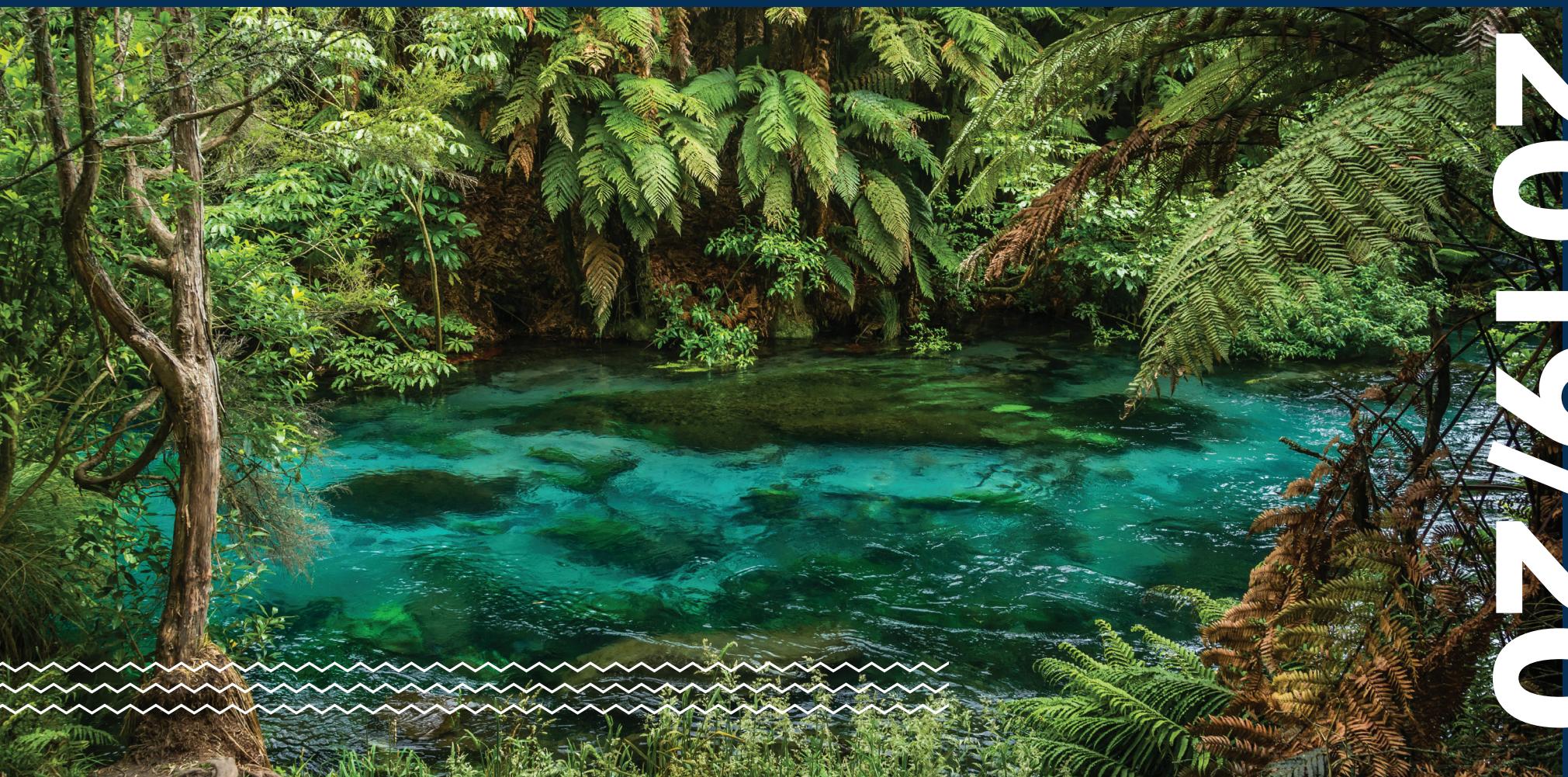


TAUĀKĪ Ā-WHĀINGA WHAKATUTUKI

Statement of Performance Expectations 2019/2020



2019/2020







Rārangi Kaupapa

Contents

1. He Kupu Whakataki nā te Poari o Te Māngai Pāho	3
Introduction on behalf of the Board of Te Māngai Pāho	
2. Horopaki Whakahaere	4
Our Operating Context	
3. Kaupapa Hei Whakatutuki	5
What we want to Achieve	
4. Whāinga Whakatutuki Ratonga	18
Performance Expectations	
5. Arotakenga ā-Pakari, ā Pūkaha o te Whakahaere	26
Assessing Organisational Strength and Capability	
6. Tauāki ā-Pūtea Āmua	27
Prospective Financial Statements	
7. Tauāki ā-Kaupapahere Kaute	33
Statement of Accounting Policies	



TE MĀNGAI PĀHO

Statement of Performance Expectations 2019/20

Tauākī A-Whāinga Whakatutuki 2019/20





1

Kupu Whakataki nā te Poari o Te Māngai Pāho

Introduction on Behalf of the Board of Te Māngai Pāho

Uia mai te pou, ko wai, ko wai
Uia ki a Rangi e tū nei
Uia ki a Papa e takoto nei
Uia mai ki te pou o tōku whare
Honoa ngā pou tūtei kia mauriora ai te reo
Honoa ngā pou whakapuaki kia māhorahora ai te reo
Honoa ngā pou hāpai kia ūkaipō anō ai te reo
Uia mai ko wai te whare?
Ko Te Whare o Te Reo Mauriora
Uia mai mō wai te whare?
Mō te katoa!
Ka tau, tau ha e
Haumi e, hui e
Taiki e!

Te Māngai Pāho's 2019/20 Statement of Performance Expectations reflects our proposed performance targets and forecast financial information for the year ending 30 June 2020 in accordance with sections 149E and 149G of the Crown Entities Act.

The coming year is one of further change for Te Māngai Pāho and the Māori media sector as we continue to develop a more innovative and collaborative approach to the work we undertake. We will also need to digest and implement the outcomes of the

review commissioned by the Minister. It is expected that those outcomes will guide significant changes in approach by Te Māngai Pāho and others in the sector. For that reason, the Minister has agreed that the development of a new Te Māngai Pāho Statement of Intent should be deferred for a further twelve months.

The review provides the opportunity for all participants in the sector to consider how they might collaborate to maximise the Māori language outcomes generated by our collective resources and efforts. Te Māngai Pāho looks forward to those conversations.

Dr Eruera Tarena

Te Māngai Pāho Board Chair
1 May 2019

Brian Morris

Te Māngai Pāho Board Deputy Chair
1 May 2019

2

Horopaki Whakahaere

Our Operating Context

Change has become a constant for Te Māngai Pāho.

Media and communications sector developments continue to accelerate. Audiences are increasingly demanding content when and how they want it which has encouraged a proliferation of services and delivery platforms.

The Māori broadcasting world is in agreement:- we need to be more agile and adaptive to be fit for purpose for our tamariki and mokopuna in the future. As funders, we seek to proactively identify opportunities to fund high quality, compelling, platform agnostic content that promotes Māori language and culture. A focus in the coming year will be ensuring our traditional platforms, Māori Television and Iwi Radio, have access to quality content that will support their transition to the multi-platform environment.

Te Māngai Pāho recognises that planning horizons and agility are improved by certainty of funding. We will explore multi-year funding arrangements with key content providers once the outcomes of the review are available.

Collaboration is central to our approach. We are committed to working with , and others in the Māori language revitalisation and broadcasting space to deliver a collective impact which is greater than the sum of our parts. Fundamental to the success of this approach is the ongoing support of all participants to the shared vision of the Crown and Māori language strategies - "Kia Mauri Ora Te Reo". The Crown's 2040 indicators of success are:

85% of New Zealanders (or more) will value te reo Māori as a key part of national identity

One million New Zealanders can speak at least basic te reo Māori

150,000 Māori aged 15 and over will use te reo Māori as much as English

Our work is fully aligned with the Government's commitment to improving intergenerational wellbeing, which will be analysed and measured using Treasury's Living Standards Framework. From a delivery perspective, our activities directly contribute to the Living Standards Framework Cultural Identity domain indicators:

Ability to express identity

Te Reo Māori speakers

Te Māngai Pāho funding has been static for some time. Our sector is grateful that in a very challenging year the government has been able to allocate additional funding for digital and new media content to promote te reo Māori me ngā tikanga Māori. Te Māngai Pāho will work with our partners in the sector to ensure that this content has a rangatahi focus and is delivered on multiple platforms.



3

Kaupapa Hei Whakatutuki

What We Want to Achieve

Our vision is **Māori language - everywhere, every day, in every way!** It reflects and supports the Maihi Karauna vision '**Kia māhorahora te Reo**'.

For this to be achieved we work to have **more people speaking more Māori and a greater awareness of Māori values, practices and views within Aotearoa New Zealand.**

Our work focuses on ensuring te reo Māori is valued. We do this by exposing whānau, hapū, iwi, Māori communities and all New Zealanders to quality te reo Māori and tikanga Māori programmes in their everyday lives.

We aim to be adaptive, innovative and collaborative in the way we go about our business; delivering better results and continuously improving services for New Zealanders.

Our approach seeks to:

AUDIENCE: Grow engagement with Māori language audiences

CREATION: Create content that is engaging and relevant

ACCESSIBILITY: Ensure the accessibility of content we fund

CAPACITY: Grow resources and nurture Māori talent

A challenge for Te Māngai Pāho and its partners is achieving a delicate balance between audience growth and delivering to fluent Māori audiences. There is increasing demand from mainstream channels for Māori language content, especially content for 'receptive' audiences. If Te Māngai Pāho tries to meet that demand it will compromise our ability to meet the expectations of 'fluent' audiences and Te Māngai Pāho is the only funder of te reo Māori content for those audiences. It is therefore vital that we partner with New Zealand On Air and mainstream platforms to satisfy the growing demand of wider New Zealand for Māori language and cultural content.

These goals are reflected in our , and drive our 2019/20 focus areas.



The year ahead at a glance

In 2019/20 we will focus on



AUDIENCE

Implementing a shared data path with other agencies

Developing audience engagement measures

Growing audiences in all language categories



CREATION

Implementing the new content purchasing regime for iwi radio

Improving the quality of funded content for rangatahi

Developing more agile funding arrangements



ACCESSIBILITY

Working with existing platforms to improve their appeal and viability

Ensuring that all funded content is available on multiple platforms

Experimenting with new platforms for specific target audiences, particularly rangatahi



CAPACITY

Working with news providers to ensure better and more efficient Māori news services

Ensuring the capacity of both Te Māngai Pāho and the sector is future fit

Growing innovative partnerships



Poutarāwaho Whakaputa Hua

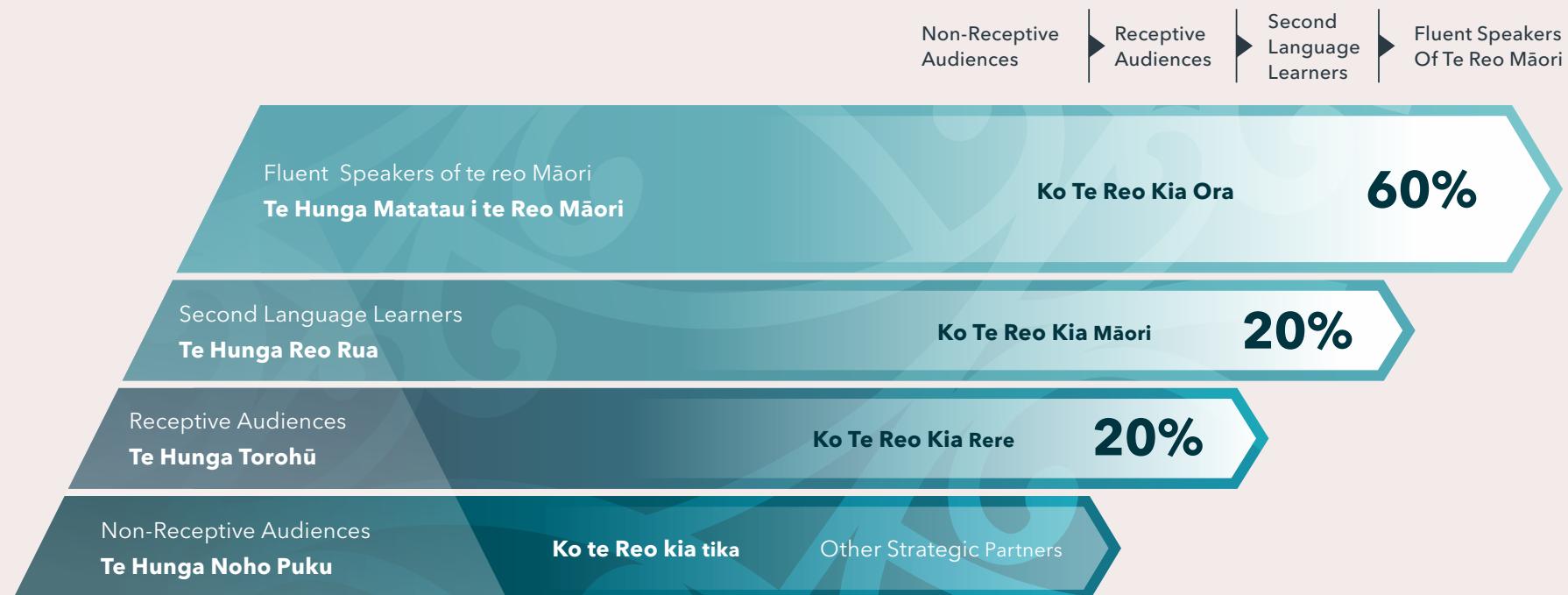
Our Outcome Framework

Vision	Ahakoa kei whea, Ahakoa āwhea, Ahakoa pēwhea, Kōrero Māori! Māori language – everywhere, every day, in every way!			
Major Outcome	Kia kaingākautia te reo me te ahurea Māori e Aotearoa whānui Māori language and culture is embraced by all New Zealanders			
Intermediate Outcome	Whānau, hapū, iwi and wider Aotearoa increasingly experience te reo Māori and tikanga Māori			
Te Māngai Pāho Strategies	Investment in initiatives that grow consumption of Māori content and increase understanding of Māori language and culture		Investment in content that grows engagement and promotes Right-shift	
2019/20 Key Priorities	AUDIENCE	CREATION	ACCESSIBILITY	CAPACITY
	Growing engagement with our target Māori language audience	Creating content that is engaging and personal	Ensuring all content we fund is accessible on multiple platforms	Attracting and nurturing Māori talent



Tikanga Matua ā-Toha Pūtea

Key Funding Areas





The allocation of contestable funding expenditure will be made in accordance with our Purchase and Funding Framework. Te Māngai Pāho anticipates that in the 2019/20 financial year, our funding dollars will be allocated to target audiences in the below Purchase and Funding Framework.

	MTS DIRECT \$'000	TV CONTESTABLE \$'000	NEW MEDIA CONTESTABLE \$'000	RADIO \$'000	MUSIC \$'000	RADIO PROGRAMMES \$'000	OTHER ACTIVITIES \$'000	OTHER FUNDING \$'000	TOTAL \$'000	%
FLUENT	8,000	13,800	6,400	4,594	1,140	1,560	-	-	35,494	60%
SECOND LANGUAGE	4,000	4,600	1,000	2,953 ¹	-	-	-	-	12,553	20%
RECEPTIVE	4,000	4,600	600	2,953 ¹	-	-	-	-	12,153	20%
CONTENT FUNDING EXPENDITURE	16,000	23,000	8,000	10,500	1,140	1,560	-	-	60,200	100%
OTHER FUNDING	-	-	-	-	-	-	3,000	1,300	4,300	-
TOTAL FUNDING	16,000	23,000	8,000	10,500	2,700	3,000	1,300	64,500		-

¹ Assuming an even split across the balance of the iwi radio broadcast schedules



TE MĀNGAI PĀHO

Statement of Performance Expectations 2019/20

Tauāki A-Whāinga Whakatutuki 2019/20





Te Ine Whakatutukinga

Measuring Our Performance

STRATEGY IMPACT

We work collaboratively with entities that share a direct stake in achieving Māori language outcomes to rationalise effort around outcome measurement and evaluation.

Our ZePA² measurement model provides a means of segmenting survey respondents along a language and cultural behaviour learning continuum that comprises three major states or zones:

ZERO - in which there is no use and no receptivity towards Māori language

PASSIVE - in which an individual is accommodating of Māori language

ACTIVE - in which the individual actively strives to advance the Māori language.

The model highlights how Right-shifting the position of an individual from Zero to Passive to Active can strengthen the position of the language within society. The emphasis is not simply on moving directly from Zero to Active. Right-shifting an individual from Zero to Passive can generate increased awareness and support for language revitalisation more broadly, and the subsequent Right-shift from Passive to Active is then easier to achieve. It also allows for the segments to be analysed within the context of our annual Audience Survey.

We are collaborating with other agencies in the sector and Statistics NZ to strengthen the model's integrity and develop new measures to monitor and evaluate our effectiveness.

The graph below shows the percentage of the New Zealand population that falls within each ZePA model segment and the 2016/17 midpoint.

² Higgins, R. & Rewi, P., *Indigenous Languages within the Entity*. (Language, Education and Diversity Conference paper. Auckland University June 2011).



Midpoint 2016/17



Investment in content that grows engagement and promotes Right-shift.

Impact	Strategy Impact Measure	2016/17 ZePA Measurement Survey	2019/20 Target
Right-shift has occurred in the New Zealand population.			
WHĀNAU, HAPŪ, IWI AND WIDER AOTEAROA INCREASINGLY EXPERIENCE TE REO MĀORI AND TIKANGA MĀORI	The midpoint for the New Zealand population in terms of attitudes and behaviours towards te reo Māori and tikanga Māori has shifted to the right on the ZePA measurement scale.	Midpoint = 1/18 of P2	Midpoint is to the right of the 2016/17 measure





TE REO MĀORI

My understanding of te reo Māori has increased

Impact	Strategy Impact Measure	2016/17 ZePA Measurement Survey	2019/20 Target
More New Zealanders say that their understanding of te reo Māori has increased as measured by the change in the top three fifths of the five point measurement scale			
WHĀNAU, HAPŪ, IWİ AND WIDER AOTEAROA INCREASINGLY EXPERIENCE TE REO MĀORI AND TIKANGA MĀORI	"Zero" Audience Category (Ze1 and Ze2)	13%	>13%
	"Passive" Audience Category		
	P1	25%	>25%
	P2	35%	>35%
	P3	39%	>39%
	"Active" Audience Category		
	A1	61%	>61%
	A2	76%	>76%

Ze1/Ze2 P1 P2 P3 A1 A2

Measurement Scale

0. Don't Know / 1. Not At All / 2. / 3. / 4. / 5. A Great Deal

Source: Te Māngai Pāho 2017 ZePa Measurement Survey



TIKANGA MĀORI

My understanding of Māori culture has increased

Impact	Strategy Impact Measure	2016/17 ZePA Measurement Survey	2019/20 Target
More New Zealanders say that their understanding of Tikanga Māori has increased			
WHĀNAU, HAPŪ, IWİ AND WIDER AOTEAROA INCREASINGLY EXPERIENCE TE REO MĀORI AND TIKANGA MĀORI	"Zero" Audience Category (Ze1 and Ze2)	16%	>16%
	"Passive" Audience Category		
	P1	31%	>31%
	P2	42%	>42%
	P3	59%	>59%
	"Active" Audience Category		
	A1	67%	>67%
	A2	70%	>70%

Ze1/Ze2 P1 P2 P3 A1 A2

Measurement Scale

0. Don't Know / 1. Not At All / 2. / 3. / 4. / 5. A Great Deal

Source: Te Māngai Pāho 2017 ZePa Measurement Survey



Whakapaunga Pūtea Āmua

Forecast Output Expenditure

COST OF SERVICES

The cost of the activities purchased by the Minister for Māori Development is set out below. Forecast total revenue and expenses are as disclosed in the forecast financial statements on page 28. Details of actual and forecast revenue and expenditure are set out below:

FORECAST REVENUE AND EXPENDITURE	2018/19 Estimated Actual \$M	2019/20 Forecast \$M
REVENUE		
Total Appropriations	59.1	65.7
Total Interest Received	0.6	0.8
Total Other Revenue	0.1	0.2
TOTAL REVENUE	59.8	66.7
TOTAL EXPENDITURE	59.0	68.2
Net Movement in Reserves as per Statement of Prospective Comprehensive Revenue and Expense	0.8	(1.5)
OUTPUT EXPENSES		
Māori Programmes for Television	36.3	39.0
Digital and New Media	4.3	8.0
Māori Radio and Music	13.4	14.5
Other Activities to promote Māori language and culture	1.6	3.0
TOTAL FUNDING EXPENDITURE	55.6	64.5
Operating Expenditure	3.4	3.7
TOTAL OUTPUT EXPENSES	59.0	68.2



HOW PERFORMANCE WILL BE ASSESSED AND END OF YEAR REPORTING REQUIREMENTS

ASSESSMENT OF PERFORMANCE	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Te Māngai Pāho contracts for broadcasting and other activities meet key criteria to promote the Māori language and culture	100%	100%	100%
Funding is distributed to third parties for the production and distribution of Māori language content	95%	95%	95%
Percentage Increase in audiences for Māori language content	5%	5%	5%
Māori language content funded by Te Māngai Pāho achieves a quality standard of at least 90% on the Māori language Evaluation Framework	Achieved	Achieved	Achieved

END OF YEAR REPORTING

Performance information for this appropriation will be provided by Te Māngai Pāho in its Annual Report.





4

Whāinga ā-Whakatutuki Ratonga

Performance Expectations

The information below outlines the activities that Te Māngai Pāho intends to deliver in the coming year. These have been grouped under two groups of activities:

1. Promotion of Māori Language and Culture

- Funding the production and distribution of Māori Language Content
- Other Activities to Promote Māori Language and Culture

2. Contract Management

FUNDING THE PRODUCTION AND DISTRIBUTION OF MĀORI LANGUAGE CONTENT

We intend to achieve promotion of Māori language and culture through the purchasing of music, radio, television, digital and new media content and the promotion of content creation capability.

In 2019/20 Te Māngai Pāho has made provision for generally increased cost per hour of production in order to support the delivery of higher quality Māori language content.



Key activities for 2019/20

Our priorities for 2019/20 include:



AUDIENCE

- Implementing a shared data path with other agencies
- Developing audience engagement measures
- Growing audiences in all language categories



CREATION

- Implementing the new content purchasing regime for iwi radio
- Improving the quality of funded content for rangatahi
- Developing more agile funding arrangements



ACCESSIBILITY

- Working with existing platforms to improve their appeal and viability
- Ensuring that all funded content is available on multiple platforms
- Experimenting with new platforms for specific target audiences, particularly rangatahi



CAPACITY

- Working with news providers to ensure better and more efficient Māori news services
- Ensuring the capacity of both Te Māngai Pāho and the sector is future fit
- Growing innovative partnerships

These activities will be provided within a total of \$64.5 million (exclusive of GST).



PERFORMANCE MEASURES

		2017/18 Actual	2018/19 Estimated Actual	2019/20 Forecast
	<p><i>The following quality measures are based on samples of at least 90% of funded programmes.</i></p> <p>Quality</p> <p>Samples of funded programmes reviewed are assessed as meeting a quality standard of (at least) 4.5 or above on a five-point scale based on our Māori Language Evaluation Framework</p> <p>(Quality is assessed on six quality aspects, each on a five-point scale where 5 is Excellent and 1 is Poor).</p>	New Combined Measure in 2018/19 ³	Achieved	Achieved
QUALITY OF MĀORI LANGUAGE FOR ALL FUNDED CONTENT	<p><i>The following quantity measures are based on samples of at least 90% of funded programmes.</i></p> <p>Quantity</p> <p>At least 90% of samples of funded programmes are assessed as meeting the required Māori language content according to target audience group.</p>	98% ⁴	>98%	>90%
QUANTITY OF MĀORI LANGUAGE CONTENT FOR TELEVISION	Increase audiences for funded programmes across combined broadcast and digital platforms.	Not Achieved (-1%)	5%	≥5%
TELEVISION AUDIENCES				

³ The Quality standard in 2017/18 was set out separately for Television, Radio and New Media, and read as follows: *Māori language content funded by Te Māngai Pāho is assessed as achieving a quality standard of at least 90% on our agreed Māori Language Evaluation Framework.* The target was not achieved for Television but was achieved for Radio.

⁴ Note that the Quantity standard in 2018/19 was >98%



QUANTITY OF MĀORI LANGUAGE CONTENT FOR TELEVISION	2017/18	2018/19	2019/20
	Actual	Estimated Actual	Forecast
	HOURS	HOURS	HOURS
DIRECT FUNDING FOR MĀORI TELEVISION			
Target Audience Group			
Fluent Māori Language Speakers (Over 70% Māori language content)	505	376	376
Second language learners (between 30-70% Māori content)	90	124.5	124.5
Receptive Audiences (up to 30% Māori language content)	285	149.5	149.5
Total Direct Funded Hours of Content for Māori Television	880 Hours	650 Hours	650 Hours
CONTESTABLE TELEVISION PROGRAMME FUNDING			
Target Audience Group			
Fluent Māori Language Speakers (Over 70% Māori language content)	502	240	240
Second language learners (between 30-70% Māori content)	100	80	80
Receptive Audiences (up to 30% Māori language content)	149	80	80
Total Contestable Television Programme Hours	751 Hours	400 Hours	400 Hours



		2017/18 Actual	2018/19 Estimated Actual	2019/20 Forecast
CONTESTABLE DIGITAL AND NEW MEDIA FUNDING	Number of Digital and New Media Initiatives Funded	18	24 Initiatives	40 Initiatives
	Hours of Digital and New Media Initiatives Funded	New Measure 2018/19	5 Hours	20 Hours
	<i>Quality</i>			
	All proposals funded have identified Māori language and/or Māori cultural outcomes and are made available on multiple platforms	Achieved	Achieved	Achieved
<i>The following quantity measures are based on samples of at least 90% of funded programmes for Iwi Radio.</i>				
QUANTITY OF MĀORI LANGUAGE CONTENT FOR IWİ RADIO	<i>Quantity</i>			
	At least 90% of stations meet the required Māori language content of an average of 10.5 hours per day as measured by the Kōkako language recognition system.	100%	Replaced by New Measure 2018/19	Replaced by New Measure 2018/19
	<i>Quantity</i>			
	100% of stations meet the required Māori language content of an average of 10.5 hours per day as measured by the Kōkako language recognition system, or alternatively a revised quantity measure incorporating new local content as agreed with Te Māngai Pāho.	New Measure 2018/19	100%	100%
	Number of iwi radio stations that produce the required number of specified Māori language hours as per their agreed Māori Language Plan.	N/A	21	21

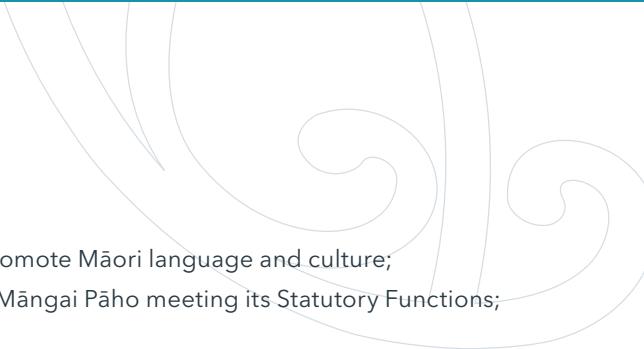


		2017/18 Actual	2018/19 Estimated Actual	2019/20 Forecast
QUANTITY OF CONTENT FOR IWI RADIO PROGRAMMES AND MUSIC	<i>Radio Programmes For National Distribution over the Radio Network</i>	2,543 Hours	2,420 Hours	2,420 Hours
	<i>Target Audience Group: Fluent Māori Language Speakers (Over 70% Māori Language Content)</i>	Refer Note below		
	<i>Digital Media File Uploads</i>	8,523 Files	10,000 Files	Not Applicable 2018/19
	<i>Average Monthly Number of (unique) Users on Waatea Website per Google Analytics</i>	New Measure 2018/19	New Measure 2018/19	Average >90,000 users
	<i>Music</i>			
	<i>Number of Music Tracks</i>	33	13	60
	<i>Number of Music Videos</i>	24	19	40
	<i>Number of Special Music Projects</i>	N/A	3	4
	<i>Broadcast Quality</i>			
	The on-air content of station broadcasts is assessed as achieving a quality standard of at least 80% based on our agreed Māori Radio Broadcasting Evaluation Framework <i>(Quality is assessed on twelve quality aspects, each on a five-point scale where 5 is Excellent and 1 is Poor).</i>	New Measure 2018/19	Not Achieved 3	Achieved 4
QUALITY MEASURES FOR IWI RADIO	<i>Increase iwi radio listenership across the combined broadcast and digital platforms by ≥5%.</i>	Achieved 5%	Achieved 5%	Achieved ≥5%
	<i>Funding for centrally managed Iwi Radio service provider contracts</i>	Achieved	Achieved ⁵ >90%	Achieved >90%
	For each contract, the percentage of iwi stations that rank provider service as "satisfactory" or better in a six-monthly survey.	95%		

⁵ Iwi radio stations rate provider service according to a five point scale with 1 being poor and 5 being excellent. The target represents the proportion of stations that rank service providers 3 out of 5 or better.



		2017/18 Actual	2018/19 Estimated Actual	2019/20 Forecast
OTHER ACTIVITIES TO PROMOTE MĀORI LANGUAGE AND CULTURE	Radio and Television Archiving			
	Hours of Television Archiving	610	610	610
	Hours of Radio Archiving	500	500	500
	Number of Other Activities Funded	Achieved 13	Achieved 13	20
	Quality - All Funded Activities have an approved project plan and results of each Activity are reported to the Board on completion	Achieved 100%	100%	100%
	Archiving Cost	\$0.6m	\$0.6m	\$0.6m
	Other Initiatives Cost	\$0.4m	\$1.4	\$2.4m
	Total Cost of Other Activities to Promote Māori Language and Culture (GST Exclusive)	\$1.0m	\$2.0m	\$3.0m
COSTS - FUNDING THE PRODUCTION AND DISTRIBUTION OF MĀORI LANGUAGE CONTENT	Total Cost of Direct Funding for Māori Television	\$16.1m	\$16.0m	\$16.0m
	Total Cost of Contestable Television Programme Funding	\$23.7m	\$20.3m	\$23.0m
	Total Cost of Māori Language Content for Television	\$39.8m	\$36.3m	\$39.0m
	Total Cost Māori Language Content for Digital and New Media	\$2.4m	\$4.3m	\$8.0m
	Iwi Radio Operational Funding Cost	\$10.5m	\$10.5m	\$10.5m
	Centrally Managed Service Provider Contracts Cost	\$1.2m	\$1.3m	\$1.3m
	Cost for Contestable Funding for Radio Programmes and Music	\$1.6m	\$1.6m	\$2.7m
	Total Cost of Māori Language Content for Iwi Radio	\$13.3m	\$13.4m	\$14.5m
	Total Cost of Other Activities to Promote Māori Language and Culture	\$1.0	\$1.6m	\$3.0m
	Total Cost of Māori Language Content	\$56.5m	\$55.6m	\$64.5m



CONTRACT MANAGEMENT

We intend to achieve:

- the sound management and disbursement of funds to promote Māori language and culture;
- the maintenance of systems and procedures to assist Te Māngai Pāho meeting its Statutory Functions;

Our priorities for 2019/20 are to:

- o implement a measure for our Right-shift strategy;
- o develop a measure for audience engagement.

These activities will be provided within the forecast cost of \$3.7 million (exclusive of GST).

		2017/18 Actual	2018/19 Estimated Actual	2019/20 Forecast
OPERATING EXPENDITURE	Contracts for broadcasting and other activities meet key criteria to promote the Māori language and culture	Achieved 100%	100%	100%
	Funding Recipients independently reviewed to ensure that reported costs are appropriate, complete and correct.	2 Radio 3 Contracts for TV, Digital and New Media	2 Radio 3 Contracts for TV	2 Radio 3 Contracts for TV, Digital and New Media
	Percentage of completed reviews with final recommendations fully accepted by funding recipient	Achieved 100%	Achieved 100%	Achieved 100%
	Contract Management Cost	\$2.6 m	\$3.4 m	\$3.7m
	Total Operating Expenditure	\$2.6m	\$3.4 m	\$3.7m



5 Arotakena ā-Pakari, ā-Pūkaha o te Whakahaere

Assessing Organisational Health & Capability

FOCUS AREA	PERFORMANCE MEASURE	PERFORMANCE INDICATOR
GOOD EMPLOYER	Annual Staff Turnover	10% or less [2017/18 18%]
	Zero tolerance of harassment bullying and discrimination	Achieved [2017/18 Achieved]
	Equal Employment Opportunity principles included in all relevant documents and practices	Achieved [2017/18 Achieved]
MANAGING RISK	No funding commitments are overturned as a result of an identified departure from Te Māngai Pāho's statutory requirements, guidelines and policies	Achieved [2017/18 Achieved]
MANAGEMENT CONTROL ENVIRONMENT	Annual audit rating	Achieve "Very Good" rating [2017/18: "Very Good"]
FINANCIAL INFORMATION SYSTEMS AND CONTROLS	Annual audit rating	Achieve "Very Good" rating [2017/18: "Very Good"]
SERVICE PERFORMANCE INFORMATION AND ASSOCIATED SYSTEMS AND CONTROLS	Annual audit rating	Achieve "Very Good" Rating [2017/18: Good"]
EFFECTIVENESS AND EFFICIENCY	At least 95% of the appropriation/funding is distributed to third parties to fund the production and distribution of Māori language content	At least 94% [2017/18 95.6% (Equivalent Measure)]





6

Tauāki ā-Pūtea Āmua

Prospective Financial Statements



Statement of Prospective Comprehensive Revenue and Expense

For the year ending 30 June 2020

	2017/18 Actual \$M	2018/19 Estimated Actual \$M	2019/20 Forecast \$M
REVENUE			
Funding from the Crown	58.8	59.1	65.7
Interest revenue	0.6	0.6	0.8
Other revenue	0.2	0.1	0.2
TOTAL REVENUE	59.6	59.8	66.7
FUNDING EXPENDITURE			
Māori Programmes for Television	39.9	36.3	39.0
Digital and New Media	2.4	4.3	8.0
Māori Radio	13.3	13.4	14.5
Other Activities to promote Māori Language and Culture	1.0	1.6	3.0
TOTAL FUNDING EXPENDITURE	56.6	55.6	64.5
OPERATING EXPENDITURE			
Total operating expenditure	2.6	3.4	3.7
Total expenditure	59.2	59.0	68.2
NET SURPLUS/(DEFICIT)	0.4	0.8	(1.5)
Other Comprehensive Revenue and Expense	0.0	0.0	0.0
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	0.4	0.8	(1.5)

The accompanying accounting policies form part of these financial statements.

Actual figures for 2017/18 and Estimated Actual figures for 2018/19 are restated to conform to the reporting format for the Forecast figures for 2019/20.



Statement of Estimated Financial Position

As at 30 June 2019 and

Prospective Financial Position

As at 30 June 2020

	2018/19 Estimated Position 30 June 2019	2019/20 Forecast Position 30 June 2020
	\$M	\$M
PUBLIC EQUITY 30 JUNE	3.7	2.2
<i>Represented by:</i>		
ASSETS		
Current assets		
Cash and cash equivalents	8.3	2.8
Investments	11.5	15.0
Debtors and other receivables	0.1	0.3
TOTAL CURRENT ASSETS	19.9	18.1
NON-CURRENT ASSETS		
Property, plant and equipment	0.1	0.2
Intangible assets	0.3	0.4
TOTAL NON-CURRENT ASSETS	0.4	0.6
TOTAL ASSETS	20.3	18.7

The accompanying accounting policies form part of these financial statements.



	2018/19 Estimated Position 30 June 2019	2019/20 Forecast Position 30 June 2020
	\$M	\$M
LIABILITIES		
Creditors and other payables	0.6	0.6
Employee entitlements	0.2	0.6
Funding provisions	15.8	15.3
Total current liabilities	16.6	16.5
TOTAL LIABILITIES	16.6	16.5
NET ASSETS	3.7	2.2

Statement of Prospective Changes In Public Equity

For the year ending 30 June 2020

	2018/19 Estimated Position 30 June 2019	2019/20 Forecast Position 30 June 2020
	\$M	\$M
BALANCE AT 1 JULY		
Total comprehensive revenue and expense for the year	2.9	3.7
BALANCE AT 30 JUNE	3.7	2.2

The accompanying accounting policies form part of these financial statements.

Actual figures for 2017/18 and Estimated Actual figures for 2018/19 are restated to conform to the reporting format for the Forecast figures for 2019/20.

Statement of Prospective Cash Flows

For the year ending 30 June

	2018/19 Estimated Position 30 June 2019	2019/20 Forecast Position 30 June 2020
	\$M	\$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash provided from -		
Receipts from the Crown	59.1	65.7
Interest received	0.4	0.7
Receipts from other revenue	0.1	0.2
	59.6	66.6
Cash applied to -		
Payments to employees	(1.4)	(1.4)
Payments to suppliers	(1.5)	(1.9)
Payments to broadcasters and programme producers	(54.7)	(65.0)
	(57.6)	(68.3)
Net cash flows from operating activities	2.0	(1.7)

The accompanying accounting policies form part of these financial statements.

Statement of Prospective Cash Flows Cont'd

For the year ending 30 June

	2018/19 Estimated Position 30 June 2019	2019/20 Forecast Position 30 June 2020
	\$M	\$M
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash provided from		
Receipts from investments	0.0	0.0
Cash applied to -		
Acquisition of investments	(3.9)	(3.5)
Purchase of property, plant and equipment	(0.1)	(0.1)
Purchase of intangible assets	(0.1)	(0.2)
NET CASH FLOW FROM INVESTING ACTIVITIES	(4.1)	(3.8)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease) in cash held and cash equivalents	(2.1)	(5.5)
Plus opening cash and cash equivalents at the beginning of the year	10.4	8.3
CLOSING CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8.3	2.8

The accompanying accounting policies form part of these financial statements.

7 Tauāki ā-Kaupapahere Kaute

Statement of Accounting Policies

FOR THE YEAR ENDING 30 JUNE 2020

REPORTING ENTITY

Te Māngai Pāho is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing Te Māngai Pāho's operations includes the Broadcasting Act 1989, the Crown Entities Act 2004 and Te Ture mō Te Reo Māori 2016. Te Māngai Pāho's ultimate parent is the New Zealand Crown.

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

As a secondary function Te Māngai Pāho may also make funds available for transmitting on demand, producing content for transmitting on demand and archiving content and other activities to promote the Māori language and culture.

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

Te Māngai Pāho has designated itself as a public benefit entity (PBE) for financial reporting purposes and does not operate to make a financial return.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars (\$m).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

The specific accounting policies for significant revenue items are explained below:

Revenue from the Crown

Te Māngai Pāho is primarily funded from the Crown and this funding is restricted in its use for the purpose of Te Māngai Pāho meeting the objectives specified in its funding legislation and the scope of the relevant Crown appropriations.

Te Māngai Pāho considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest revenue

Interest revenue is recognised using the effective interest method.

Treatment of the Allocation of Funds

The allocation of funds to broadcasting projects is recognised as expenditure in the financial year the allocation is made provided that, prior to the end of the financial year, the project

has received Board approval and the funding applicant has received notice of approval in writing. Expenditure therefore includes funds allocated but not paid out at the year end. The funds not paid out are recorded as funding liabilities in the statement of financial liability. This liability is reduced as the applicant is paid according to the drawdown schedule specified in the production contract.

Once payments have been made according to the drawdown schedule there is no obligation to return any funding unless the total amount of the final payment is not required on completion of the project.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under Te Māngai Pāho's operating lease for its premises are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that Te Māngai Pāho will not be able to collect all amounts due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Investments

Bank term deposits

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

Property, plant and equipment

Property, plant and equipment consists of five asset classes. These are office equipment, furniture and fittings, computer equipment, leasehold improvements and motor vehicles.

All these asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

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

In most instances an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction it is recognised at its fair value as at the date of acquisition.

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

The costs of day to day servicing of property, plant and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Depreciation

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

Office Equipment	5 years	20%
Furniture & Fittings	9 to 10 years	11%
Computer Equipment	3 years	33%
Leasehold Improvements	4 to 6 years	17-25%
Motor Vehicle	5 years	20%

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

Impairment of property, plant and equipment

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the

carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on depreciated replacement cost.

If an asset's carrying amount exceeds its recoverable amount the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Critical accounting estimates and assumptions

The useful lives and residual values of property, plant and equipment are reviewed at each balance date. In doing this, a number of factors are considered, including the physical condition of the asset, the expected period of use of the asset by Te Māngai Pāho and expected disposal proceeds from the future sale of the asset.

Te Māngai Pāho has not made changes to past assumptions concerning useful lives and residual values.

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of Te Māngai Pāho's website are recognised as an expense when incurred.

Amortisation

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

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

Acquired computer software	3 years	33%
Developed computer software	4 years	25%

Impairment of Intangible assets

Refer to the policy for impairment of property, plant and equipment. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

The useful lives of the software are considered reasonable based on the current performance and use of the software and there are currently no indicators that the period of use of the software will be materially different.

Payables

Short term payables are recorded at the amount payable.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within twelve months after the end of the period in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation, or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Provisions

A provision is recognised for future expenditure of an uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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 53O of the Broadcasting Act 1989.

Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, except for receivables and payables, which are recorded on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST received from or paid to Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

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.

Output Cost Statements

The Output Cost Statements, as reported in the Statement of Performance, report the total funding allocations made for the radio and television outputs for the year ending 30 June 2020. They also report the costs of administrative activities undertaken by Te Māngai Pāho.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, Te Māngai Pāho has made estimates and assumptions concerning the future. Subsequent actual results may differ from these estimates and assumptions. The estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates and assumptions are:

Broadcasters and producers will fulfil their legal obligation within the timeframe as per the contract. Te Māngai Pāho assesses property, plant and equipment's useful lives and residual value by considering a number of factors such as the physical condition of the asset, expected period of use of the asset by Te Māngai Pāho and expected disposal proceeds from the future sale of the asset. Te Māngai Pāho has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying accounting policies

Management has exercised no critical judgements in applying the accounting policies for the year ending 30 June 2020.



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**OFFICE ADDRESS**

Level 2, Te Puni Kōkiri House,
143 Lambton Quay,
Wellington 6011,
Aotearoa - New Zealand

POSTAL ADDRESS

PO Box 10 004, Wellington 6143,
Aotearoa - New Zealand

TELEPHONE

04-915 0700

EMAIL

info@tmp.govt.nz

www.tmp.govt.nz

