 2016/17 to give providers more time to establish services ahead of funding being received. This transfer contributed to expenditure being considerably less than the Main Estimates budget.

Rangatahi Māori Suicide Prevention: funding was transferred out of the Rangatahi Māori Suicide Prevention appropriation following Main Estimates. A total of \$800,000 has been transferred to 2016/17 to give providers more time to establish services ahead of funding being received. This transfer contributed to expenditure being considerably less than the Main Estimates budget.

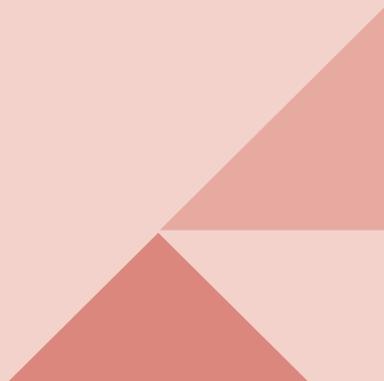
Rural and Māori Housing: additional funding was transferred to the Rural and Māori Housing appropriation following Main Estimates. \$3.181 million was received from Vote Building and Housing during 2015/16 to support ongoing Māori housing projects. This transfer led to expenditure in excess of the Main Estimates budget.

Te Ture Whenua Network: arrangements have been made to transfer the funding received during 2015/16 within the Te Ture Whenua Network appropriation to 2016/17. This will ensure that the funding aligns with project delivery milestones. The transfer meant that expenditure was nil against the Main Estimates budget.

Statement of Non-departmental Unappropriated Expenditure and Capital Expenditure as at 30 June 2016

There was no unappropriated expenditure for the year ended 30 June 2016 (2015: Nil).





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