

**In Confidence**

Office of the Minister of Finance  
Office of te Minita Whanaketanga Māori

Cabinet Māori Crown Relations: Te Arawhiti Committee

**Accelerating the performance of Whakaata Māori**

**Proposal**

- 1 This paper seeks agreement to adjust Vote Māori Development funding allocated in Budget 2023 to accelerate the performance of Whakaata Māori in 2023/24 as it transitions to receiving direct funding for content production.

**Relation to government priorities**

- 2 This proposal recognises that Whakaata Māori is a key means of revitalising Māori language and culture through content, storytelling and media platforms. It also recognises the role of Whakaata Māori in building cultural and national identity through its audience reach. The proposal supports the Government's commitment to the Maihi Karauna strategy, including creating the conditions for te reo Māori to thrive and to be valued by Aotearoa whānui as a central part of the New Zealand identity.

**Background**

*Cabinet decisions*

- 3 In August 2022, the Cabinet Economic Development Committee (the Committee) considered a plan to strengthen the Māori media sector for the future. The paper identified actions to strengthen the Māori media sector to adapt to major change in the shape of new technologies, audience behaviours and business models.
- 4 One of the key actions of the plan was to consider funding Whakaata Māori directly for content production, rather than through a ring-fenced provision within a contestable process run by Te Māngai Pāho, to support greater surety of funding and enable longer term planning.
- 5 The Committee authorised the Minister of Finance and te Minita Whanaketanga Māori to make any necessary decisions to support a change to directly fund Whakaata Māori for content production [DEV-22-MIN-0196].

*Previous Budget*

- 6 Content funding for Whakaata Māori did not increase between 2008 and 2021. Budget 2022 provided time-limited investment of \$8 million over two years (2022/23 and 2023/24) to Whakaata Māori, with a focus on workforce development and related cost pressures. However, Whakaata Māori now considers this funding has been insufficient to fully address the cost pressures and increasing content production costs. The time-limited nature of recent funding increases, and the short-term planning processes driven by contestable funding, has masked the medium-term cost pressures, which are now apparent.

- 7 Budget 2023 allocated additional funding to Whakaata Māori of \$19 million over two years – 2024/25 and 2025/26 – for increased content delivery (\$10 million) and for strengthening the capability and capacity of the Māori media workforce (\$9 million).
- 8 Under the current financial forecast, despite funding received through Budget 2023, Whakaata Māori has advised it is facing a significant deficit in 2023/24.
- 9 As Ministers responsible for the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, we seek Cabinet approval to bring forward \$5.5 million of Budget 2023 funding from 2025/26 to the 2023/24 financial year, to accelerate the performance of Whakaata Māori in 2023/24 as it transitions to direct funding for content production. By moving this tranche forward, there will be less funding available in the future and there is no guarantee further funding will be provided.

**Why do we need more funding now**

- 10 The 2023/24 financial year is a year of transition for Whakaata Māori, as it shifts to a direct content funding model and a focus on outcomes, in order to pursue its audience more effectively. Direct content funding enables Whakaata Māori to determine a better mix between in-house production and external commissioning. This is guided by the strategic direction set in its revised Te Huapae outcomes framework, with a more investment-driven focus on outcomes rather than a shorter-term focus driven by outputs. It is critical to the longer-term success of Whakaata Māori and its delivery on te reo Māori objectives that it is enabled to reach its target audience and engage them in high-quality te reo Māori programming.
- 11 There has been a consistent pattern of Whakaata Māori reducing the quality of content to utilise funding to offset operational and content development cost increases. The entity has indicated that under the status quo, it needs to either further reduce its content delivery or the number of content production staff in order to continue to operate. Under current cost pressures relating to increasing personnel costs and costs per hour for content production, Whakaata Māori anticipates a reduction of up to 160 hours in new content for 2023/24.
- 12 Waiting another year to access additional funding, and the consequent reduction in content delivery, may push the entity further away from its targeted audience and eventually jeopardise its ongoing operations.
- 13 In line with the Government's plan to strengthen the Māori media sector for the future, we need to support Whakaata Māori to increase its performance over the next financial year. More funding is needed now as decisions affecting content delivery and performance for the next year are currently being made.
- 14 Bringing funding forward is critical for Whakaata Māori to, at a minimum, maintain momentum now in the face of rapidly changing audience behaviour and new technologies.
- 15 Whakaata Māori is facing similar challenges to those faced by RNZ over the past years. Without support, RNZ was running the risk of remaining with outdated technologies, ongoing staff shortages and limited ability to address changing audience behaviour. In March 2023, Cabinet agreed to reprioritise funding from Budget 2022 and increase RNZ baseline funding to address cost pressures and expand its public broadcaster role [DEV-23-MIN-0041].

## Our proposal

- 16 The following options were considered to absorb increased costs:
- 16.1 reduce the number of content production staff; and
  - 16.2 reduce the number of hours of new content by up to 160 hours.
- 17 Neither of these options is viable if we want Whakaata Māori to reach its targeted audience and deliver on its outcomes framework and the Government's objectives for Māori media. They would eventually jeopardise the entity's ongoing operations.
- 18 Accordingly, we have explored with Whakaata Māori the best approach for adjusting Vote Māori Development funding agreed in Budget 2023 to support its performance in 2023/24.
- 19 We seek Cabinet approval to bring forward 5.5 million of Budget 2023 funding from 2025/26 to the 2023/24 financial year. This will:
- 19.1 strengthen the short-term financial position of Whakaata Māori;
  - 19.2 help maintain momentum in the short term;
  - 19.3 set Whakaata Māori in a better position to deliver on its outcomes framework; and
  - 19.4 avoid significant impacts on its financial situation in the years following 2023/24.

## Risks and mitigation

- 20 Any funding in the 2025/26 year may come too late if by then Whakaata Māori has provided insufficient content to retain and increase its audience. We consider that bringing funding forward to 2023/24 will deliver greater value for this existing funding, result in a more positive impact than the status quo, and support Whakaata Māori to respond to increasing cost pressures.
- 21 An early intervention is a necessary step to avoid any underperformance in the outcomes being pursued by Whakaata Māori in the medium to long term. It also aligns with Cabinet agreed decisions to strengthen the Māori media sector for the future.
- 22 Advice to Cabinet has been that funding will be needed through a series of Budgets to support the strengthening of the Māori media sector, stabilising it with an appropriate baseline. This includes the possibility of further Budget bids to support Whakaata Māori in the years beyond 2025/26, for example to support Whakaata Māori digital investment. However, there is no guarantee that further funding will be available in the future. Responsible Ministers will write to the Board of Whakaata Māori to make clear our expectations.

## Financial Implications

- 23 We are not seeking additional funding. We seek Cabinet agreement to a change in appropriation to bring forward \$5.5 million of Budget 2023 funding from 2025/26 to

the 2023/24 financial year, with no impact on the operating balance and net core Crown debt across the forecast period.

- 24 Regardless of whether Cabinet approves the proposal, Whakaata Māori is likely to face a significant reduction in funding in 2026/27, when the current tranches of time-limited funding end.
- 25 The below table demonstrates the impact that this proposal will have on the funding profile. The proposed profile change will have moderately negative impact on the Crown operating balance before gains and losses in 2023/24 and a positive impact in 2025/26.

Option	2022/23	2023/24	2024/25	2025/26	2026/27
Status Quo	43.06	43.06	48.56	48.56	39.06
Bring forward \$5.5m	43.06	48.56	48.56	43.06	39.06

**Legislative Implications**

- 26 There are no legislative implications.

**Impact Analysis**

- 27 A Regulatory Impact Statement and a Climate Implications of Policy assessment are not required.

**Population Implications**

- 28 Government commitment to revitalise te reo Māori, including through support and investment in Whakaata Māori, is derived from Te Tiriti o Waitangi – primarily through te reo Māori being recognised as a taonga under Article II, but also through the principle of active protection. This requires the Government to act to the fullest extent practicable to protect Māori language and culture and the relationships of Māori with these taonga.
- 29 The recommendations in this paper will support the societal conditions needed for the intergenerational transmission and widespread use of te reo Māori, through the creation of engaging content which presents Māori language, culture, stories, and perspectives; and by supporting audiences to access quality Māori content through their preferred medium or device.
- 30 Te reo Māori supports Māori to develop a strong sense of identity, which is important for whānau wellbeing and resilience. Māori media also supports greater social cohesion by encouraging all New Zealanders to value Māori language and culture as a key part of their identity.

**Human Rights**

- 31 The proposal is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

**Use of external Resources**

- 32 Due to the short timeframes, one contractor has been used part-time over three weeks to support the drafting of this proposal.

33 There are no expectations that further work will be required from external resources to implement this proposal.

**Consultation**

34 The Treasury, Ministry for Culture and Heritage and Whakaata Māori were consulted on this proposal. The Department of Prime Minister and Cabinet, Te Mātāwai and Te Māngai Pāho have been informed of the paper.

**Communications**

35 No communication or announcement is required.

**Proactive Release**

36 Subject to Cabinet approval, please note our intention to release this Cabinet paper on the Te Puni Kōkiri website within 30 working days of Cabinet approval.

**Recommendations**

We recommend that the Committee:

- 1 **note** that in August 2022 the Cabinet Economic Development Committee authorised the Minister of Finance and te Minita Whanaketanga Māori to make any necessary decisions to support a change to directly fund Whakaata Māori for content production [DEV-22-MIN-0196];
- 2 **note** that Budget 2023 allocated new funding to Whakaata Māori in 2024/25 and 2025/26 but Whakaata Māori has advised it is facing a significant deficit in 2023/24 due to increased operating costs;
- 3 **note** that an early intervention is necessary to accelerate the performance of Whakaata Māori in 2023/24;
- 4 **agree** to bring forward \$1.5 million of Budget 2023 funding from 2025/26 to the 2023/24 financial year, to strengthen the short-term financial position of Whakaata Māori;
- 5 **note** that bringing funding forward means that there will be less funding available in the future and there is no guarantee further funding will be provided;
- 6 **approve** the following change in appropriation to provide for the bringing forward of funding as described in recommendation 4 above, with no impact on the operating balance and net core Crown debt across the forecast period:

	\$m increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Vote Māori Development</b> <b>Minister for Māori Development</b> Non-Departmental Output Expenses: Pāpāho Reo me ngā					

IN CONFIDENCE

Kaupapa Māori   Māori Broadcast and Streamed Services	5.500	-	(5.500)	-	-
---	-------	---	---------	---	---

- 7 **agree** that the proposed change to appropriations for 2023/24 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Hon Grant Robertson  
Minister of Finance

Hon Willie Jackson  
Te Minita Whānau Māori

Released by the Minister for Māori Development