

Statement of Intent

2005



2005

Tauākī Whakamaunga Atu

VISION & MISSION OF TE MĀNGAI PĀHO

VISION

*Ahakoā kei whea,
Ahakoā āwheā,
Ahakoā pēwheā,
Korereō Māori!*

Māori language – everywhere, every day, in every way!

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.*

Bringing the joy of Māori language to all listeners and viewers.

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Te Māngai Pāho

**STATEMENT OF INTENT
FOR THE YEAR ENDING
30 JUNE 2005**

**Presented to the House of Representatives
Pursuant to section 41 E of the Public Finance Act 1989**

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**JOINT STATEMENT BY THE MINISTER OF MĀORI AFFAIRS AND THE
CHAIR OF THE BOARD OF TE MĀNGAI PĀHO**

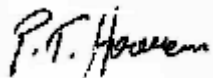
We are pleased to present Te Māngai Pāho's Statement of Intent for 2004/05 as an indication of how Te Māngai Pāho intends to fulfil its responsibilities and contribute to the achievement positive outcomes for Māori language, culture and national identity.

In 2003/04 Te Māngai Pāho focused on bringing into operation new procedures and systems to support its programme funding role. While this work will continue in the upcoming year Te Māngai Pāho's broader priority is to assist iwi radio, the Māori Television Service and the independent production community to consolidate the significant gains made in Māori broadcasting.

This year, Te Māngai Pāho will work with iwi radio industry representatives to help them address industry skill and capacity issues and, with Te Puni Kokiri, consider how best to respond to wider infrastructural concerns for iwi radio. Te Māngai Pāho will also work with the Māori Television Service and with the independent production community this year to establish more cohesive and effective working relationships between all parties.

We are optimistic that, with support, care and effort from Te Māngai Pāho and its key stakeholders, a quality future for Māori broadcasting will be assured.

Tuhia te ha o te reo ki te rangi!
Kia ora



Hon Parekura Horomia
Minister of Māori Affairs



Harawira Tiri Gardiner
Te Māngai Pāho Board Chair

PART A: STATEMENT OF INTENT – Outcomes, Strategies & Objectives

Introduction

Purpose and Scope

Our annual Statement of Intent (SOI) informs Parliament, Māori, the wider public and our industry stakeholders about:

- ▲ the outcomes we wish to pursue for the promotion of Māori language and Māori culture;
- ▲ the activities we will undertake to pursue our outcomes and the performance standards expected of us; and
- ▲ how we will use taxpayers' funds and other resources to carry out our activities to agreed standards.

Accordingly, the 2004/05 SOI is made up of two main parts:

The first part broadly describes the environment within which Te Māngai Pāho operates and, taking this into account, the strategic direction the board has set for the agency. The strategic direction is articulated in the form of three intermediate outcomes Te Māngai Pāho will seek to achieve for promoting Māori language and culture, fostering Māori television and radio broadcasting, and strengthening national identity.

The second part of the SOI is specific to the 2004/05 year and includes the forecast financial statements (and statement of responsibility) and the Statement of Output Objectives. These establish the overall performance and financial accountabilities of the Board and its agency for the coming year.

About Our Agency

Successive governments have acknowledged that te reo Māori is a *taonga* (treasure) warranting its active protection and support. This commitment led to Te Māngai Pāho's establishment in 1993 under the Broadcasting Amendment Act. Consistent with this focus on te reo Māori, Te Māngai Pāho's statutory role is to:

- ▲ promote the Māori language and Māori culture by making funds available, on such terms and conditions, as it thinks fit, for broadcasting and the production of programmes to be broadcast [s.53(B)]; and to –
- ▲ have regard to the needs and preferences of children participating in te reo Māori immersion education and all persons learning te reo Māori [s 53 (E)].

Te Māngai Pāho primarily meets its statutory obligations by funding *te reo Māori* and *tikanga Māori* programmes for television and radio. To further ensure that actual broadcast outcomes are achieved Te Māngai Pāho also:

- ▲ currently funds 21 iwi radio stations to deliver between six and eight hours of Māori language content each day;
- ▲ supports the Māori Television Service and TVNZ with direct funding for their respective in-house Māori language programmes; and
- ▲ supports independently made Māori language programmes commissioned for television and radio.

While Te Māngai Pāho is a broadcasting sector agency in terms of *where* and *which industry* it funds it is, above all else, a Māori language sector agency in terms of *why* it funds.

Agency Structure & Governance

Te Māngai Pāho is a Crown Entity funded by Parliament (through Vote: Māori Affairs) and is accountable for its conduct and performance to the Minister of Māori Affairs.

Te Māngai Pāho has a board of directors that is responsible for governance of the agency. The board's governance role is to: set the agency's goals and overall direction; make policies and decisions about its programme funds; ensure the agency has the personnel, systems and resources to carry out its role; and ensure the agency complies fully with its legal and other obligations.

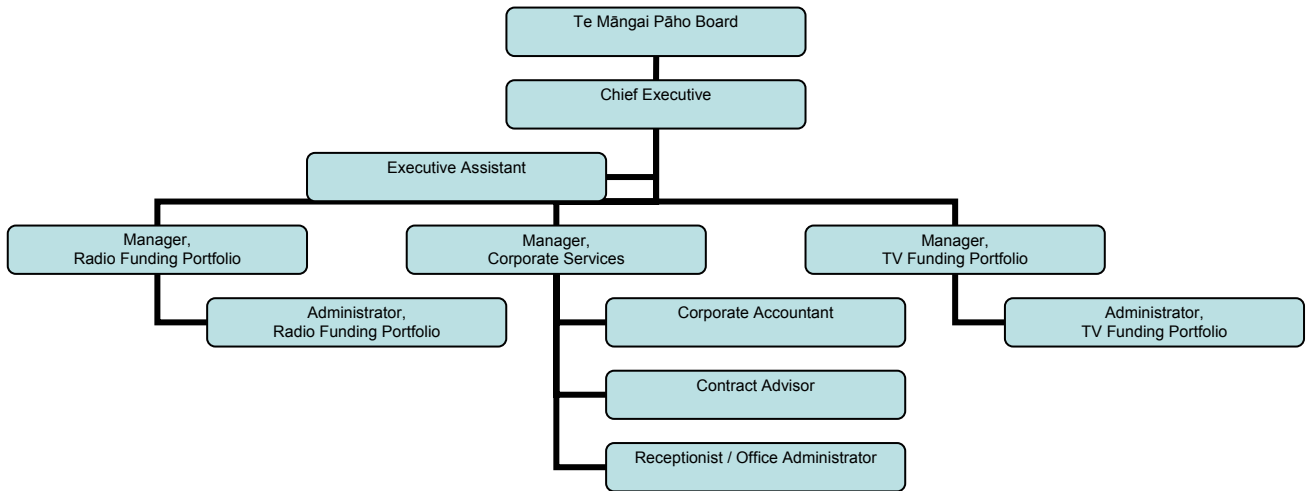
The board employs a chief executive and nine other staff to carry out Te Māngai Pāho's operations (see diagram 1 overleaf). The core work of the agency staff is to manage up to \$50 million (GST exclusive) in funding contracts between the agency and various programme makers and broadcasters.

Key Stakeholders

Te Māngai Pāho's key stakeholder groups include:

- ▲ *Te Puni Kokiri*: which has lead responsibility for public policy on Māori broadcasting and Māori language and assesses the performance of Crown entities funded through Vote: Māori Affairs;
- ▲ *Other Māori Language Sector Agencies*: including Te Taura Whiri i te Reo Māori (the Māori Language Commission), Te Pouaka Whakaata Māori (the Māori Television Service) and the Ministry of Education, which all contribute to the Government's Māori language strategy and goals to 2028;
- ▲ *Māori broadcasting industry groups*: principally Te Whakaruruhau o Ngā Reo Irirangi Māori (the iwi radio industry body) and Ngā Aho Whakaari (the association of independent Māori television producers), who promote the aspirations, needs and concerns of iwi broadcasters and Māori language programme makers; and
- ▲ *Broadcasting Sector Agencies*: including NZ on Air, the Ministry for Culture and Heritage and public service broadcasters.

Diagram 1: Te Māngai Pāho Organisational Chart



Our Operating Environment

Given Te Māngai Pāho's dual heritage as a Māori language sector agency and a broadcasting sector agency, it must be cognisant of trends and developments impacting on both sectors. Those trends and developments broadly represent the environment within which Te Māngai Pāho plans and operates and are summarised below:

Māori Language & Education

- ▲ In 1998 a nationwide survey of Māori aged 16 and over found that 85% of Māori had either low fluency or no fluency in their language of heritage.
- ▲ Māori under the age of 34 accounted for 63% of those with low or no fluency in te reo Māori.
- ▲ Of the highly fluent Māori speakers, a third are aged 60 and over.
- ▲ Te reo Māori use is confined to a small number of "domains", most commonly: the marae, at church and at pre-school and school.
- ▲ Māori enrolments in immersion education continue to steadily increase but account for only 20% of Māori students overall.
- ▲ Despite the high percentage of Māori who are not fluent in te reo, attitudes towards te reo Māori remain strong and positive among all Māori.

Māori Broadcasting Industry

- ▲ The iwi radio network has matured to become the predominant deliverer of reo Māori programme hours for broadcast, although it faces critical infrastructure needs.
- ▲ The Māori Television Service creates unprecedented opportunities for te reo Māori and kaupapa Māori television programme makers, although the Māori television production sector is still very much in a fledgling state. Independent production is affected by the commissioning policies of the Māori Television Service.
- ▲ There are insufficient numbers of Māori language speakers with technical, production and/or presentation skills to meet broadcasting industry demands.
- ▲ The industry is prone to rapidly changing technologies, increasingly sophisticated audience demands and limited scope for securing revenue outside of government.
- ▲ However there is optimism within the industry that a real niche exists in the global market for indigenous stories and storytelling.

The Wider Environment

- ▲ Taxpayer-funded Māori initiatives continue to attract intensive political, media and mainstream scrutiny, particularly if projects fail.
- ▲ Despite this, there is broad acceptance that Māori language and Māori culture are integral to New Zealand's national heritage and identity.
- ▲ There are renewed calls to re-instil the spirit of *public service* in Public Service Broadcasting, an ethos wholly consistent with Māori language broadcasting.

Outcomes We Will Pursue

Major Outcome

Te Māngai Pāho seeks to contribute directly and meaningfully to the revitalisation of Māori language and Māori culture among whānau, hapu, iwi and other New Zealanders.

Accordingly, the major outcome we seek is:

*Kia whānui te kōrero Māori me ōna tikanga
Kia whānui te mārama i te Māoritanga ki te motu.*

To foster within Aotearoa the normalisation of Māori language and greater awareness of Māori values, practices and views.

For our major outcome to be achieved:

- ▲ A focus on restoring Māori language among Māori people must be a “first principle” to ensure the sustainable and proper guardianship of te reo Māori;
- ▲ The key platforms for Māori language broadcasting to Māori, namely the iwi radio network and the Māori Television Service, must deliver quality Māori language outcomes appropriate to the needs of their audiences;
- ▲ The appropriate level of support must be provided by other national broadcasters for Māori language and cultural content within their programme schedules in order that te reo Māori and tikanga Māori programmes be accessible to wider audiences; and
- ▲ The independent production industry must also be supported in order that the demand for Māori programmes be adequately met and the programmes must be vibrant, diverse and of high quality.

These imperatives are reflected in the following statements of Medium-Term or Intermediate Outcomes that Te Māngai Pāho will pursue and contribute to. These intermediate outcomes are critical because they will drive short to medium-term operations and management decisions.

Intermediate Outcomes

Intermediate Outcome One:

Whānau, hapu and iwi, and Māori communities, are able to maintain and strengthen their reo & tikanga.

This first intermediate outcome recognises the particular role whānau, hapu and iwi play in the long-term sustenance, ownership and use of te reo Māori and tikanga Māori.

Te Māngai Pāho acknowledges the contribution iwi radio makes at a local level to promote and celebrate hapu and iwi identity, and the contribution the Māori Television Service is able to make in respect of pan-Māori interests.

To this end Te Māngai Pāho will, within its means, continue to support the aims of iwi radio and ensure resourcing for Māori Television to achieve a sustainable and attractive programme schedule for its audiences.

Over the next three-five years Te Māngai Pāho will:

- ▲ ensure that pākeke and kaumātua support for Māori programming is reflected in its annual purchasing priorities for television and radio; and
- ▲ ensure that its funded programmes promote quality Māori language and cultural content.

Intermediate Outcome Two:

New Zealanders are able to experience reo Māori and tikanga Māori.

This outcome recognises that in order for te reo Māori and tikanga Māori to enrich our identity, society & culture, New Zealanders must have opportunities to experience reo Māori and tikanga Māori. They must also have access to Māori programmes and programme choices that are of international standard.

Te Māngai Pāho can play a pivotal role in supporting windows of opportunity for Māori and all other New Zealanders to access quality reo Māori and tikanga Māori programmes in their own homes. To this end, Te Māngai Pāho will, within its means and statutory brief, continue to support the Māori programming efforts of other national broadcasters in order that New Zealanders enjoy universal access to quality Māori programming.

To ensure the ongoing provision of these programmes Te Māngai Pāho also has a significant interest in supporting the development and consolidation of the Māori screen production industry. Over the next three to five years Te Māngai Pāho will:

- ▲ work actively with the iwi radio and Māori television industries to help address skill and infrastructure gaps critical to the success of Māori language broadcasting and programme making;
- ▲ establish and/or support mechanisms for managing and ensuring the quality of Māori language programme content in its funded productions and, within this, ensure that it is allocating reasonable and sufficient funds to ensure quality programmes are made;
- ▲ recognise and support meritorious productions which may be initially destined for mainstream national television.

Intermediate Outcome Three:

Learners of all ages and abilities are supported in their Māori language education, use and retention.

This outcome recognises the formal expectation that Te Māngai Pāho will, in carrying out its role, support the efforts of students enrolled in Māori language education.

To this end, and over the next three to five years, Te Māngai Pāho will:

- ▲ ensure its annual purchase priorities include Māori language learning programmes for all age groups, and reo Māori programmes of interest to rangatahi; and
- ▲ ensure that the programmes it funds promote the use of reo Māori across a diverse range of interactions and domains.

Alignment to Government's Goals

Te Māngai Pāho's outcomes align well with a number of the "Key Government Goals to Guide the Public Sector in Achieving Sustainable Development". A full list of these goals can be found at www.dpmc.govt.nz

In relation to the Government's key goals, we will contribute towards:

- ▲ Strengthening our national identity – by enriching and defining New Zealand's identity and society and by promoting our diverse cultural heritage.
- ▲ Growing an inclusive, innovative economy – by providing employment opportunities for New Zealanders and by contributing to the Nation's productivity and sustainable economic growth.
- ▲ Maintaining Trust in Government – by working in partnerships with communities and by working constructively with Parliament.
- ▲ Improving New Zealanders' Skills – not only by fostering education and training and by enhancing the nation's skills and understanding of reo and tikanga Māori, but also through building on industry and sector training in radio and small screen production.

We will also advance the Government's Māori Language and Māori Broadcasting Strategies by:

- ▲ encouraging all New Zealanders to value (or at least understand the value of) reo Māori;
- ▲ providing all New Zealanders with access to quality reo Māori programmes;
- ▲ promoting an awareness of current Māori issues;
- ▲ protecting, promoting and developing reo and tikanga Māori through programmes that inform, entertain and educate people; and
- ▲ ensuring that our programmes cater for diverse audiences and are as widely accessible to all New Zealanders as possible.

The Government's Māori Language Strategy can be found at www.tpk.govt.nz

Our Operational Goals for the Next Three to Five Years

Over the next three to five years, Te Māngai Pāho will pursue its intermediate outcomes:

- ▲ Through the purchase of reo Māori and tikanga Māori programmes to be broadcast on television;
- ▲ Through the purchase of core operational capacity and reo Māori content from iwi radio stations and the purchase of national programmes to be broadcast on iwi radio (and on the internet);
- ▲ Through the establishment of a Purchasing Framework, from 2005/2006, geared towards learners and users of te reo Māori;
- ▲ Through supporting efforts to strengthen the independent Māori small screen production industry; and
- ▲ By strengthening controls over our funding allocation and contract administration and monitoring processes.

The details and rationales for these operational objectives are discussed in more detail in the following sections.

TELEVISION

Key areas for television funding are as follows:

- ▲ ***Direct Funding of Māori Television Service (MTS)***

Te Māngai Pāho will allocate up to 40% of its total television funding to Māori Television Service for 2004/05. This represents the culmination of a two-year commitment to support the establishment of the Māori Television Service.

The direct funding provides specifically for the production of in-house television programmes by MTS, such as news, sport, current affairs, and light entertainment. It also funds the direct acquisition by MTS of local and overseas programming and, where appropriate, funding for the reversioning or sub-titling of those programmes into te reo Māori.

A contract with MTS will be entered into in 2004/05 to establish the accountabilities and performance targets for the direct funding provided by Te Māngai Pāho.

The commitment of direct funding in out-years will be determined during the course of the coming year between the respective Boards, in consultation with independent production industry representatives.

- ▲ ***TVNZ Direct Funding***

Te Māngai Pāho will set aside \$5.2m in direct funding for TVNZ in 2004/05 as part of a multi-year Memorandum of Understanding between Te Māngai Pāho

and TVNZ. This funding ensures the continued delivery of programmes that have established a strong audience following, namely *Te Karere*, *Waka Huia* and *Marae*. Importantly, these programmes also secure a quality Māori presence on mainstream national television.

In the out years Te Māngai Pāho will explore scope for TVNZ to directly meet the costs of these productions in order to free up its own funds for new programme opportunities.

▲ ***Contestable Funding for Independent Productions***

A contestable funding pool will be available through a series of scheduled funding rounds in 2004 / 2005. Independent producers will be able to bid for programme funding within either genre-specific or open rounds, and also according to the destination of programmes (either MTS or other national broadcasters).

The priority genres for Te Māngai Pāho include Tamariki and Rangatahi targeted programmes, and programmes which demonstrate and promote the use of te reo Māori in new domains and in everyday settings.

Te Māngai Pāho must also give proper consideration to the challenges unique to making programmes with significant Māori language content. Compared to mainstream programming there are additional costs borne by producers in making Māori language programmes. Yet the commissioning policies of the Māori Television Service place greater fiscal constraints on these productions than the mainstream. While recognising the imperatives driving Māori Television Service, from a funder and industry development perspective this is a particular area where we wish to encourage joint consideration of options in the coming year.

▲ ***Industry Co-ordination and Development***

The Māori television industry group, Ngā Aho Whakaari, will be funded to facilitate the two-way flow of information between the Māori television industry and Te Māngai Pāho. Ngā Aho Whakaari is also an important vehicle for facilitating an industry-led response to critical skill and infrastructure gaps within the Māori production community and Te Māngai Pāho is willing to support Ngā Aho Whakaari's efforts to do so.

RADIO

Key areas for radio funding are as follows:

▲ ***Funding the Operation of Iwi Radio***

Te Māngai Pāho currently operates a two-tiered approach to funding 21 recognised iwi stations. Operational funding will be provided to 13 of the 21 iwi stations on the basis that they broadcast a four hour minimum requirement for Māori language content within a nine hour window.

For the remaining eight stations, operational funding is provided on the basis that they exceed the four hour minimum and deliver instead in excess of six hours daily Māori language content.

The level of funding is only sufficient to cover the core running costs of the stations. Iwi stations need to make up any shortfall through advertising and other revenue sources. The funding does not include provision for capital maintenance of the asset base of the stations.

▲ ***Contestable Programme Funding***

TMP will also allocate funding for Radio programme production and event broadcasts. Iwi stations and programme makers will submit bids for the development and broadcast of programmes that will be available for use by all iwi stations.

Programmes will be selected on the basis of their relevance and likely audience appeal, (and therefore uptake by the iwi network stations), their Māori language content and quality, or Māori cultural relevance, as applicable.

▲ ***Other Radio-Oriented Activities***

Other radio activities and initiatives planned include:

- Māori language music CD funding;
- radio programme distribution and switching (Punga.net);
- iwi radio audience surveys;
- capacity building (skill development) funding;
- coverage extension;
- industry liaison.

The driving factor in Te Māngai Pāho's support for iwi radio is the role it can play in the revitalisation of the Māori language.

Audience research shows that the iwi stations capture a significant share of the Māori listening audience. These stations play a connective role and a unifying voice in their communities. To maintain and build this role, the stations need to be mindful of the expectations of listeners with differing te reo skills, and cater for the preferences of different age groups within their audiences.

Decisions around radio programme funding need to be mindful of these issues, as well as Te Māngai Pāho's own objectives, in determining the emphasis and mix of programmes.

Looking ahead for the radio sector, there are a number of developments on the horizon. Firstly, work is currently under way on a review of the capital funding requirements of the stations, with a view to developing a proposal for Cabinet for the 2004/05 Budget Round and out-years.

Proposals have been put forward for a national Māori radio service that would complement the iwi focussed local radio stations. There have also been suggestions of greater engagement with the industry representative body, Te Whakaruruhau o Nga Reo Irirangi Māori.

Te Māngai Pāho will work with the various agencies involved to the extent that these matters are taken forward.

PROPOSED FUNDING FRAMEWORK FROM 2005/06

In considering the finite level of funding it has to achieve its outcomes over the next three years, it will not suffice for Te Māngai Pāho's funding decisions to be shaped primarily by what programme makers propose to *supply*. Rather, the sector as a whole must have greater regard both for what is *demand*ed and *needed* in the interests of Māori language revitalisation, Māori development and in nation building.

Accordingly, Te Māngai Pāho proposes to develop a comprehensive *funding framework* for preliminary development and implementation in 2004/05, with full implementation commencing in 2005/06.

What is the Proposed Framework?

The funding framework will set out, on a three-yearly basis, the Māori programming requirements of Te Māngai Pāho on behalf of Government, industry and other key communities of interest.

The framework will specify the categories of Māori language and cultural content sought by the funder from producers of Māori music, radio and television programming. Within this, Māori programme producers will be invited to develop proposals that respond to those requirements and that will gain a positive commitment from radio and television broadcasters.

Te Māngai Pāho will retain some programme funding discretion in order to accommodate new programme opportunities. The majority of its programme funds will, however, be tagged for programmes that best meet the requirements of the framework.

What will the Framework Entail?

The implementation of the proposed framework will require high levels of consultation and collaboration with stakeholders within government, the Māori language community and, critically, within the Māori broadcasting industry. It will also require Te Māngai Pāho to develop an information base and monitoring systems to support the definition and review of its framework and report against the intermediate outcomes it is seeking.

The additional transaction costs inherent in this approach and passed on to producers will also need to be considered and taken into account in setting funding levels under the proposed new regime.

What does the Framework Seek to Achieve?

The performance gains sought from the funding framework centre on making the best possible use of taxpayer funds for Māori programming. Essentially, Te Māngai Pāho is seeking to:

- ▲ make a more explicit and meaningful contribution to the Government's Māori language strategy to 2028 and to the programme preferences of Māori language learners;
- ▲ ensure it is primarily responding to meaningful programme *demand* from Māori language viewers and listeners rather than programme *supply* from producers;

- ▲ achieve greater transparency and consistency in its role as a funder; and, in doing so;
- ▲ more fully differentiate its programme interests from those of broadcasters and other key funders.

STRENGTHENING OPERATIONAL CONTROLS AND RISK MANAGEMENT PROCESSES

Over the last four years Te Māngai Pāho has received consistently high ratings for its financial and other management systems as part of its annual audit. However, the most recent audit, for the 2002/03 year, included an “extended scope” audit carried out by Audit New Zealand at the Board’s request.

While most of the findings of that audit have been responded to there are some areas, relating largely to Te Māngai Pāho’s contract monitoring systems and procedures, which require further attention. Those areas are included within the broader set of initiatives (set out below) to be undertaken over the next three years:

- ▲ to establish a full contract management database to improve milestone tracking and reporting and the accuracy, storage and retrieval of contract information;
- ▲ to broaden the range and application of risk management tools employed by Te Māngai Pāho as part of its funding allocation, contract administration and monitoring systems, including:

Pre-Contract

- more proactive information dissemination for radio and television Request For Proposal (RFP) processes and funding rounds;
- enhanced assessment of, and advice to the Board on, financial viability and production risks of eligible proposals;
- establishment of more graduated funding and contracting processes for producers new to the industry and/or the programme genre;
- brokerage of production “mentoring” arrangements to support new/inexperienced production houses;

Contract

- clearer and more concise contracts for television, radio and music production;
- enhanced milestone tracking and reporting systems;
- enhanced assessment and feedback procedures to producers on Māori language quality;
- create greater capacity to carry out more producer/site visits and, if required, conduct ad hoc audits of productions in train;

Post-Contract

- an annual programme of planned contract audits; and
- strengthened post-completion procedures for funded contracts, including archival of deliverables.

Measuring Our Performance

Operational Measures

This year, we intend to collect the following information to measure our operational performance:

Objective	Key Information for Performance Measurement
Television	<ul style="list-style-type: none">- Programme hours- Māori language content quantity and quality- Audience Information (via broadcasters)
Radio	<ul style="list-style-type: none">- Programme hours- Māori language content quantity and quality- Māori listenership survey (final year of three-year survey)

Proposal to Develop Outcome Measures

This is the first year in which Te Māngai Pāho has attempted to develop a Statement of Intent focussed on “managing for outcomes”. Managing For Outcomes has been an iterative process for many central government agencies and, similarly, Te Māngai Pāho is transitioning to this approach in phases.

Accordingly, we intend to use the 2004/05 year to test and confirm the outcomes articulated in this SOI before subscribing to relevant measures and measuring systems.

To this end we want to work over the next year with entities that share a direct stake in achieving Māori language outcomes, particularly Te Puni Kokiri, Te Taura Whiri i te Reo Māori (Māori Language Commission) and the Māori Television Service to identify scope for collaboration and rationalisation of effort around outcome measurement and evaluation.

Ensuring Our Capability to Perform

Our capability needs have continued to change as the Māori broadcasting sector has evolved and government's Māori language objectives have been clarified and confirmed.

To give proper effect to our statutory role we are required to have – or have access to – the core administrative capabilities of a funding agency, the relationship management capabilities of an inter-sectoral agency, and the strategic awareness and evaluation capabilities of a policy ministry. And we must be wholly responsive to Māori values, norms and aspirations in going about all facets of our work.

Challenges

This poses significant challenges for Te Māngai Pāho's people, financial and other resources, systems, policies and procedures, and key agency relationships.

To put the proposed Funding Framework in place, Te Māngai Pāho will need to afford the market more information, support and lead-in time to provide the sorts of programmes our new funding approach may demand. This in turn requires more investment in research, analysis and building of closer market relationships.

Te Māngai Pāho's own assessment skills and processes will need to have a sharpened focus on how programme proposals will promote Māori language and culture, and demonstrably contribute to desired outcomes.

Te Māngai Pāho also needs to enhance its risk management and industry development capabilities, particularly to reflect the fledgling status of the Māori television industry and programme production industry, and the risks associated with this stage of industry development.

Over the Next Three Years

In order to strengthen our capability, we intend to develop and progressively implement the following over the next three years:

The Board and staff complement will be reviewed in 2004/2005 in light of the increase over recent years in the levels of funding being managed. In-house capacity and skills need to appropriately reflect the risks being managed, the core functions undertaken and the relationships to be maintained. Te Māngai Pāho needs to enhance its presence on the industry "shop floor", to provide real time assurance as required to stakeholders, Board and management.

To work smarter, the agency needs to see that the right people have the right tools. Key to this will be integrated IT based tools that will enhance Te Māngai Pāho's contract and risk management procedures.

Priorities for the Year Ahead – 2004/05

The coming year will be the first in the period to which this Statement of Intent relates.

While the high-level details of the outputs that we plan to deliver may be found in Part B of this document (see pages 20 to 38 for our Statement of Forecast Service Performance) we want to provide readers with some sense of the more significant projects and initiatives we will undertake this year.

Our key projects for 2004/05 are:

Overall

- ▲ To phase in a programme funding approach, centred around the Māori language and learners, for both Māori television and radio.
- ▲ To enhance our contract management arrangements with a range of pre, mid and post contract management policies, tools and systems.
- ▲ To collaborate with other entities with a view to establishing efficient and operable research and evaluation mechanisms for measuring Māori language outcomes achieved through broadcasting (and aligned interventions).

Television – specific

- ▲ To review our funding regime for programmes sourced from the independent production industry to ensure efficient, effective and sustainable production of quality programmes.
- ▲ To work with Ngā Aho Whakaari to establish industry capacity building and development initiatives.
- ▲ To work with the Māori Television Service and Ngā Aho Whakaari to simplify and strengthen our television funding contracts.

Radio – specific

- ▲ To work with Te Puni Kokiri and Te Whakaruruhau o Ngā Reo Irirangi Māori to review the use of Māori radio funding and the medium to long-term resourcing needs for iwi radio.
- ▲ To work with the Te Whakaruruhau o Ngā Reo Irirangi Māori and the Māori Music Coalition to simplify and strengthen our radio and music funding contracts.
- ▲ To work with the Te Whakaruruhau o Ngā Reo Irirangi Māori to develop guidelines and resources to ensure proactive iwi radio compliance with the Broadcasting Act.
- ▲ To develop a funding agreement with Te Whakaruruhau o Ngā Reo Irirangi Māori for the maintenance of Punga.net services for iwi radio stations.

PART B: FORECAST FINANCIAL STATEMENTS

Statement of Responsibility

The forecast financial statements of Te Māngai Pāho for the year ending 30 June 2005 contained in this report have been prepared in accordance with Section 34A of the Public Finance Act 1989.

The Interim Chief Executive acknowledges, in signing this statement, that he is responsible for the forecast financial statements contained in this report.

The financial performance forecasts to be achieved by Te Māngai Pāho for the year ending 30 June 2005, specified in the Statement of Forecast Service Performance, are agreed with the Board of Te Māngai Pāho and its Responsible Minister.

The performance for each class of outputs forecast to be achieved by Te Māngai Pāho for the year ending 30 June 2005 is as specified in a separate output plan also agreed between the Board of Te Māngai Pāho and the Responsible Minister.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates for the year ending 30 June 2005 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.



Signed
Herewini Te Koha
Interim Chief Executive



Counter signed
Thomas Hood
*Manager Corporate Services and
Chief Financial Officer*

Statement of Forecast Service Performance

Te Māngai Pāho receives operational funding through Vote: Māori Affairs. The description of the output classes through which Te Māngai Pāho receives operational funding follows:

Non-Departmental Output Class 03 – Māori Television Broadcast Funding

The Minister of Māori Affairs will purchase this class of outputs from Te Māngai Pāho to:

- promote Māori Television broadcasting;
- promote capability in the Māori television broadcasting and production sector; and
- purchase programmes to be broadcast on television.

Performance measures for this class of outputs will be included in the following documents:

- Te Māngai Pāho's 2004/05 Statement of Intent,
- The 2004/05 Output Plan; and
- The 2004/05 Memorandum of Understanding with the Minister of Māori Affairs.

Outputs will be provided within the appropriated sum of \$ 40.3 million (exclusive of GST).

Te Māngai Pāho will deliver four outputs through this output class. A description, the cost and performance measures these outputs are described below.

Output 1 – Direct Funding of Māori Television Service

Description	Performance Measures
<p>Direct funding of Māori Television Service is for:</p> <ul style="list-style-type: none"> - the production of in-house television programmes by MTS, (e.g. news, sport, current affairs and light entertainment). - direct acquisition by MTS of local and overseas programming and, reversioning or sub-titling of selected programmes into te reo Māori. 	<p>Quantity of Broadcast Time Purchased</p> <ul style="list-style-type: none"> ▪ Purchase approximately 644 broadcast hours from Māori Television Service.

Description	Performance Measures																						
	<p>Quantity of Television Programmes to be purchased according to genre</p> <ul style="list-style-type: none"> ▪ Purchase the following hours according to genre: <table border="1" data-bbox="676 441 1246 871"> <thead> <tr> <th data-bbox="676 441 983 533">Programme Genre</th> <th data-bbox="983 441 1246 533">2004/05 Annual Programme Hours Sought</th> </tr> </thead> <tbody> <tr> <td data-bbox="676 533 983 562">Tamariki</td> <td data-bbox="983 533 1246 562">20</td> </tr> <tr> <td data-bbox="676 562 983 591">Rangatahi</td> <td data-bbox="983 562 1246 591">50</td> </tr> <tr> <td data-bbox="676 591 983 620">Other Educational</td> <td data-bbox="983 591 1246 620">50</td> </tr> <tr> <td data-bbox="676 620 983 649">Documentary</td> <td data-bbox="983 620 1246 649">6</td> </tr> <tr> <td data-bbox="676 649 983 678">Magazine</td> <td data-bbox="983 649 1246 678">38</td> </tr> <tr> <td data-bbox="676 678 983 707">Drama/Movies</td> <td data-bbox="983 678 1246 707">0</td> </tr> <tr> <td data-bbox="676 707 983 736">General Entertainment</td> <td data-bbox="983 707 1246 736">150</td> </tr> <tr> <td data-bbox="676 736 983 766">Sports</td> <td data-bbox="983 736 1246 766">100</td> </tr> <tr> <td data-bbox="676 766 983 795">News/Current Affairs</td> <td data-bbox="983 766 1246 795">230</td> </tr> <tr> <td data-bbox="676 795 983 871">Total Programme Hours</td> <td data-bbox="983 795 1246 871">644</td> </tr> </tbody> </table> <p>Quantity of Māori language</p> <ul style="list-style-type: none"> ▪ The Te Reo Māori content of direct funded Māori Television Service programming will be 50%. <p>Quality of Māori language</p> <ul style="list-style-type: none"> ▪ Quality will be measured by two six monthly reviews by Te Taura Whiri (Māori Language Commission) to confirm whether a selection of programmes broadcast have met Te Taura Whiri quality indicator framework. 	Programme Genre	2004/05 Annual Programme Hours Sought	Tamariki	20	Rangatahi	50	Other Educational	50	Documentary	6	Magazine	38	Drama/Movies	0	General Entertainment	150	Sports	100	News/Current Affairs	230	Total Programme Hours	644
Programme Genre	2004/05 Annual Programme Hours Sought																						
Tamariki	20																						
Rangatahi	50																						
Other Educational	50																						
Documentary	6																						
Magazine	38																						
Drama/Movies	0																						
General Entertainment	150																						
Sports	100																						
News/Current Affairs	230																						
Total Programme Hours	644																						
<p>Cost: \$16.1 million (exclusive of GST).</p>																							

Output 2 – Direct Funding of TVNZ

Description	Performance Measures
<p>Direct Funding of TVNZ for specific programmes that promote Māori language and culture.</p>	<p>Quantity of Broadcast Time Purchased</p> <ul style="list-style-type: none"> ▪ Purchase approximately 146 hours from TVNZ.

Description	Performance Measures										
	<p>Quantity of television programmes to be purchased according to genre</p> <ul style="list-style-type: none"> ▪ Purchase the following hours according to genre: <table border="1" data-bbox="678 443 1248 689"> <thead> <tr> <th data-bbox="678 443 981 533">Programme Genre</th> <th data-bbox="981 443 1248 533">2004/05 Annual Programme Hours Sought</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 533 981 562">Documentary</td> <td data-bbox="981 533 1248 562">38</td> </tr> <tr> <td data-bbox="678 562 981 591">Magazine</td> <td data-bbox="981 562 1248 591">42</td> </tr> <tr> <td data-bbox="678 591 981 620">News/Current Affairs</td> <td data-bbox="981 591 1248 620">66</td> </tr> <tr> <td data-bbox="678 620 981 689">Total Programme Hours</td> <td data-bbox="981 620 1248 689">146</td> </tr> </tbody> </table> <p>Quantity of Māori language</p> <ul style="list-style-type: none"> ▪ The Te Reo Māori content of direct funded TVNZ programming will be 60%. <p>Quality of Māori language</p> <ul style="list-style-type: none"> ▪ Quality will be measured by two six monthly reviews by Te Taura Whiri (Māori Language Commission) to confirm whether a selection of programmes broadcast have met Te Taura Whiri quality indicator framework. 	Programme Genre	2004/05 Annual Programme Hours Sought	Documentary	38	Magazine	42	News/Current Affairs	66	Total Programme Hours	146
Programme Genre	2004/05 Annual Programme Hours Sought										
Documentary	38										
Magazine	42										
News/Current Affairs	66										
Total Programme Hours	146										
<p>Cost: \$5.1 million (exclusive of GST).</p>											

Output 3 – Contestable Television Programme Funding

Description	Performance Measures
<p>A contestable funding pool for programmes which promote Māori language and culture.</p>	<p>Quantity of Broadcast Time Purchased</p> <ul style="list-style-type: none"> ▪ Purchase approximately 380 hours through contestable funding.

Description	Performance Measures																				
	<p>Quantity of television programmes to be purchased according to genre</p> <ul style="list-style-type: none"> ▪ Purchase the following hours according to genre: <table border="1" data-bbox="678 443 1248 842"> <thead> <tr> <th data-bbox="678 443 981 533">Programme Genre</th> <th data-bbox="981 443 1248 533">2004/05 Annual Programme Hours Sought</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 533 981 562">Tamariki</td> <td data-bbox="981 533 1248 562">74</td> </tr> <tr> <td data-bbox="678 562 981 591">Rangatahi</td> <td data-bbox="981 562 1248 591">75</td> </tr> <tr> <td data-bbox="678 591 981 620">Other Educational</td> <td data-bbox="981 591 1248 620">40</td> </tr> <tr> <td data-bbox="678 620 981 649">Documentary</td> <td data-bbox="981 620 1248 649">6</td> </tr> <tr> <td data-bbox="678 649 981 678">Magazine</td> <td data-bbox="981 649 1248 678">40</td> </tr> <tr> <td data-bbox="678 678 981 707">Drama/Movies</td> <td data-bbox="981 678 1248 707">5</td> </tr> <tr> <td data-bbox="678 707 981 736">General Entertainment</td> <td data-bbox="981 707 1248 736">100</td> </tr> <tr> <td data-bbox="678 736 981 766">Sports</td> <td data-bbox="981 736 1248 766">40</td> </tr> <tr> <td data-bbox="678 766 981 842">Total Programme Hours</td> <td data-bbox="981 766 1248 842">380</td> </tr> </tbody> </table> <p>Quantity of Māori language</p> <ul style="list-style-type: none"> ▪ The Te Reo Māori content of contestably funded programming will be 60%. <p>Quality of Māori language</p> <ul style="list-style-type: none"> ▪ Quality will be measured by two six monthly reviews by Te Taura Whiri (Māori Language Commission) to confirm whether a selection of programmes broadcast have met Te Taura Whiri quality indicator framework. 	Programme Genre	2004/05 Annual Programme Hours Sought	Tamariki	74	Rangatahi	75	Other Educational	40	Documentary	6	Magazine	40	Drama/Movies	5	General Entertainment	100	Sports	40	Total Programme Hours	380
Programme Genre	2004/05 Annual Programme Hours Sought																				
Tamariki	74																				
Rangatahi	75																				
Other Educational	40																				
Documentary	6																				
Magazine	40																				
Drama/Movies	5																				
General Entertainment	100																				
Sports	40																				
Total Programme Hours	380																				
<p>Cost: \$19.0 million (exclusive of GST).</p>																					

Output 4 – Television Industry Co-ordination and Development

Description	Performance Measures
<p>The Māori television industry group, Nga Aho Whakaari, will be funded to facilitate the two-way flow of information between the Māori television industry and Te Māngai Pāho.</p>	<ul style="list-style-type: none"> ▪ Enter into an agreement with Ngā Aho Whakaari for Ngā Aho Whakaari to facilitate a two way flow of information between the Māori television industry and Te Māngai Pāho. ▪ Selected industry representatives agree that Ngā Aho Whakaari has facilitated the effective flow of information between Te Māngai Pāho and the members of Ngā Aho Whakaari.
<p>Cost: \$0.1 million (exclusive of GST).</p>	

Summary for Non Departmental Output Class 03

Output	Description	Cost \$m (exclusive of GST)
Output 1	Direct Funding of MTS	\$16.1
Output 2	Direct Funding of TVNZ	\$5.1
Output 3	Contestable Funding	\$19.0
Output 4	TV Industry Co-ordination	\$0.1
Total Cost for Non-Departmental Output Class 03		\$40.3m

Non-Departmental Output Class 04 - Māori Radio Broadcasting Funding

The Minister of Māori Affairs will purchase this class of outputs from Te Māngai Pāho to:

- promote Māori Radio broadcasting;
- promote capability in the Māori radio broadcasting sector;
- support the operational costs of iwi radio stations; and
- purchase programmes to be broadcast on radio.

Performance measures for this class of outputs will be included in the following documents:

- Te Māngai Pāho's 2004/05 Statement of Intent,
- The 2004/05 Output Plan; and
- The 2004/05 Memorandum of Understanding with the Minister of Māori Affairs.

Outputs will be provided within the appropriated sum of \$ 9.4 million (exclusive of GST) and interest income of \$0.8 million (exclusive of GST), a total of \$10.2 million (exclusive of GST).

Te Māngai Pāho will deliver five outputs through this output class. A description, the cost and performance measures for these outputs are described below.

Output 1 – Operational Funding for Iwi Radio

Description	Performance Measures						
Operational funding to iwi stations to broadcast programmes.	<p>Broadcast Time Secured</p> <p>Te Māngai Pāho will secure a nine hour window each day from the 21 recognised iwi radio stations to ensure that their nominated te reo hours reach prime time audiences.</p> <ul style="list-style-type: none"> ▪ 17,199 hours of broadcast window secured from 21 iwi radio stations. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Number Of Stations</th> <th>Hours Per Day</th> <th>Annual B/cast Hours Secured</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">21</td> <td style="text-align: center;">9</td> <td style="text-align: center;">68,985</td> </tr> </tbody> </table>	Number Of Stations	Hours Per Day	Annual B/cast Hours Secured	21	9	68,985
Number Of Stations	Hours Per Day	Annual B/cast Hours Secured					
21	9	68,985					

Description	Performance Measures																					
	<p><i>Māori language content of secured broadcast time</i></p> <ul style="list-style-type: none"> ▪ Eight hours per day of te reo Māori purchased from the eight top tier stations. (See Table below). ▪ A minimum of four hours of te reo Māori of the nine broadcasting hours secured each day are in the Māori language from the remaining 13 stations. (See Table below). ▪ Up to two additional hours each day of Māori language broadcast may be purchased from qualifying iwi radio stations. (See Table below). <p><i>Summary of Māori Language Hours Purchased</i></p> <table border="1" data-bbox="667 712 1275 1028"> <thead> <tr> <th>Māori language Hours per day</th> <th>Number Of Stations</th> <th>Annual Māori language B/cast</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>8</td> <td>23,360</td> </tr> <tr> <td>6 (4+2)</td> <td>6</td> <td>13,140</td> </tr> <tr> <td>5.5 (4+1.5)</td> <td>4</td> <td>8,030</td> </tr> <tr> <td>5 (4+1)</td> <td>1</td> <td>1,825</td> </tr> <tr> <td>4</td> <td>2</td> <td>2,920</td> </tr> <tr> <td></td> <td>21</td> <td>49,275</td> </tr> </tbody> </table>	Māori language Hours per day	Number Of Stations	Annual Māori language B/cast	8	8	23,360	6 (4+2)	6	13,140	5.5 (4+1.5)	4	8,030	5 (4+1)	1	1,825	4	2	2,920		21	49,275
Māori language Hours per day	Number Of Stations	Annual Māori language B/cast																				
8	8	23,360																				
6 (4+2)	6	13,140																				
5.5 (4+1.5)	4	8,030																				
5 (4+1)	1	1,825																				
4	2	2,920																				
	21	49,275																				
<p>Cost: \$6.5million (exclusive of GST).</p>																						

Output 2 – Contestable Radio Programme and Music Funding

Description	Performance Measures																				
<p>Contestable Funding will be provided for the promotion of Māori language and culture through radio programme production, event broadcasts and music CD's.</p>	<p><i>Purchase of programming for national broadcast for distribution to iwi radio stations via the Punga.net network</i></p> <table border="1" data-bbox="676 1496 1248 1908"> <thead> <tr> <th>Programme Genre</th> <th>2004/05 Annual Programme Hours Sought</th> </tr> </thead> <tbody> <tr> <td>News/Current Affairs</td> <td>959</td> </tr> <tr> <td>Kaumātua</td> <td>1,040</td> </tr> <tr> <td>Open</td> <td>68</td> </tr> <tr> <td>Sports Show</td> <td>48</td> </tr> <tr> <td>Youth/Music</td> <td>325</td> </tr> <tr> <td>Documentaries</td> <td>240</td> </tr> <tr> <td>Outside Broadcasts</td> <td>65</td> </tr> <tr> <td>Sports Casting</td> <td>260</td> </tr> <tr> <td>Total Programme Hours</td> <td>3,005</td> </tr> </tbody> </table>	Programme Genre	2004/05 Annual Programme Hours Sought	News/Current Affairs	959	Kaumātua	1,040	Open	68	Sports Show	48	Youth/Music	325	Documentaries	240	Outside Broadcasts	65	Sports Casting	260	Total Programme Hours	3,005
Programme Genre	2004/05 Annual Programme Hours Sought																				
News/Current Affairs	959																				
Kaumātua	1,040																				
Open	68																				
Sports Show	48																				
Youth/Music	325																				
Documentaries	240																				
Outside Broadcasts	65																				
Sports Casting	260																				
Total Programme Hours	3,005																				

Description	Performance Measures				
	<p>Quantity of music CD albums, CD Singles to be purchased in 2004/05</p> <table border="1" data-bbox="695 383 1246 479"> <thead> <tr> <th data-bbox="695 383 979 414"></th> <th data-bbox="979 383 1246 414">Annual Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 414 979 479">Music CDs</td> <td data-bbox="979 414 1246 479">10 CD Singles 6 CD Albums</td> </tr> </tbody> </table> <p>Quality of Māori language</p> <ul style="list-style-type: none"> ▪ Quality will be measured by two six monthly reviews by Te Taura Whiri (Māori Language Commission) to confirm whether a selection of programmes broadcast and music have met Te Taura Whiri quality indicator framework. 		Annual Target	Music CDs	10 CD Singles 6 CD Albums
	Annual Target				
Music CDs	10 CD Singles 6 CD Albums				
<p>Cost: \$2.6 million (exclusive of GST).</p>					

Output 3 – Radio Distribution System and Coverage Extension

Description	Performance Measures
<p>Funding for a contract to manage the distribution service (Punga.Net) which will be available to iwi radio stations for the purposes of sending and receiving programmes from each other and independent programme makers.</p> <p>This output also includes provision for funding (according to priority) of the means for extension or enhancement of stations transmission coverage.</p>	<p>Distribution Service</p> <ul style="list-style-type: none"> ▪ A contract established to provide for the management of the Punga.net service. ▪ Feedback from iwi radio stations will indicate that Punga.net service delivery has been satisfactory. <p>Coverage Extension Prioritisation</p> <ul style="list-style-type: none"> ▪ A project will be completed to identify priority areas for coverage extension / enhancement.
<p>Cost: \$0.5 million (exclusive of GST).</p>	

Output 4 – Iwi Radio Audience Surveys

Description	Performance Measures
Funding will be available to enable iwi stations' audiences to be surveyed for the purposes of determining audience size and preferences so as to better meet audience needs.	<p>Audience Information</p> <ul style="list-style-type: none"> ▪ One survey will be completed during the year. ▪ The survey will provide information on iwi radio station audience preferences.
Cost: \$0.3 million (exclusive of GST).	

Output 5 – Capacity Building and Industry Co-ordination

Description	Performance Measures
The Iwi Radio industry representatives, Te Whakaruruhau, will be contracted to, among other tasks, oversee the Radio Industry Capacity Building programme, and promote and facilitate greater co-ordination between the industry and Te Māngai Pāho.	<ul style="list-style-type: none"> ▪ Enter into agreements with Te Whakaruruhau for the oversight of the Radio Industry Capacity Building Programme and to promote and facilitate coordination between the radio industry and Te Māngai Pāho. ▪ Selected industry representatives agree that Te Whakaruruhau has facilitated effective co-ordination between Te Māngai Pāho and the members of Te Whakaruruhau and are satisfied with the management of the Radio Industry Capability Building Programme.
Cost: \$0.3 million (exclusive of GST).	

Summary for Non Departmental Output Class 04

Output	Description	Cost \$m (exclusive of GST)
Output 1	Operational Funding for Iwi Radio	\$6.5
Output 2	Contestable Radio Programme and Music Funding	\$2.6
Output 3	Radio Distribution System and Coverage Extension	\$0.5
Output 4	Iwi Radio Audience Surveys	\$0.3
Output 5	Capacity Building and Industry Co-ordination	\$0.3
Total Cost for Non-Departmental Output Class 04		\$10.2m

Non-Departmental Output Class 05 - Administration of Broadcasting Funding

The Minister of Māori Affairs will purchase this class of outputs from Te Māngai Pāho so that Te Māngai Pāho can:

- meet its statutory functions, including the management and disbursement of funds to promote Māori language and culture;
- pursue the outcomes in the 2004/05 Statement of Intent;
- deliver the outputs in the 2004/05 Output Plan; and
- meet the 2004/05 Memorandum of Understanding with the Minister of Māori Affairs.

Performance measures for this class of outputs will be included in the following documents:

- Te Māngai Pāho's 2004/05 Statement of Intent,
- The 2004/05 Output Plan; and
- The 2004/05 Memorandum of Understanding with the Minister of Māori Affairs.

Outputs will be provided within the appropriated sum of \$ 1.6 million (exclusive of GST) and interest income of \$ 0.2 million, a total of \$ 1.8 million (exclusive of GST).

Te Māngai Pāho will deliver one output through this output class. A description, the cost and performance measures this output is described below.

Output 1 – Administration of Broadcasting Funding

Description	Performance Measures
<p>To fund the administrative activities of Te Māngai Pāho including meeting accountability requirements, consultation obligations and the provision of programme purchase and contract management services.</p>	<p><i>Accountability for policies, decisions and performance</i></p> <ul style="list-style-type: none"> ▪ Te Māngai Pāho's Statement of Intent will be tabled in Parliament and available for interested parties at the beginning of the financial year. <p><i>Purchase decisions</i></p> <ul style="list-style-type: none"> ▪ All purchase decisions made by the Board will be in accordance with the approved policies (detailed in the Request for Proposals – RFP's). ▪ All purchase decisions made by the Board will be in accordance with the provisions of the Broadcasting Act 1989 and Te Māngai Pāho's policies. ▪ All completed applications received by Te Māngai Pāho by the published deadlines will be considered by the Board within one month following the deadline. ▪ Te Māngai Pāho will notify all applicants by letter as soon as practicable and by press release where appropriate to the general public. ▪ TMP will hold funding clinics in 2004/05 to promote understanding of TMP's funding requirements and improve the quality of proposals received.

Description	Performance Measures								
	<p>Effective Contract Management</p> <ul style="list-style-type: none"> ▪ Contracts will be put in place for all successful applicants. ▪ The type and anticipated quantity of contracts managed by Te Māngai Pāho over the course of the financial year will be: <table border="1" data-bbox="678 533 1190 689"> <thead> <tr> <th data-bbox="678 533 922 595">Contract Type</th> <th data-bbox="922 533 1190 595">Annual Forecast Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 595 922 629">Television</td> <td data-bbox="922 595 1190 629">124</td> </tr> <tr> <td data-bbox="678 629 922 663">Radio</td> <td data-bbox="922 629 1190 663">69</td> </tr> <tr> <td data-bbox="678 663 922 689">Total</td> <td data-bbox="922 663 1190 689">193</td> </tr> </tbody> </table> <p>Contract Monitoring</p> <ul style="list-style-type: none"> ▪ All draft and finalised funding agreements will include Te Māngai Pāho's essential terms and conditions, and include clear production milestones, accountabilities and reporting requirements. ▪ Contract monitoring will be undertaken in accordance with agreed procedures. 	Contract Type	Annual Forecast Number	Television	124	Radio	69	Total	193
Contract Type	Annual Forecast Number								
Television	124								
Radio	69								
Total	193								
<p>Cost: \$1.8 million (exclusive of GST).</p>									

Summary for Non-Departmental Output Class 05

Output	Description	Cost \$m (exclusive of GST)
Output 1	Administration of Māori Broadcasting Funding	\$1.8
Total Cost for Non-Departmental Output Class 05		\$1.8m

Forecast Financial Statements

Statement of Accounting Policies For the year ending 30 June 2005

Reporting Entity

These are the forecast financial statements of Te Māngai Pāho, a Crown Entity established under the Broadcasting 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 is 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 straight-line 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.

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 Cash flows

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 ending 30 June 2004. 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 PROSPECTIVE FINANCIAL PERFORMANCE
For the three years ending 30 June 2007

	2004	2005	2006	2007
	Estimated Actual \$m	Budget \$m	Budget \$m	Budget \$m
INCOME				
Crown Appropriation	44.6	51.3	51.3	51.3
Other Income	0.5	0	0	0
Interest from Investments	1.8	1.0	0.6	0.6
Total Income	46.9	52.3	51.9	51.9
FUNDING EXPENDITURE				
Television	34.2	40.3	40.3	40.3
Radio	10.6	10.2	9.8	9.8
Total funding expenditure	44.8	50.5	50.1	50.1
OPERATING EXPENDITURE				
Administration and consultation	1.7	1.8	1.8	1.8
Total operating expenditure	1.7	1.8	1.8	1.8
Total expenditure	46.5	52.3	51.9	51.9
NET SURPLUS/(DEFICIT) FOR THE YEAR	0.4	0.0	0.0	0.0

The accompanying accounting policies form part of these financial statements.

STATEMENT OF PROSPECTIVE MOVEMENTS IN PUBLIC EQUITY
For the year ending 30 June 2005

	2004 Estimated Position 30 June 2004 \$m	2005 Forecast Position 30 June 2005 \$m
Public Equity at 1 July	6.4	6.8
Add surplus/(deficit) for the year	0.4	0.0
Total recognised revenues and expenses for the year		
PUBLIC EQUITY 30 JUNE	6.8	6.8

The accompanying accounting policies form part of these financial statements.

STATEMENT OF ESTIMATED FINANCIAL POSITION
As at 30 June 2004, and

PROSPECTIVE FINANCIAL POSITION
As at 30 June 2005

	2004	2005
	Estimated	Forecast
	Position	Position
	30 June	30 June
	2004	2005
	\$m	\$m
PUBLIC EQUITY		
Opening equity 1 July	6.4	6.8
Add surplus/(deficit)	0.4	0.0
PUBLIC EQUITY 30 JUNE	6.8	6.8
Represented by:		
ASSETS		
Current Assets		
Cash, bank and short term deposits	24.3	25.2
Receivables	1.0	0.5
Total Current Assets	25.3	25.7
Non-Current Assets		
Fixed Assets	0.2	0.3
Total Non-Current Assets	0.2	0.3
TOTAL ASSETS	25.5	26.0
LIABILITIES		
Current Liabilities		
Accounts payable	0.2	0.3
Funding liabilities	18.5	18.9
Total Current Liabilities	18.7	19.2
TOTAL LIABILITIES	18.7	19.2
NET ASSETS	6.8	6.8

STATEMENT OF PROSPECTIVE CASH FLOWS
For the year ending 30 June 2005

	2004 Estimated Actual \$m	2005 Budget \$m
Cash flows from operating activities		
Cash provided from –		
Crown Funding	44.6	51.3
Interest received	1.9	0.3
Other revenues for services provided	0.2	0
	<u>46.2</u>	<u>51.6</u>
Cash applied to –		
Payments to suppliers and employees	1.6	1.8
Payments to broadcasters and programme producers	46.1	48.3
GST (net)	0.2	0.1
	<u>47.9</u>	<u>50.2</u>
Net Cash Flow from operating activities	(1.7)	1.4
Cash flows from Investing Activities		
Cash applied to-		
Purchase of fixed assets	0	(0.1)
Net Cash flow from Investing Activities	0	(0.1)
Cash Flows from Investing Activities		
Cash was applied to:		
Repayments of term liabilities	0.4	0.4
Net Cash Flow from Financing Activities	(0.4)	(0.4)
Net increase/(decrease) in cash held	(2.1)	0.9
Plus Opening cash as at 1 July	26.4	24.3
Closing cash as at 30 June	<u>24.3</u>	<u>25.2</u>

The accompanying accounting policies form part of these financial statements.