



Te Māngai Pāho

Māori Broadcasting
Funding Agency

Annual Report 2002/03





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

The Mouthpiece of the Airwaves

The design embodies our mission

“Tuhia te hā o te reo Māori ki te rangi.”

The design represents the nurturing of te reo Māori.

The three uprights are called **Piki ki te rangi**.

They represent the connections between heaven and earth.

The crescent shape at the base is **Te Māngai Pāho** –
the mouthpiece which protects and nurtures.

Within the crescent mouth is **Te Purapura – te kākano i ruia mai i Rangiatea**

– the seed in the form of te reo me ōna tikanga Māori.

It is this act of nurturing and promotion that is important
in order for the Māori language and culture to thrive

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Directory

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On behalf of the Auditor General

Banker

Westpac

Solicitors

Simpson Grierson,

MinterEllisonRuddWatts

Board Members

Wira Gardiner

Chair

Ngāti Awa

Jacqui Te Kani

Deputy Chair

Te Ripowai Higgins

Tūhoe

Tahu Potiki

Ngai Tahu, Ngāti Mamoe

Staff

Trevor Moeke

Chief Executive

*Ngāti Porou, Ngāti Kahungunu,
Ngāti Awa*

Thomas Hood

Finance and Planning Manager

Tamalene Painting

Acting Television Manager

Ngā Puhi

Carl Goldsmith

Radio Monitoring Analyst

Ngāti Porou, Ngāti Kahungunu

Donna Ross

Executive Assistant

Te Rarawa, Ngāti Whātua

Desray Armstrong

Television Administrator

Ngāti Porou, Te Aitanga-a-Hauiti

Kay Davis

Accountant

Melissa Hofman

Receptionist

Mabel Makombore

Contracts Support Coordinator



Mission

*Tuhia te hā o te reo Māori ki te rangi, e kaha ai te mapu
o te manawa ora, e rekareka ai te taringa whakarongo,
e waiwai ai te karu mātakitaki.*

*Let the language be heard on the airwaves, thereby causing the
heart to leap with joy, the ear to appreciate its eloquence and
the eyes to moisten at its impact.*



Vision

Ahakoā ki whea

Ahakoā āwhea

Ahakoā pēwhea

Kōrero Māori

Speak Māori ... everyday, everyway, everywhere



Statutory Role

*To promote Māori language and culture by making funds available,
on such terms and conditions as Te Māngai Pāho thinks fit,
for broadcasting and the production of programmes to be broadcast.*



Chair's Introduction

Te Māngai Pāho has continued to fund programmes for the current national broadcasters, including the popular "Te Karere" and the award winning "Pūkana" programmes

This year came to a tumultuous close for Te Māngai Pāho. Concentrated parliamentary and media interest in the agency took a heavy toll. This toll was not only that borne by individuals, which was high, but also in terms of the resources required to adequately respond to an accentuated level of scrutiny.

In reviewing the year as a whole however, it is important not to forget the work that has proceeded steadily in the background, out of the glare of unfair and unwarranted publicity, or to have our achievements this year overshadowed.

Te Māngai Pāho exists to promote Māori language and culture by making funds available for broadcasting and the production of programmes to be broadcast. In 2002/03 the willingness of the Government to endorse and support Māori language broadcasting has enabled Te Māngai Pāho to fund an unprecedented number of hours of television programming. A large part of this has been to build a resource base in the lead up to the launch of the Māori Television Service. Ultimately, these are programmes that will screen in prime time and across the viewing schedule on free to air television.

At the same time, Te Māngai Pāho has continued to fund programmes for the current national broadcasters, including the popular "Te Karere" and the award winning "Pūkana" programmes.

Iwi radio stations continue to command a significant share of the total Māori listening audience. These stations utilise technology to achieve the economies of scale of national broadcasting yet maintain their autonomy and the local identity that makes them valuable links between their communities.

The strength of the Māori music sector was signalled in our latest music funding rounds when forty-nine applications were received for funding available for ten albums and ten singles. The calibre and professionalism across a range of music genres, from hip hop to classical, is impressive.

That the inspiration behind our musicians, our radio and television programme makers is quintessentially Māori, is heartwarming.

We have always strived to do things better, to work with an appropriate level of openness and accountability and also welcome the opportunity to address quickly any issues arising. To this end Te Māngai Pāho commissioned two significant reviews of its operations during the year. The first was the review led by Treasury and the second was the extended scope review of contracting processes undertaken by Audit New Zealand.

The recommendations from the Treasury led review were able to be acted upon quickly and required no major systemic changes to the organisation. It is regrettable therefore that the impetus of events exacted such a heavy toll on those who held themselves accountable.

Challenges

Our continuing challenge is to advance our vision by targeting to best effect the available broadcasting funding at our disposal. Our aim is that te reo be a normal part of our everyday lives, as individuals, as whanau, as communities, and as a nation. To do so we must support greater understanding of Māori culture among all New Zealanders and with it greater tolerance and unity.

We are working on how we can do our part to help achieve this vision. We seek to harness the creative energies of those in the broadcasting sector to promote, educate and entertain, through the delivery of programmes and music, in a way that also serves the needs and expectations of the Māori community. We have targeted funding for programmes that work at multilayered levels of te reo ability to cater for the variations in the needs of the target audiences. We seek to capture the imagination of the Māori community, as well as to draw in the wider audience.

There is a need for greater fostering of capacity in the Māori broadcasting sector. A small number of companies now exist that regularly turn out quality Māori focused programming. These are companies that have the right combination of creative talent, capital resources, technical and financial management skills. While this remains a strongly competitive industry, we still believe that there is scope for more joint venture and mentoring arrangements that would further accelerate the development of the

industry and employment opportunities.

This may also require a wider coalition of entities currently operating in the Māori development sector. Opportunities to grow financial, management, broadcast production and technical skills also serve a wider role.

We enjoy the goodwill and cooperation of a large number of individuals, including the staff of Te Māngai Pāho, companies, industry bodies and other entities who share our vision. I wish to take this opportunity to acknowledge the efforts and contributions of all who have helped shape the positive legacy of this agency.

In particular, I would like to thank the members of the previous Board, Bill Nathan, Frank Solomon, and Fiona Wilson for all they have done for Te Māngai Pāho.

Ka nui hoki te mihi ki a Toby Curtis rāua Trevor Moeke, Tumuaki me te Kaihautū o mua, ka rawe ngā mahi kua oti i a rāua, kua tino ū rāua ki te whakawhanake i te ao pāpāho Māori, he pukumahi mutunga kore no rāua, he nui te utu kua utua e rāua.

Finally, I wish also to offer my thanks to my fellow Board members, Jacqui Te Kani, Te Ripowai Higgins and Tahu Potiki for their contribution and for their ongoing support.



Wira Gardiner
Chair





Chief Executive's Report

Performance Overview for 2002/03

Te Māngai Pāho is entrusted with the responsibility for funding broadcasting and programmes to be broadcast that overall will identify with and serve the Crown's Treaty obligations to Māori. During the year, in making our purchase decisions in line with our statutory role, we were also guided by the Government's Māori language strategy objectives and our long-term outcomes as set out in our 2003 Statement of Intent.

The goals we set in relation to those outcomes centred on a continuing drive to support capability building across the Māori broadcasting industry and the revitalisation of te reo Māori through innovative programme making and Māori language music for radio and television.

In reviewing our performance against our stated outcomes, we note the following:

- during the 2002/03 year, Te Māngai Pāho purchased over 1,000 hours of Māori television programming and in addition to this allocated funding for a further 1,083 hours to be provided by the Māori Television Service;
- Māori language comprised over 70% of the language content of the television programmes funded. This reflects our aim to promote te reo Māori on the airwaves and to encourage the learning and use of te reo Māori;
- programmes targeting tamariki and rangatahi, priority audiences for Māori language promotion and use, made up nearly a third of our funded programmes;
- audience research commissioned by Te Māngai Pāho shows that iwi radio commands a significant share of Māori radio listeners. Te Māngai Pāho is confident that developments in Māori television and its continued support of Māori radio will bring further success for Māori broadcasting and Māori language programming.

These results are all the more pleasing for the agency, given what has been a challenging year for management, staff and key stakeholders.

Commentary on our key purchase areas is set out opposite:

Kia ora

Herewini Te Koha
Interim Chief Executive

1

Māori Television programming

In 2002/03 Te Māngai Pāho has been active in its support of the Māori Television Service by funding a diverse range of programmes for broadcast. The Māori Television Service represents the single most significant development in the Māori broadcasting sector and will create even greater outreach for Māori programming nationally.

At the same time Te Māngai Pāho recognised the ongoing value of maintaining a quality Māori programming presence on mainstream television. Funding was allocated to popular Māori language programmes broadcast by national networks, which was critical to maintaining the visibility of Māori programming this year.

2

Māori Radio

Te Māngai Pāho funded 3,200 hours of Māori radio broadcasting while continuing to develop and improve the overall monitoring of reo Māori language content delivered. In this, Te Māngai Pāho worked to support iwi radios' own efforts to monitor and improve their own performance by introducing a self-assessment framework for participating stations. This work will continue in 2003/04.

3

Māori Language Music

In consultation with Māori radio and music industry representatives, Te Māngai Pāho funded the production of ten albums and a further ten singles in 2003. The level of interest from applicants and the diversity of genres and content served to highlight the vast array of talent that comprises the Māori music sector.

Past funding recipients have also enjoyed notable success. For example, the invitation and warm reception given to the "Wai 100%" project at the Summer Stage concert held in New York's Central Park, a premier multicultural performing arts festival, illustrates the level of international interest and the market for indigenous music.

4

Management Procedures

Risk Management

Te Māngai Pāho operates in what is, in many respects, a fledgling and evolving sector, particularly in the area of Māori television production. There are very few established producers, a thinly spread production skill base and yet an abundance of creativity and great stories to be told.

Where there are opportunities, and in Māori programming there are many, there are also risks to be managed. Te Māngai Pāho continues to work to find the best possible balance between helping to realise quality Māori programming on the one hand and safeguarding the taxpayers' interests on the other.

Against this backdrop, Te Māngai Pāho received adverse media publicity for contracts with three producers it terminated this year because of producer failure but little recognition of the 107 contracts successfully delivered upon during the same period. In order to continue to improve its performance in any event, Te Māngai Pāho commissioned an external audit of its funding allocation and monitoring systems. The review, undertaken by Audit New Zealand, identified areas where Te Māngai Pāho can usefully improve its funding and contract management processes. These will be addressed as a priority in 2003/04 in order to provide further assurance to the Board, and its Minister, of the management and operational systems and processes of Te Māngai Pāho.



Funding

for the year ended 30 June 2003

Radio

	Operational \$000	Language Incentive \$000	Coverage \$000	Total \$000
Māori Radio Stations				
Te Reo Irirangi o Ngāti Kahungunu	320			320
Kia Ora FM	320			320
Te Reo Irirangi o Tauranga Moana	320			320
Te Reo Irirangi o Ngāti Raukawa	320			320
Ngā Iwi FM	320			320
Pūmanawa	320			320
Te Reo Irirangi o Te Ūpoko o Te Ika	320			320
Te Reo Irirangi o Tūranganui-ā-Kiwa	320			320
Tautoko FM	240	80		320
Awa FM	240	80		320
Radio Ngāti Hine FM	240	80		320
Te Reo Irirangi o Te Mānuka Tutahi (Sun FM)	240	80		320
Tūwharetoa FM	240	56		296
Te Reo Irirangi o Te Hiku o Te Ika	240	80		320
Radio Ngāti Porou	240	60		300
Te Reo Irirangi o Taranaki (Korimako FM)	240	60	44	344
Te Reo Irirangi o Tahu	240	60	50	350
Atiawa/Toa FM	240			240
Tainui FM	240	40		280
Te Reo Irirangi o Maniapoto	240			240
Radio Waatea	240	80		320
Total Māori Radio Station Funding	5,680	756	94	6,530
Radio Station Audience Survey Funding - Massey University				67
Te Whakaruruhau o Ngā Reo Irirangi Māori Incorporated				60
APRA Fees				45
Radio Distribution Network				551
Sub-Total				7,253

Māori Language Radio Programming

Programme	Producer	Duration	\$000
Ngā Rangona Kōrero	Ruia Mai	13 x 5 min bulletins, 7 days a week)	
Te Kawe Pūrongo	Ruia Mai	1 hour bulletin, 5 days a week)	
Te Whiringa Pūtaka	Ruia Mai	30 min bulletin, 5 days a week)	1,290
Te Kōwae Paneke	Ruia Mai	1 hour bulletin, 5 days a week)	
Arts and entertainment	Ruia Mai	30 min programme each week	40
Sports Show	Māori Sportscasting International Ltd	52 x 1 hour	48
Sports Coverage	Māori Sportscasting International Ltd	Various events/78 hours	100

Funding continued

Programme	Producer	Duration	\$000
Documentaries	Mana Māori Media	30 min programme, 5 days a week*	344
Papa Ruru Show	The Papa Ruru Show Limited	4 hour programme, 5 days a week	100
Youth/Music	Te Reo Irirangi o Te Hiku o Te Ika	3 hour programme, 5 days a week* (*48 weeks)	143
Tamariki	Te Reo Irirangi o Tūranganui-ā-Kiwa	10 x 15-30 min	15
He Iti Kahurangi	Te Reo Irirangi o Ngāti Kahungunu	50 x 5 min (supplementary)	16
He aha tēnei mea Te Ngāti Poroutanga?	Radio Ngāti Porou	10 x 15 min	13
Ngā waiata o Ngāti Porou	Radio Ngāti Porou	10 x 15 min	13
Comedy	AKA Productions Ltd	10 x 2-3 min	30
Dramas	Te Whare Ahorangi	10 x 10 min	23
Te reo Māori inserts	Te Whare Ahorangi	180 x 20 sec	36
Ratana Celebrations 2003	Awa FM	12 hours	3
Wallace whanau vs New Zealand Police	Radio Waatea	10.5 hours	5
10th National Māori Rugby League Tournament	Radio Waatea	7 hours	4
Ngāti Porou Hui Taurima 2002	Te Reo Irirangi o Tahu	7.5 hours	4
2002 General Elections	Ruia Mai	4 hours	22
Māori Music Concert	Te Reo Irirangi o Te Ūpoko o Te Ika	5 hours	3
Te Ahurei a Tūhoe festival	Te Reo Irirangi o Te Mānuka Tutahi (Sun FM)	33 hours	11
Māori Sports Awards 2002	Ruia Mai	4.5 hours	15
Sub-Total Māori Language Radio Programming			2,278

Music Albums

Projects	Producer	\$000
Ngā Kokako Huataratara	Moko.com Ltd	40
Toiora	Paewhenua Hou Partnership	40
Pounamu	Pounamu Performing Arts	40
Hīkoi	Rattle Records	35
Tooku Au Maaroo	Tangata Records Ltd	40
Nehenehe Nui	Tangata Records Ltd	40
Tāwhana	Te Whare Ahorangi	40
Verse 3	Urban Pacifika Music Group	40
Tumanako	Urban Pacifika Music Group	30
Whakapapa	Waru Records Ltd	40
Sub-Total Music Albums		385

Music Singles

Mā Te Reo	Mana Music Inc	4
Te Rangimarie	Radio Ngāti Porou	4
Te Ao Hou	Rodgerson Media Group Ltd	4
Whakamihi Rā	Takatū Associates Ltd	4
Pohutukawa	Tirama Productions Ltd	4
Ake Tonu Atu	Waru Records Ltd	4
Tēnei Te Wā	Waru Records Ltd	4
Te Ua	Waru Records Ltd	4
Nā Wai Tau	Waru Records Ltd	4
He Pirangi Rawa	Waru Records Ltd	4
Sub-Total Music Singles		40

Total Radio Funding

\$9,956

Television

\$000

Māori Television Service

Direct Funding 8,154

Sub-Total Māori Television Service 8,154

Programmes

Programme	Direct Funding Producer	Episodes x Duration	Broadcaster	\$000
TVNZ Māori Programmes				
Waka Huia 2003	TVNZ Māori Programmes	38 x 59 min	TV1	943
Te Karere 2003	TVNZ Māori Programmes	261 x 15 min	TV1	2,172
Marae 2003	TVNZ Māori Programmes	42 x 59 min	TV1	1,740
Māori Sports Awards 2002	TVNZ Māori Programmes	1 x 68 min	TV1	50
Other Programmes				
Tamariki				
Tikitiki	Aratai Film & Television Productions Ltd	26 x 26 min (supplementary)	MTS	214
Tū Te Puehu	Aratai Film & Television Productions Ltd	Language Consultant	TV2	5
Pihoehoe	Cinco Cine Film Productions Ltd	100 x 26 min	MTS	455
Ngā Paki Waituhi	Kiwa Film & Television Productions	22 hours (supplementary)	TV3	99
Ngā Paki Waituhi Series 2	Kiwa Film & Television Productions	50 x 1 hour	MTS	750
Manu Rere	Tangata Whenua TV	50 x 56 min (supplementary)	MTS	330
Manu Rere Series 2	Tangata Whenua TV	50 x 56 min	MTS	1,000
Rangatahi				
Te Wero	Aratai Film & Television Productions Ltd	15 x 26 min (supplementary)	MTS	102
Ka Hao te Rangatahi Series 2	Aratai Film & Television Productions Ltd	13 x 26 min	MTS	260
Pūkana	Cinco Cine Ltd	45 x 50 min	TV3	2,021
Ihumanea	Cinco Cine Ltd	Language Consultant	TV3	7
Ngā Manu Kōrero and Kapa Haka	Front of the Box Productions	4 x 26 min	TV1	74
Te Maioha	Matariki Productions	13 x 26 min	MTS	260
Te Maioha Series 2	Matariki Productions	13 x 26 min	MTS	260
Koi Series 2	Te Whare Ahorangi	10 x 26 min	MTS	175
Tuhono TV Series 2	Whitebait Productions Ltd	13 x 116 min	MTS	438
He Wai Series 3	White Gloves Productions Ltd	13 x 22.5min	TV2	449
Other Educational				
Aakina Series 2	Cinco Cine Film Productions Ltd	40 x 26 min	MTS	757
He Whare Kōrero	Pito One Productions	3 x 46 min (supplementary)	TV1	98
Programme Replays				
Te Karere	TVNZ Māori Programmes	218 x 15 min	Triangle TV	34
Marae	TVNZ Māori Programmes	31 x 59 min	Triangle TV	17
Waka Huia	TVNZ Māori Programmes	31 x 59 min	Triangle TV	17
Te Karere	TVNZ Māori Programmes	206 x 15 min	Taranaki TV	13
Marae	TVNZ Māori Programmes	36 x 59 min	Taranaki TV	9
Waka Huia	TVNZ Māori Programmes	37 x 59 min	Taranaki TV	9
Te Karere	TVNZ Māori Programmes	191 x 15 min	Channel 51	28
Marae	TVNZ Māori Programmes	42 x 59 min	Channel 51	17
Waka Huia	TVNZ Māori Programmes	40 x 59 min	Channel 51	16
Documentary				
Rongoa Series 2	Astraeus NZ Ltd	16 x 26 min	MTS	320
T.W. Ratana Māngai	Butobase Ltd	1 x 56 min	MTS	40
50 Years On	Front of the Box Productions	1 x 56 min	MTS	40
Navigator	la Tapui	3 x 26 min	MTS	59
Whakamoemiti	Maui Productions	6 x 26 min	MTS	120

Programme	Producer	Episodes x Duration	Broadcaster	\$000
Magazine				
Pa Tucker	AKA Productions	13 x 26 min	MTS	260
Mitre 10 Marae DIY	Hula Haka Productions	25 x 56 min	MTS	1,000
Kai Time on the Road Series 2	Maui Productions	13 x 26 min	MTS	260
Kai Ora	Pakiri Productions	13 x 26 min	MTS	260
Kai Ora	Dreamtime Entertainment Ltd			83
Ngā Kaireka o te Kainga	Vault Research and Education	13 x 26 min	MTS	230
General Entertainment				
Mātua Whaangai	Astraeus Productions Ltd	13 x 26 min	MTS	260
Mau Mahara Series	He Taonga Films Ltd	40 x 56 min (supplementary)	MTS	30
Māori-Oke	Mauri Ora Productions	13 x 56 min	MTS	520
The T-Sistaz Series 2	Te Aho Productions	13 x 26 min	MTS	260
Sports				
Golfing Mad	Astraeus NZ Ltd	10 x 26 min	MTS	200
Pūtahi Taakaro	Front of the Box Productions	20 x 56 min	MTS	920
Various Rugby and NRL Broadcasts	Māori Sportscasting International	110 hours	SKY	119
He Kete Taakaro	Tawharau Sports Prod	13 x 26 min	MTS	236
He Kete Taakaro	Tawharau Sports Prod	Executive Producer	MTS	23
Ngā Kupu Taakaro Series 2	Tawharau Sports Prod	32 x 15 min	MTS	320
Industry Relations				
Executive Officer	Ngā Aho Whakaari			60
Project Development				
He Tangata	Arepa Creations		MTS	31
Life on Mars	Cinco Cine Film Productions Ltd		MTS	11
Bro TV - Just Feel It	Puriri Productions		MTS	10
Branding				
Te Māngai Pāho Sting	Te Arepa Creations Ltd			30
Sub-Total Programmes				18,521

Music Videos

Video	Producer	Artist	\$000
Hawaiki	AKA Productions Ltd	Hinewehi Mohi	10
Te Hono Whakakaro	Kia Kaha Productions Ltd	Upper Hutt Posse	10
Peruperu Tūpara	King Kong Productions Ltd	Ruia	10
Haere Mai Ki Te Pati	māorimusic.com	Viva La Crew	10
Te Mauri o Ngā Waka	Maui Productions Ltd	Whirimako Black	10
Hine Te Iwaiwa	Tāwera Productions Ltd	Moana	10
Ka Aha Koe	Urban Pacifika Films	Koha Kii	10
Saturday Love	Urban Pacifika Films	Verse 3	10
Whakarongo a tai	Waahuu Creations	Toni Huata	10
Whakatatare Ake Ki Muri	Waru Records Ltd	Ricky Hurunui	10
Te Katoa	Waru Records Ltd	Ko Au	10
I Na Po	Waru Records Ltd	David Pau	10
Sub-Total Music Videos			120

Total Television Funding
26,795



Report of the Auditor-General

To the readers of the Financial Statements of Te Māngai Pāho for the year ended 30 June 2003

We have audited the financial statements on pages 14 to 36. The financial statements provide information about the past financial and service performance of Te Māngai Pāho and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 14 to 15.

Responsibilities of the Board

The Public Finance Act 1989 requires the Board to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Te Māngai Pāho as at 30 June 2003, the results of its operations and cash flows, and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 43(i) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Board. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Stephen Lucy, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the circumstances of Te Māngai Pāho, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered

necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

During the year we performed assurance assignments relating to a review of television funding provided by Te Māngai Pāho and a review of the systems and procedures for the allocation and monitoring of radio and television funding. Other than these assignments, and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Te Māngai Pāho.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Te Māngai Pāho on pages 14 to 36:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the financial position of Te Māngai Pāho as at 30 June 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 28 October 2003 and our unqualified opinion is expressed as at that date.

S B Lucy
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Te Māngai Pāho for the year ended 30 June 2003 included on its website. The Board is responsible for the maintenance and integrity of the website of Te Māngai Pāho. We have not been engaged to report on the integrity of the website of Te Māngai Pāho. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

We have not been engaged to report on any other electronic versions of the financial statements for Te Māngai Pāho, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 October 2003 to confirm the information included in the audited financial statements presented on this web site.

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



Statement of Responsibility

for the year ended 30 June 2003

The Board and management of Te Māngai Pāho accepts responsibility for:

- *the preparation of the annual financial statements and the judgements used therein;*
- *establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.*

In the opinion of the Board and management of Te Māngai Pāho, the annual financial statements for the year ended 30 June 2003 fairly reflect the financial position and operations of Te Māngai Pāho.

Wira Gardiner
Chair

Herewini Te Koha
Interim Chief Executive



Statement of Accounting Policies

for the year ended 30 June 2003

Reporting Entity

These are the financial statements of Te Māngai Pāho, a Crown Entity established under the Broadcasting Act 1989.

These financial statements have been prepared in accordance with Section 41 of the Public Finance Act 1989.

The function of Te Māngai Pāho is to promote the Māori language and Māori culture by making funds available for broadcasting and the production of programmes to be broadcast.

In the exercise of this function Te Māngai Pāho will consult from time to time with representatives of Māori interests, broadcasters and others who can, in the opinion of Te Māngai Pāho, assist in the development of funding policies.

Measurement Base

The measurement base adopted is that of historical cost unless otherwise stated.

Accounting Policies

The following accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Budget figures

The budget figures are those approved by the Board at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

Revenue

Revenue is received from an appropriation by the Crown, for services to third parties and income from investments. Such revenue is recognised as it falls due and is reported in the financial period to which it relates.

Taxation

Income Tax

No income tax liability is incurred in respect of any operations. Te Māngai Pāho is exempt from income tax in accordance with section 53 O of the Broadcasting Amendment Act 1993.

Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, except for accounts payable and receivable, which are recorded on a GST inclusive basis.

Fringe Benefit Tax

Fringe Benefit Tax is payable on all fringe benefits.

Accounts Receivable

Accounts Receivable are valued at expected realisable value after providing for doubtful and uncollectible debts.

Cash, Bank and Investments

Cash, Bank and Investments are recorded at cost.

Fixed Assets

All fixed assets are recorded at cost less depreciation to date. Any write-down of an item to its recoverable amount is recognised in the Statement of Financial Performance.

Depreciation

Depreciation is provided on a straightline basis on all fixed assets, at a rate which will write off the cost of the assets over their useful lives, with no residual value. The depreciation rates of major classes of assets have been estimated as follows:

Office Equipment	10-20%
Furniture & fittings	5-33%
Computer Equipment	25%
Leasehold Improvements	5.5-10%
Motor Vehicle	20%

Treatment of the Allocation of Funds

Subject to the following conditions, the allocation of funds to broadcasting projects is treated as expenditure in the year the allocation is made.

Prior to the end of the financial year, the project must have received Board approval and the funding applicant must have received notice of approval in writing. In addition, funding allocations that are date sensitive will be expensed in the financial period to which they relate.

Statement of Accounting Policies continued

The resulting liability is reduced as the applicant is paid according to the drawdown schedule specified in the production contract.

Financial Instruments

Te Māngai Pāho is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, accounts receivable and accounts payable. All financial instruments are recognised in the statement of financial position and all revenue and expenditure in relation to the financial instruments are recognised in the statement of financial performance.

Employee Entitlements

Provision is made in respect of the liability of Te Māngai Pāho for annual leave. The annual leave has been calculated on an actual entitlement basis at current rates of pay.

Leases

Finance Leases

Leases which effectively transfer to Te Māngai Pāho substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases. These leases are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period Te Māngai Pāho is expected to benefit from their use.

Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Commitments

Future payments are disclosed as commitments at the point when a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Te Māngai Pāho invests as part of its day-to-day cash management.

Operating activities include all activities other than investing and financing activities. The cash inflows include all receipts from the sale of goods and services and other sources of revenue that support the operating activities of Te Māngai Pāho. Cash outflows include payments made to employees, suppliers and for taxes.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise those activities relating to changes in the equity of Te Māngai Pāho.

Comparative Figures

To ensure consistency with the current year's presentation, comparative figures have been restated where appropriate.

Output Cost Statements

The Output Cost Statements, as reported in the Statement of Objectives and Service Performance, report the total funding allocations made for the radio and television outputs for the year ended 30 June 2003. They also report the costs of administrative activities undertaken by Te Māngai Pāho.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited financial statements. All policies have been applied on a basis consistent with the prior year.



Statement of Financial Performance

for the year ended 30 June 2003

2002 Actual \$000		Notes	2003 Actual \$000	2003 Budget \$000
Revenue				
33,622	Crown revenue	1	37,800	37,800
1,268	Other revenue	2	4,094	530
34,890	Total Revenue		41,894	38,330
Expenditure				
1,702	Administrative	3	1,610	1,430
	Funding			
21,743	- Television	4	26,795	29,400
10,046	- Radio	5	9,956	9,707
33,491	Total Expenditure		38,361	40,537
1,399	Net Surplus (Deficit) for the Year	6	3,533	(2,207)



Statement of Movements in Public Equity

for the year ended 30 June 2003

2002 Actual \$000	Notes	2003 Actual \$000	2003 Budget \$000
1,479	Public Equity brought forward as at 1 July	2,878	2,878
1,399	Net surplus / (deficit) for the year	3,533	(2,207)
1,399	Total recognised revenues and expenses for the year	3,533	(2,207)
2,878	Total Public Equity as at 30 June	6,411	671



Statement of Financial Position

as at 30 June 2003

2002 Actual \$000		Notes	2003 Actual \$000	2003 Budget \$000
2,878	Public Equity		6,411	671
	Represented by:			
	Assets			
	Current Assets			
17,739	Cash and bank	7	26,441	10,700
279	Accounts receivable and prepayments	8	1,041	500
18,018	Total Current Assets		27,482	11,200
	Non-Current Assets			
282	Fixed assets	11	250	300
282	Total non-current assets		250	300
18,300	Total Assets		27,732	11,500
	Liabilities			
	Current Liabilities			
191	Accounts payable and accruals	9	231	300
15,214	Funding liabilities	10	21,077	10,516
15,405	Total Current Liabilities		21,308	10,816
	Non-Current Liabilities			
17	Office equipment lease liability	13	13	13
17	Total non-current liabilities		13	13
15,422	Total Liabilities		21,321	10,829
2,878	Net Assets		6,411	671



Statement of Cashflows

for the year ended 30 June 2003

2002 Actual \$000	Notes	2003 Actual \$000	2003 Budget \$000
Cashflows from Operating Activities			
Cash was provided from:			
33,622	Crown funding	37,800	37,800
832	Interest received	1,354	500
113	Other revenues for services provided	116	10
34,567		39,270	38,310
Cash was applied to:			
695	Payments to employees	629	610
949	Payments to suppliers	1,138	700
17,149	Funding expenditure - television	18,015	33,200
10,136	Funding expenditure - radio	10,267	10,600
(339)	GST (net)	461	123
1	Interest on term liabilities	2	2
28,591		30,512	45,235
5,976	Net Cashflow from Operating Activities	8,758	(6,925)
Cashflows from Investing Activities			
Cash was provided from:			
2	Sales of fixed assets	20	20
Cash was applied to:			
190	Purchase of fixed assets	72	130
(188)	Net Cashflow from Investing Activities	(52)	(110)
Cashflows from Financing Activities			
Cash was applied to:			
2	Repayments of term liabilities	4	4
(2)	Net Cashflow from Financing Activities	(4)	(4)
5,786	Net Increase / (Decrease) in Cash Held	8,702	(7,039)
11,953	Plus Opening Cash	17,739	17,739
17,739	Closing Cash Balance	26,441	10,700
43	Cash at Bank	29	50
17,696	Short Term Investments	26,412	10,650
17,739	Closing Cash Balance	26,441	10,700

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.



Statement of Commitments, Contingent Liabilities & Resources

as at 30 June 2003

	2003 Actual \$000	2002 Actual \$000
Statement of Commitments		
Capital commitments approved and contracted	0	0
Non-cancellable operating lease commitments payable:		
Less than 1 year	30	56
1 year to 2 years	0	24
2 years to 5 years	0	0
	30	80
<p>These commitments relate to two leases for Te Māngai Pāho premises in Wellington. These leases expire within the next financial year. Te Māngai Pāho has the option to take up a right of renewal for a further two years.</p>		
Other non-cancellable contracts:		
Less than 1 year	9,253	8,743
1 year to 2 years	6,757	1,504
2 years to 5 years	0	0
	16,010	10,247
<p>At balance date Te Māngai Pāho had entered into non-cancellable contracts for the funding and the provision of services. Commitments relate to the iwi radio stations' operational and incentive funding contracts, radio programme funding, Streamcom and Telecom radio switching system contracts (as for 2002) and the Massey University survey contract (2003 only).</p>		
Total Commitments	16,040	10,327

Statement of Contingent Liabilities as at 30 June 2003

At the time of completing the Financial Statements, there were no Contingent Liabilities known to Te Māngai Pāho. (2002 \$Nil).

Statement of Resources as at 30 June 2003

Personnel

Members of the Board
Staff (full-time)

2003	2002
4	4
8	10

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements.



Notes to the Financial Statements

for the year ended 30 June 2003

	2003 Actual \$000	2002 Actual \$000
1 Crown Revenue		
	37,800	33,622
The increase in Crown revenue relates to increased appropriation for television programme funding (\$3.903million, GST exclusive) and increased appropriation for administration (\$0.275million GST exclusive).		
2 Other Revenue		
Revenue received from deposits	1,372	900
Previous funding commitments withdrawn or cancelled	2,710	368
Other	12	0
	4,094	1,268
Funding reversals are significant in 2003, primarily as a result of three large contracts not proceeding, each for different reasons acceptable to Te Māngai Pāho. Significant interest income was earned this year, primarily due to timing of funding payments relative to the timing of the receipt of Crown revenue.		
3 Administrative		
Overheads		
Personnel costs	709	782
Office overheads	163	177
Rent	78	77
Depreciation	84	77
Write-off of fixed assets	1	0
Audit fees	20	20
Other professional services provided by Audit New Zealand	40	32
Finance lease charges (Interest)	2	1
Professional services and consultants fees	237	101
Board and sub-committee costs - fees	48	77
(refer also note 18) - travel and accommodation	17	27
	1,399	1,371
Consultation		
Hui	34	62
Liaison	81	142
	115	204
Development		
Monitoring/surveys	11	12
Professional assessors	21	21
Publications and reports	27	32
Promotions	37	62
	96	127
Total Administrative Expenditure	1,610	1,702

In 2002 Te Māngai Pāho received a temporary increase in administrative funding. Administrative expenditure has reduced from the 2002 level as a result of lower staffing costs and lower associated office overheads. There has also been a greater focus on contract management issues and deferral of some liaison activities, which has resulted in cost savings.

Administrative expenditure is greater than budget, due primarily to additional legal and consultancy fees incurred as a result of a staffing issue within Te Māngai Pāho and pursuit of contract management issues.

	2003 Actual \$000	2002 Actual \$000
4 Funding Expenditure - Television		
Māori Television Service direct funding	8,154	0
TVNZ Māori programmes	4,905	4,961
Other programmes	13,473	16,532
Ngā Aho Whakaari	60	45
Movement in debt provisions	83	0
Music videos	120	205
Total Funding Expenditure - Television	26,795	21,743
Expenditure on television programming has increased on the 2002 level, in anticipation of the new Māori television channel. An increase in Crown revenue was received for this purpose in 2003.		
5 Funding Expenditure - Radio		
Iwi station operational funding	5,681	5,681
Iwi station language incentives	757	736
Iwi station survey funding	67	220
Radio distribution network	550	417
Programmes	2,277	2,251
Iwi station coverage extensions/enhancements	94	94
APRA Fees	45	41
Music compact discs	425	539
Whakaruruhau	60	67
Total Funding Expenditure - Radio	9,956	10,046
The reduction of overall funding for radio is primarily due to the timing of survey work of iwi radio stations.		
6 Net Surplus - Comparison with 2003 Budget	2003 Actual \$000	2003 Budget \$000
Net surplus (deficit)	3,533	(2,207)
A net surplus has arisen in 2003, primarily due to expenditure on television programming (\$26.795 million) not being as high as was budgeted for 2003 (\$29.400 million). This was mainly due to some delays in finalising arrangements with Māori Television Service. It is anticipated that the portion of unspent funding in 2003 which contributed to the net surplus will be utilised in 2004.		
7 Cash and Bank	2003 Actual \$000	2002 Actual \$000
Westpac bank current account	29	43
Westpac bank call account	16,412	7,696
AMP term deposit	0	5,000
ASB term deposit	5,000	5,000
BNZ term deposit	5,000	0
	26,441	17,739

- (a) As at 30 June 2003, the term deposits had maturity dates of less than two months and an effective interest rate of 5.2%.
- (b) Comparison of actual cash and bank at 30 June 2003 (\$26.441 million) with the budget at 30 June 2003 (\$10.700 million) shows a significantly higher actual balance. This is largely due to the delayed contracting of direct funding for the new Māori Television Service. This delay has impacted on the cash outflows and subsequent cash balances as at 30 June 2003.

		2003 Actual \$000	2002 Actual \$000	
8 Accounts Receivable				
Funding recoveries receivable		375	0	
less provision for doubtful debts		(93)	0	
Net funding recoveries receivable		282	0	
Accrued interest receivable		114	96	
GST receivable		623	172	
Prepayments		11	11	
Sundry debtors		11	0	
		1,041	279	
<p>At balance date, Te Māngai Pāho was seeking recovery of funds advanced in respect of two cancelled projects. These were not anticipated in the 2003 budget. GST receivable is higher than 2002, as a refund for a prior return period was not received until after year end.</p>				
9 Accounts Payable and Accruals				
Trade creditors		131	59	
Accruals		57	79	
Employee entitlements		39	49	
Office equipment lease liability		4	4	
		231	191	
10 Funding Liabilities				
<p>At the time projects are approved by the Board of Te Māngai Pāho and notification is made to the applicant, funding expenditure is charged against the current year's income and recorded as a liability. The liability is reduced as the applicant is paid according to the drawdown schedule specified in the funding contract.</p>				
Television		20,268	13,929	
Radio		809	1,285	
		21,077	15,214	
11 Fixed Assets	Original Cost (\$000)	Accum Depn (\$000)	Book Value 2003 (\$000)	Book Value 2002 (\$000)
Office equipment	94	70	24	32
Leased Photocopier	22	7	15	20
Furniture and fittings	80	42	38	43
Computer equipment	232	133	99	125
Leasehold improvements	63	22	41	41
Motor vehicle	39	6	33	21
	530	280	250	282
12 Depreciation		2003 Actual \$000	2002 Actual \$000	
Office equipment		15	15	
Leased Photocopier		5	2	
Furniture and fittings		6	6	
Computer equipment		44	42	
Leasehold improvements		6	4	
Motor vehicle		8	8	
		84	77	

	2003 Actual \$000	2002 Actual \$000
13 Office Equipment Lease Liability		
Payable within:		
1 to 2 years	5	4
2 to 5 years	8	13
	13	17
14 Cash Flow - Funding Expenditure - Television		
Comparison of actual funding expenditure for television in 2003 (\$18.265 million) with the budget expenditure for 2003 (\$33.200 million) shows a much reduced level of cash outflow. This is largely due to the delayed contracting of television programmes for the new Māori Television Service. This delay has impacted on the cash outflows and cash balances as at 30 June 2003.		
15 Reconciliation of Net Surplus to Net Cashflow from Operating Activities		
Net surplus	3,533	1,399
Add/(Less) non- cash expenditure/(income)		
Depreciation	84	77
Add/(Less) movements in working capital items		
(Increase) /decrease in accrued interest	(18)	(68)
(Increase) /decrease in accounts receivable	(293)	0
(Increase) /decrease in prepayments	0	(11)
Increase / (decrease) in accounts payable and funding liabilities	5,903	4,241
(Increase) / decrease in GST receivable	(451)	338
Net cashflow from operating activities	8,758	5,976

16 Financial Instruments

Te Māngai Pāho is party to financial instrument arrangements as part of its everyday operations. These financial instruments include instruments such as banking, investments and accounts receivable.

Credit Risk

Te Māngai Pāho has invested funds only with registered banks.

Concentration of Credit Risk

Te Māngai Pāho is not exposed to any concentrations of credit risk.

Fair Values

There were no differences between the fair value and carrying amounts of financial instruments as at 30 June 2003.

Credit Facilities

Te Māngai Pāho did not have bank overdraft facilities as at, or for the year ended, 30 June 2003.

Currency and Interest Rate Risk

There is no exposure to currency or interest rate risk on Te Māngai Pāho financial instruments.

		2003 Actual \$000	2002 Actual \$000
17 Remuneration of Employees			
	Only one employee (the Chief Executive) received remuneration of \$100,000 or more a year. His remuneration, as for 2002, fell in a band of between \$130,001 and \$140,000.		
18 Remuneration of Board Members			
	The Board of Te Māngai Pāho received the following fees for the year ended 30 June 2003.		
	Toby Curtis Chairman (resigned 28/5/03)	23	23
	Bill Nathan Deputy chairman (to 31/10/02)	4	14
	Frank Soloman (to 31/10/02)	3	14
	Fiona Wilson (to 31/10/02)	2	25
	Joanna Paul (resigned in 2002)	0	1
	Jacqui Te Kani Deputy chair (from 1/11/02)	6	0
	Te Ripowai Higgins (from 1/11/02)	6	0
	Tahu Potiki (from 1/11/02)	4	0
	Total Board Fees	48	77

As well as the attendance at Board meetings the level of fees to Board members is affected by their availability to sit on programme assessment panels.

19 Related Party Transactions

Te Māngai Pāho is a wholly owned entity of the Crown. All transactions entered into with other Government Departments, Crown Entities and State Owned Enterprises are conducted at armslength on normal business terms.



1

Output 1 Māori Radio

Outcome

The purchase by Te Māngai Pāho of broadcast time from Māori radio stations will, by the year 2005, be a minimum of eight hours of quality Māori language broadcast per day to 95% of the Māori population in New Zealand.

Objectives

- To facilitate the promotion of the Māori language by purchasing broadcast time from Māori radio stations.
- To provide incentives to stations to increase their level of Māori language broadcast.
- To provide each station with 24 hour access to the *Punga.net* switching system and distribution network in order to receive and transmit programmes from both each other and independent programme producers.
- To contract Māori broadcasting providers to provide specific programmes to be distributed to Māori radio stations via the *Punga.net* network.
- To contract musicians to provide Māori language Music CD's for distribution and use by Māori radio Stations.
- To make funds available to those stations wishing to extend their broadcast coverage to areas where there is currently no coverage by any Māori station.

Performance Indicator	Performance Standard	Actual Performance
Quantity		
Broadcast time purchased.	Nine hours purchased each day from each radio station.	Funding contracts entered into with each Māori radio station required the station to broadcast for 9 hours per day. <i>(No change from 2002)</i>
Māori language content of purchased broadcast time.	Four of the nine broadcasting hours purchased each day are in the Māori language.	For the 8 radio stations in the top tier category, 8 hours per day in te reo Māori is purchased. For the remaining 13 second tier stations a range of between 4 and 6 hours in te reo Māori depending on their individual contracts <i>(No change from 2002)</i> .
Additional hours of Māori language broadcast purchased.	Up to two additional hours each day of Māori language broadcast may be purchased from qualifying stations.	Up to 2 additional hours each day of Māori language may be purchased from the 13 second tier stations. <i>(No change from 2002)</i> . Contractual arrangements have been in place for incentive agreements for 11 of the 13 stations.

Statement of Objectives & Service Performance continued

Performance Indicator	Performance Standard	Actual Performance
Compliance with both broadcast hours and Māori language content.	All stations will be monitored throughout the year and the results will be analysed and reported to both the station concerned and the Board.	All 21 stations have been formally monitored during the year. Monitoring results have been reported to the Board. Results have also been reported to the radio stations. Compliance with broadcast hours has been met without exception. Compliance with Māori language content requirements is being consistently achieved by the majority of stations (14 of 21). Remonitoring arrangements, follow up action, or contract renegotiations are in progress for the remainder (7 of 21).

Purchase of programming for national broadcast to be distributed to Māori Radio Stations via the <i>Punga.net</i> network.	Programme Genre	Annual Hours	Actual Hours	
			2003	2002
	News	396	396	396
	Sport	130	130	145
	Documentaries	125	125	130
	Current Affairs	390	650	390
	Youth/Music	270	720	780
	Magazine	65	26	0
	Drama	6	6	0
	Archive	0	0	26
	Matua	1,040	1,040	1,040
	Outside Broadcasts	115	115	203
	Tamariki	0	0	7
	Total Hours	2,537	3,208	3,117
	Music CDs	8 CD albums 8 CD singles	10 albums 10 singles	12 albums 20 singles

Quality

The quality standards in operation include:

Stations' Performance

Quarterly reports are required from all stations.

Each report is analysed by management and the results are reported to both the station itself and the Board.

Feedback on each quarterly report will be provided to each station.

An analysis of each of the quarterly reports will be prepared for the Board.

Quarterly reports have been received from all stations according to due date. Feedback is provided to all stations.

Analyses of quarterly reports as received were provided by management to the Board of Te Māngai Pāho.

Quality Indicators Framework

Framework completed in conjunction with the Māori Radio Station network. Reporting of achievement against the quality framework benchmarks for nominated stations for the last quarter of the 2002/2003 year.

Final Framework model established by May 2003. Approval of framework by the Board. Quarterly reporting to the Board of station's performance against benchmarks.

The model has been developed but is currently still in a pilot phase being trialled by the eight top tier stations. Full implementation will occur in the next financial year.

Statement of Objectives & Service Performance continued

Performance Indicator	Performance Standard	Actual Performance
<p>The following will be purchased by Te Māngai Pāho, to assist stations in achieving high quality broadcast:</p>		
<p>Distribution Service A distribution service (<i>Punga.net</i>) will be available to radio stations 24 hours each day, for the purposes of sending and receiving programmes from each other and independent programme makers.</p>	<p>Quarterly reports on the usage of the distribution service will be prepared and reported to the Board.</p> <p>Performance of the organisation providing the service will be gauged from stations through the quarterly reports and all issues arising will be actioned.</p>	<p>Quarterly reports on the usage of the distribution system (<i>Punga.net</i>) were reported to the Board.</p> <p>The performance of the two organisations providing the system is gauged through the quarterly reports received from the Radio Stations. Ratings from Stations are applied on a scale of 1 being very poor, through to 5 being very good. The Service was rated at an average of 3.7, based on 53 responses from 21 stations. All issues arising were actioned.</p>
<p>Programming Co-ordination The Industry representatives, Te Whakaruruhau, will be contracted to, among other tasks, promote and facilitate greater co-ordination of existing programmes available through <i>Punga.net</i> network.</p>	<p>Quarterly reports will be required from Te Whakaruruhau, detailing the progress against agreed objectives.</p> <p>Performance of Te Whakaruruhau will be gauged from stations through the quarterly report process and reported to the Board.</p>	<p>Quarterly reports were received from Te Whakaruruhau.</p> <p>Progress has been sound against objectives, in particular on-going Te Whakaruruhau Executive participation on the Radio Review Team, which reviews programme funding recommendations, before they go to the Board for consideration.</p>
<p>Audience Information Funding will be available to enable five stations to be surveyed for the purpose of determining audience size and preferences so as to better meet audience needs. Survey based information will also be obtained and analysed in order to ascertain the effectiveness of funding strategies aimed at the promotion and revitalization of the Māori language.</p>	<p>The results of the audience survey are made available to respective stations and will be analysed and reported to the Board.</p>	<p>Te Pūtahi-a-toi, Massey University has completed a full survey of the radio station network. The final report has been received and presented to the Board.</p> <p>The survey results show that the Māori Radio Network has a significant share of the total Māori audience.</p> <p>The survey highlights results which will help shape further work in the sector.</p>
<p>Purchase of programming for national broadcast</p>		
<p>Assessment of Proposals The quality of programmes purchased by Te Māngai Pāho is measured by a quality assurance process that ensures all proposals are evaluated by an assessment committee comprising industry representation from Te Whakaruruhau, a Board member and Te Māngai Pāho management, against a set of criteria approved by the Board.</p>	<p>All programme proposals will be assessed by an assessment committee, in accordance with the approved criteria.</p> <p>All proposals must then be approved by the Board.</p>	<p>Sixty-five programme proposals were received by an assessment panel and evaluated in accordance with approved criteria. Recommendations were provided to the Board.</p> <p>Twenty-nine were approved by the Board.</p>
<p>Review and Evaluation A selection of programme genre will be monitored throughout the year by a recognised Māori language authority for language quality. Feedback from stations on the quality of the programmes will also be gauged through the quarterly report mechanism.</p>	<p>The results of the review and evaluation will be reported to the Board and programme maker</p>	<p>Programme recordings have been monitored for quality by Te Taura Whiri i Te Reo Māori during the year. The monitoring indicated that the quality of te reo Māori was rated at either very good or excellent. Informal feedback has been provided to programme makers as required.</p>

Statement of Objectives & Service Performance continued

Performance Indicator	Performance Standard	Actual Performance
Location		
Broadcast Coverage Te Māngai Pāho will work with stations to ensure the widest possible Māori audience have access to Māori language broadcast.	All applications will be evaluated in accordance with the approved formula.	Broadcast Extension funding was provided for Ngai Tahu and Te Korimako during the year. All funding was approved after management evaluation and Board approval.

Cost			
	Budget	Actual	Actual
	2003	2003	2002
	\$000	\$000	\$000
Radio Station base operational funding			
- 8 top tier stations @ \$320,000 each			
= \$2,560,000			
- 13 second tier stations @ \$240,000 each	5,680	5,681	5,681
= \$3,120,000			
Radio Station Incentive Funding	733	757	736
Radio Station Audience Survey Funding	110	67	220
Coverage Extension/Enhancement Funding	150	94	94
Te Whakaruruhou o Ngā Reo Irirangi Inc Funding	60	60	67
Australasian Performing Rights Association (APRA) Fees	46	45	41
Event Broadcast Funding	100	66	170
Radio and Programme Funding	2,008	2,211	2,081
Radio Distribution Service Fee (Punga.net)	470	550	417
Music CD Funding	350	425	539
Total for output: Māori Radio	\$9,707	9,956	10,046
	(GST Excl.)		

2

Output 2 Māori Television Programming

Outcome

The purchase by Te Māngai Pāho of Māori language television programming to enable a minimum of three hours original programming per day to be made available for broadcast in prime time, to at least 75% of the Māori population, by 2004/2005.

Objectives

- To purchase a range of programmes in 100% te reo Māori
- To purchase a range of programmes for the Māori Television Service which in aggregate has a te reo Māori content of at least 50%.
- To purchase an agreed level of programming for TVNZ.
- To purchase a wide variety of programme genre which has broad audience appeal, whilst also specifically prioritising the children's, youth and educational genre.
- To provide programme funding, to independent producers, to the Māori Television Service and to TVNZ, which facilitates the Te Māngai Pāho purchase objectives.
- To promulgate alliances and co-funding for programming with both English and te reo Māori content.

Performance Indicator

Performance Standard

Actual Performance

Quantity

Te Māngai Pāho will call for genre specific programme proposals, and assess proposals against agreed criteria. The number of programme hours purchased and their costs are as follows:

2002/03	Hours	\$000 (excl. GST)	Hours	\$000 (excl. GST)
	634	29,400	2137.25*	26,795

*The above figures for programming hours purchased by Te Māngai Pāho in 2003 include a total of 1083 hours commissioned from Māori Television Service for in-house productions and acquisitions at a cost of \$8.154 million. These hours are not included in the genre breakdown following.

Statement of Objectives & Service Performance continued

Performance Indicator	Performance Standard	Actual Performance
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Genre (excluding MTS direct funding)

The variety of television programmes to be purchased by genre is shown below. For each genre, a percentage range is shown. This range represents the approximate percentage of total programming hours which is intended to be purchased by Te Māngai Pāho, for each of the genre specified:

Genre	% range	Actual % of total programming hours
Tamariki	10-15 (Priority genre)	4.73
Rangatahi	10-15 (Priority genre)	9.84
Other Educational	10-15 (Priority genre)	15.71
Animation	5-10	Nil
News/Current Affairs	10-20	35.01
Documentary	5-15	0.62
Magazine	10-15	5.58
Drama/Movies	5-15	Nil
General Entertainment	15-20	2.46
Sport	5-10	14.27
Reversioning	2-10	11.54
Music Videos	1-5	0.24

Language Mix (te reo Māori content of funded programmes)	%	Actual % of Language Mix
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2002/03	50	72.06% Māori
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The overall average is ahead of target for the year as a result of the emphasis given to funding programmes with more than 50% te reo content.

Quality

The quality standards in operation include:

Assessment of Television Programme Proposals

The quality of programmes purchased by Te Māngai Pāho is measured by a quality assurance process that ensures all proposals are evaluated by an assessment committee comprising of industry and Te Māngai Pāho representation, against a set of criteria approved by the Board of Te Māngai Pāho.

All programme proposals will be assessed by an assessment committee, in accordance with the approved criteria.

All proposals will be approved by the Board.

All programme proposals were assessed by assessment committees and evaluated against approved criteria.

Recommendations from assessment committees were provided to the Board of Te Māngai Pāho for consideration and approval.

During the year 70 programme proposals were received and 35 were approved by the Board.

Review and Evaluation

A selection of programme genre will be monitored throughout the year for language quality by a recognised Māori language authority.

The results of the review and evaluation will be reported to the Board and programme maker.

Evaluations by Te Taura Whiri i Te Reo Māori were undertaken during the year. These evaluations were reported to the Board of Te Māngai Pāho and the producers concerned.

Evaluations are conducted prior to programme finalisation so that issues identified can be addressed in the finished product.

Statement of Objectives & Service Performance continued

Performance Indicator	Performance Standard	Actual Performance
<p>Audience Viewership Audience survey information will be analysed to ascertain viewership of programming that has been funded by Te Māngai Pāho. Survey based information will also be obtained and analysed to ascertain the effectiveness and influence of broadcasting on Māori language promotion and revitalisation.</p>	<p>The results of surveys will be reported to the Board and programme producer.</p>	<p>Monthly reports of survey results were produced by AC Nielsen and presented to the Board meetings of Te Māngai Pāho.</p>
<p>Ngā Aho Whakaari Quarterly feedback and reporting on television industry issues which are under joint consideration by Ngā Aho Whakaari and Te Māngai Pāho.</p>	<p>Quarterly reports will be submitted to the Board.</p>	<p>Currently receiving monthly reports which are reported to the Board. MOU are drawn up for each quarter.</p>
<p>Location</p>		
<p>Broadcast</p>	<p>The broadcast will be available nationally, reaching 75% of the Māori population.</p>	<p>Due to the absence of Māori Television Channel, broadcast was primarily on the TVNZ and TV3/TV4 Network.</p>
<p>Cost</p>		
<p>Cost</p>	<p>The total cost for this output will be \$29.4m (GST excl).</p>	<p>TV Programming contracted during the year totalled \$26.795m (2002 - \$21.74m).</p> <p>The sum contracted is less than the target amount, principally due to deferral of the expected on air date for the Māori Television Service.</p>



Statement of Management Procedures

for the year ended 30 June 2003

Outcome

Efficient and effective administration

Objective

To purchase broadcasting services and Māori language programmes designed to promote the Māori language and culture

Description

Te Māngai Pāho is a Crown Entity and is governed by a range of legislation; the most important of which are the Broadcasting Act 1989 and the Public Finance Act 1989. Te Māngai Pāho derives its income from a Crown appropriation. This is then used to achieve the objective or function of Te Māngai Pāho, which is the promotion of the Māori language and culture through broadcasting. The actual administrative function of Te Māngai Pāho is funded through an appropriation separate to the appropriation for the broadcasting outputs.

The administrative activities undertaken by Te Māngai Pāho within the administrative appropriation, and the accountability thereof, are as follows:

Management Procedures

Actual performance 30 June 2003

Accountability

Objective To be accountable and transparent with all policies, decisions and performance.

Te Māngai Pāho is accountable through –

- Publishing its Statement of Intent for tabling in Parliament and for issue to all interested parties, at the beginning of the financial year. The Statement of Intent for 2002/03 was tabled on 8 October 2002.
- Publishing all new funding policies and guidelines within one month of adoption and circulating them to all interested groups. There were no changes applicable to funding rounds in the year to 30 June 2003.
- Communicating all funding decisions by letter to applicants and by press release (where appropriate) to the general public. Achieved.
- Publishing the audited, annual report in accordance with the Public Finance Act, following the end of the financial year. Achieved. The Annual Report for 2001/02 was tabled on 23 October 2002.
- Providing quarterly reports to the responsible Minister in accordance with the Memorandum of Understanding entered into with the Minister at the beginning of the financial year. Achieved.

Consultation

Objectives

- To operate an effective two-way communication process with the responsible Minister, Māori broadcasters and programme producers, transmission suppliers, and other service providers
- To assess the needs of Māori broadcasters and programme producers through both research and consultation

Both formal and informal consultation will take place with –

- Māori broadcasters,
- Māori language interest groups,
- Māori audiences and
- Other Government agencies,

During the year, formal and informal consultation with identified stakeholders included the following:

Significant discussions were held centred on the development of the Māori Television Service both at a Board and Management level.

Te Māngai Pāho seeks the views and opinions of Te Taura Whiri i te Reo Māori through interaction at various levels.

Reaction and opinion from Māori audiences have been sought through regular AC Nielson audience surveys. An 0800 number is maintained for direct feedback from Māori Radio audiences around the country.

Varying levels of contact have been maintained with other government agencies, as was deemed appropriate. In particular, consultation or discussions took place with Te Puni Kokiri, The Treasury and NZ on Air.

in accordance with section 53C of the Broadcasting Act 1989, in order to seek advice on the most appropriate way to promote the Māori language and Māori culture through broadcasting. Formal consultation will incorporate an annual hui to be held in October of each year, as well as regular, scheduled meetings with Māori Radio and Television industry representatives. Informal consultation will occur as a matter of day to day operations. Where it is identified that information will enhance Te Māngai Pāho outcomes, research will be commissioned and undertaken throughout the financial year.

The annual hui was held in October 2002 to determine planning strategies and priorities.

There was also consultation with representatives to the industry bodies for Māori Radio (Te Whakaruruhau o Ngā Reo Irirangi) and TV Producers (Ngā Aho Whakaari), as well as ongoing meetings with individual companies involved in Māori Broadcasting.

Broadcasting service and programme purchase

Objective

To purchase broadcasting services and Māori Language Programmes designed to promote Māori Language and Culture. The purchase of both broadcasting services and Māori Language programmes designed to promote the Māori Language and culture involves the following processes:

Developing Policies

Te Māngai Pāho will develop policies based on the requirements of the Broadcasting Act, the Crown’s objectives for Māori broadcasting, the Crown’s Māori Language Strategy, the Crown’s requirement for a Māori Television Service and the outcomes of the consultation and communication with interested parties. Te Māngai Pāho will have regard to the practicalities of the broadcasting industry as a whole, and Māori broadcasting in particular, in formulating those policies.

Funding policies have been developed in accordance with the agreed parameters.

Statement of Management Procedures continued

Management Procedures	Actual performance 30 June 2003
The policies will be focused on the revitalisation of te reo Māori through broadcasting,	The key focus of funding policies has been on revitalisation of te reo Māori.
Te Māngai Pāho will also monitor the effect of its policies in the Māori broadcasting industry and where deemed necessary, modify its policies to accommodate any changes.	Monitoring implemented through research surveys, formal and informal feedback and consultation. Results of this feedback will be incorporated into planning for the 03/04 year.
Making Purchase Decisions	
All purchase decisions made by the Board will be in accordance with the approved policies (detailed in the Request for proposals - RFPs).	Achieved.
Purchase decisions will also be reviewed at regular intervals, (at a minimum annually), to ensure they are meeting their intended needs.	Purchase decisions reviewed at an aggregate level on an annual basis.
All completed applications received by Te Māngai Pāho by the published deadlines will be considered by the Board within one month following the deadline.	Achieved.
All purchase decisions made by the Board will be in accordance with the provisions of the Broadcasting Act and Te Māngai Pāho policies.	Achieved.
Te Māngai Pāho will notify all applicants by letter as soon as practicable and by press release where appropriate to the general public.	Achieved.
Effective Contract Management	
Contracts will be put in place for all successful applicants. Contracts will also be entered into to provide a range of broadcasting services to Te Māngai Pāho.	Achieved.

The type and anticipated quantity of contracts managed by Te Māngai Pāho over the course of the financial year is:

Broadcasting Services	Expected Number of Contracts for 2002/2003	Actual Performance to 30 June 2003
Radio		
Station Operational and Incentives	21	21
Audience Surveys	2	1
Distribution and Switching service	2	2
Broadcast Extensions	5	2
Te Whakaruruhau	1	1
Programming	15	13
Music CDs	16	20
Outside Broadcasts	10	8
On going from prior years	25	34
Total Radio /Music	97	102
Television		
Programming	65	58
Music Videos	10	12
Ongoing from prior years	15	19
Total Television	90	89

Management Procedures

Monitoring

Te Māngai Pāho has developed procedures relating to the monitoring of contracts to ensure that contractual obligations are being met. These procedures include a mix of self-monitoring by the recipient, external monitoring by an independent third party and internal monitoring by Te Māngai Pāho staff and Management.

Internal monitoring by Te Māngai Pāho will include the receipt and analysis of production reports, financial statements and audience surveys. Te Māngai Pāho will also review tapes of programmes for both production value and language content against the contracted requirements.

External monitors will be engaged to undertake projects that are outside the expertise of Te Māngai Pāho staff or when there is insufficient internal resources available within Te Māngai Pāho. This monitoring or review will address projects such as audience surveys, language content and quality monitoring and financial reviews or audits.

Actual performance 30 June 2003

During the year, Te Māngai Pāho successfully managed 107 projects to completion. Contracts with three producers were placed in default (2002 Nil). Contract monitoring procedures have been reviewed to identify ways to strengthen our ability to make appropriate and timely interventions.

Internal monitoring completed as specified in individual contracts to the extent programmes completed during this year.

An external monitor was utilised to carry out a financial review of one funding contract during the year. During this year Te Māngai Pāho also initiated an external review of its own financial and contract management systems. The results of these reviews will be utilised to enhance overall contract monitoring systems in the future.

Significant legal advice was sought on contract management issues arising during the year. The Māori language Commission (Te Taura Whiri) i te reo Māori provided expertise for Māori language content and quality monitoring.

Cost

Administration, including all elements of Accountability, Compliance, Consultation, Programme Assessment and Purchase Arrangements, Contract Management and Monitoring, as outlined in the foregoing has an estimated cost of \$1,430,556.

Actual cost to 30 June 2003 was \$1,609,546 (2002 - \$1,702,346) Administration expenditure was greater than budget due primarily to additional legal and consultancy fees incurred that were not anticipated in the budget.