



AOTEAROA

Reflecting more of New Zealand



Pūrongo-ā-tau
Annual Report 2007

MĀORI
TELEVISION
mā rātou mā mātou mā koutou mā tātou

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Annual Report of Māori Television for the year ended 30 June 2007

Presented to the House of Representatives pursuant to section 44(2) of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003.

The Ministers of Māori Affairs and Finance

In accordance with section 44(2) of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 I present, on behalf of the Māori Television Board, the Annual Report on the operations of Māori Television for the year ended 30 June 2007.



Garry Muriwai
Chairman

Ngā pūtake o te pūrongo a te Heamana

Tēnā koutou i runga i ō tātou tini aitua, o ia marae, o ia marae, kua wheturangihia. Kei te mihi atu, kei te tangi atu. Rātou te hunga mate ki a rātou. Tātou te hunga ora ki a tātou. Tēnā anō tātou katoa.

Ko te whāinga a Whakaata Māori mo te tau 2006-2007 kia ranongahia, kia whai whakaarohia te teihana hei kaiwhakapāho tākoha e whakaatu nei i ngā hōtaka kairangi o Aotearoa mai i te tirohanga a te Māori. Ko te kaupapa o tēnei whāinga kia whakatōhia a Whakaata Māori taketake ki roto o Aotearoa, kia toitū ai mo ngā rā kei mua i te aroaro, me te mōhio i te mutunga mai hei whakaora i te reo Māori me whakaputa ki te tini o Aotearoa.

Ma te tutuki o ngā kaupapa e ai ki ngā herenga ā ture, te angitū o te whakatinana i te mahere rautaki, te pai o ngā whakahaerenga katoa, te tipu o te puna kaimātaki, te tautoko a ngā kaitautoko me te hāpori, ki taku titiro kei mua noa atu a Whakaata Māori e haere ana. Ko ngā whakatutukitanga matua mo te tau:

- He teihana mauritau a Whakaata Māori, i whakatū tōtikahia me tōna rautaki. Kei te ora rawa atu te puka whakatairite, me te tū pakari o te hanganga pūtea.
- He tau nui tēnei mo ngā hōtaka i whakaatuhia mo te rā katoa arā te rā o Waitangi me te ANZAC Day; te Hyde Park Memorial me te Year of the Veteran Military Pageant; te pāpaaho mo te tangihanga o Te Arikini Dame Te Atairangikaahu, te Kiingi o Tonga Taufa'ahau Tupou IV me te Ūpoko o te Whenua o Samoa His Majesty Malietoa Tanumafili II; te pāpaaho mo Te Matatini ngā whakataetae kapa haka ā motu; me ētahi atu whakaaturanga nui o te ao hākinakina.
- 89 orau no te haukāinga ake puta noa i te mahere hōtaka.
- 55 orau te reo Māori puta noa i te mahere hōtaka. Ko te mea nui kia hāngai te takoto o te reo ki te momo whakaaturanga

ā, kia eke hoki te kounga ki ngā taumata e tika ana.

- Te maha o te hunga kaimātaki 24 orau mai i tērā tau. No Paengawhāwhā 2007 te kaute maha rawa atu mai i te whakamānūtanga 722,100 o Aotearoa i hono mai.
- Te whakatūturutangahia o ngā hea o Whakaata Māori me Freeview Limited.
- Te pānuitangahia kei te whakamānuhia e Whakaata Māori he teihana hou hei whakapāho i roto i te reo Māori anake.
- Te whakatau ki te whakatū i te hui tuatahi mo te World Indigenous Television Broadcasting Conference a te Poutūterangi 2008.

Tokorua ngā kaiwhakahaere hou i eke mai ki te poari i tēnei wā. No te 2006 a Tahu Potiki o Ngai Tahu i eke mai ai, i mua ko ia te Tāhūhū Rangapū o Te Rūnanga o Ngai Tahu. No te 2007 a Cathy Dewes o Te Arawa me Ngāti Porou i eke mai ai, otirā ko ia te tumuaki o Te Kura Kaupapa Māori o Ruamata i Rotorua. I eke mai ēnei tokorua hei kaiwhakahaere hou mo te poari mai i Te Pūtahi Paoho.

No tēnei wā hoki i whakaaetia e te poari te rīhainatanga o Dr Leonie Pihama no Te Atiawa me Ngāti Mahanga. He kaiwhakahaere kua roa e kōkiri ana mo te oranga o te reo Māori i ranongahia ai āna mahi mo Whakaata Māori.

He whakarerekētanga anō hoki ki te poari i te mutunga o te tau 2006-2007 i te whakamanatanahia o Garry Muriwai o Ngapuhi hei Heamana whai muri i taku rīhainatanga mai i taua tūnga ki te kōkiri whaipānga pakihī.

He maha ngā hua kua puta i tēnei kamupene. Heoi, ko te taha miiharo rawa atu ki ahau ko te manawanui, ko te pono me te pūmau o ngā tāngata o Whakaata Māori. Ko te whakaaro kotahi o te rōpū kaiwhakahaere, ngā kaimahi me te poari kia noho tēnei teihana hei taonga whakahī ma ngā iwi whānui o Aotearoa, e kore tētahi mea e ōrite ki tēnei ki tāku titiro.

Chairman's Review

Ka huri aku mihi ki ngā kaitautoko, ki a Te Pūtahi Paoho me te Karauna, e kaha nei ki tautoko kia eke ai ki ngā taumata kia pūāwai ai ngā mahi a Whakaata Māori.

Ka mihi hoki ki te Kaunihera Kaumātua mo te puna mātauranga i whakakaohia mai hei ārahi hei tautoko i roto i ngā tikanga Māori.

He mihi whakamutunga, ki te Tāhūhū Rangapū a Jim Mather me tana rōpū kaiwhakahaere matua. Kei te koa ahau ki te noho mai ki runga i te poari o Whakaata Māori hei kaiwhakahaere me taku mōhio anō kei te ārahi paihia, kei te kaweā tikahia, kei te whakahaere tikahia, mo ngā angitūtanga kei mua i te aroaro.

Kāore e kumea roatia te kōrero, heoi anō, noho pai mai i roto i ngā manaakitanga katoa.



Wayne Walden

Heamana 2003-2007

Tēnā koutou i runga i ō tātou tini aitua, o ia marae, o ia marae, kua wheturangihia. Kei te mihi atu, kei te tangi atu. Rātou te hunga mate ki a rātou. Tātou te hunga ora ki a tātou. Tēnā anō tātou katoa.

Māori Television's goal for the 2006-2007 year has been for the channel to be recognised and acknowledged as a complementary public service broadcaster that is providing quality New Zealand television from the Māori perspective. The purpose behind this goal is to entrench Māori Television as a permanent part of New Zealand society, to ensure that the organisation is well positioned for further growth, and ultimately and most importantly to revitalise te reo Māori by delivering it to as many New Zealanders as possible.

Based on delivery to legislative obligations, successful implementation of strategy, overall performance, audience growth, and stakeholder and public endorsement, it is my view that Māori Television is well on the way to achieving this goal.

As outgoing Chairman, it is my privilege and pleasure to present the Annual Report 2006-2007 of Māori Television.

Established for Future Growth

The early challenges that the organisation faced are well documented and as I reflect on the advancement of Māori Television since that time, particularly in the three years that the channel has been on air, I am reminded of the outstanding progress it has made.

Today, Māori Television is a stable, well-established organisation with a sound strategy. It is widely acknowledged for the freshness and quality of its product and for its delivery to legislative and strategic objectives. Its balance sheet is strong and its financial structures are robust. All other structures critical to ensuring its ongoing performance and longevity – those being people, procedures, systems and planning structures – are in place and are sound.

As an organisation Māori Television has strong support from its Māori stakeholder, Te Pūtahi Paoho, its Crown stakeholder, and right across the political spectrum. And importantly, its audience continues to grow with viewers comprising both Māori and non-Māori. It is clear that the work completed in these establishment years has resulted in Māori Television now being well prepared for the future opportunities and challenges that lie ahead.

More Aotearoa on Māori Television

As a complementary public service broadcaster it is reasonable to expect that Māori Television will deliver a high level of local programming content.

2006-2007
89%
New Zealand-
made programmes

The 2006-2007 period saw Māori Television signal its emergence as a public service oriented broadcaster with programming initiatives such as the full day celebration of Waitangi Day as our national day; the all day commemoration of ANZAC Day; the Hyde Park Memorial and Year of the Veteran Military Pageant; live coverage of the tangihanga of Te Arikini Dame Te Atairangikaahu, the King of Tonga King Taufa'ahau Tupou IV and the Head of State of Samoa His Majesty Malietoa Tanumafili II; coverage of Te Matatini national kapa haka championships; and a range of high profile sporting events, all delivered free-to-air. These initiatives were broadcast alongside an established and strong schedule of entertaining and informative programmes that reflect our unique identity and our lives in this nation.

I am pleased to report that Māori Television's broadcast schedule for 2006-2007 was comprised of 89 percent of New Zealand-made programmes, the majority of which contained varying levels of reo Māori.

Our performance during the period as a broadcaster of Māori language has been pleasing. Māori Television achieved 55 percent te reo Māori across the schedule for the year. Our focus remains on ensuring that the delivery of te reo is appropriate to the programme genres and is of the highest quality possible.

Increasing and retaining audience is a key priority for Māori Television. Audience growth is evidence not only of a quality product, but also of our success at delivering Māori language into the homes of New Zealanders. The 2006-2007 year saw 24% growth in average monthly cumulative audience on FY06. The month of April 2007 saw Māori Television achieve its highest audience result since launch with 722,100 New Zealanders tuning in. At time of publication, highest monthly cumulative audience had grown to 767,000 for August 2007.

Advancing Te Reo Māori in the Digital Era

Uppermost in our focus is our commitment to the promotion of Māori language. This is at the core of Māori Television's purpose and for which we continue to strive. And while we are confident that we are delivering to the legislative requirements upon us, we are of the view that more can be done to enhance the future of our language. We view the development of digital technology as a key opportunity to advance this.

During the period under review Māori Television confirmed its shareholding in Freeview Limited. The development of Freeview offers Māori Television the opportunity to further evolve by becoming a multi-channel broadcaster.

To that end, development work on a digital strategy that is aimed at maximising the opportunities for te reo and Māori Television within the digital environment has been finalised. This work culminated recently with the announcement that Māori Television will launch a new channel that will broadcast in the Māori language only.

Due to launch in 2008, this channel will enable Māori Television to ensure that it is meeting the needs of fluent speakers and committed learners of te reo Māori. Initially broadcasting for three hours per day during prime time, we expect that the channel will develop its schedule over time. Its launch has been made possible through the funding support of the Government, particularly our responsible ministers Hon Dr Michael Cullen and Hon Parekura Horomia. We see this channel as complementary to the service we are already providing and as an important new contributor to collective efforts to support the promotion and retention of our native language and the preservation of our culture.

Committed to Growth and Excellence

Our commitment to growth and the achievement of excellence is a key factor in our decision to host the World Indigenous Television Broadcasting Conference in March 2008. This event is the first of its kind for the industry and it is aimed at unifying, strengthening and promoting indigenous broadcasting worldwide. As we know, there is a renewed pride in indigenous issues, culture and native languages, and indigenous broadcasting is making great progress all over the world. This conference will explore how we, as broadcasters, can ensure that our unique indigenous identities are retained and strengthened and what our obligations and responsibilities are to ensuring the integrity of our native languages, the development and promotion of our cultures, and our status as indigenous peoples.

Māori Television's vision is to be a world-class indigenous broadcaster. This conference, and subsequent conferences to follow, will assist each of us to identify a benchmark to which we can aspire and by which to measure our performance.

He Tāngata, He Tāngata, He Tāngata

My tenure as Chairman of Māori Television has provided me with the privilege of working with an independent and

prudent board of directors. The board has proven to be highly committed to the kaupapa of Māori Television and to ensuring that it has developed as a sustainable and robust organisation.

The board welcomed two new directors during the period. Tahu Potiki (Ngai Tahu) joined the board in 2006, bringing with him a strong record as the former Chief Executive of Te Rūnanga o Ngai Tahu. Cathy Dewes (Te Arawa, Ngāti Porou) joined the board in 2007 and is the principal of Te Kura Kaupapa Māori o Ruamata in Rotorua, which is a pioneer in the delivery of national secondary qualifications in te reo Māori. Both new directors are strong advocates of te reo Māori and join the board as appointees of Te Pūtahi Paoho.

During the period the board accepted the resignation of Dr Leonie Pihama (Te Atiawa, Ngāti Mahanga). A long-term director, Leonie's commitment to the advancement of te reo Māori exemplified her contribution to Māori Television. On behalf of the board I thank Leonie for the work she has done to ensure the success of this taonga.

A further change to the board occurred at the finalization of the 2006-2007 year with the appointment of Garry Muriwai (Ngāpuhi) as Chairman following my resignation from the position to pursue business interests. Garry joined the board as a director in 2004 and is well qualified to take this new position.

Over the course of my five-year involvement with Māori Television I have seen the organisation achieve many milestones. From the historic and memorable launch day, to seeing Māori stories told by Māori in a Māori way on national television, to hearing te reo beamed across the airwaves during prime time, to watching the steadily increasing audience ratings, through to witnessing the impact on New Zealanders of programming initiatives like ANZAC Day,

Māori Television has certainly made a significant and most importantly a positive impact on our nation.

However, the aspect that I have highest regard for is the commitment, loyalty and passion of the people of Māori Television. The single-minded focus of the management team, staff and the board on ensuring that this channel is a taonga that Māori, and ultimately all New Zealanders, can be proud of is unequalled in my experience.

I want to acknowledge both our stakeholders, Te Pūtahi Paoho and the Crown, whose full support has been a key factor in the progress that Māori Television has achieved to date.

I also acknowledge the Kaunihera Kaumātua for their collective wisdom, guidance and support in matters of tikanga Māori. The presence of this group of esteemed elders provides us with the certainty that we remain true to our purpose whilst evolving Māori Television as a broadcaster of significance.

And finally, I wish to formally recognize the Chief Executive Jim Mather and his executive team for the successful transition from start-up to implementing the structure to prepare Māori Television for the future. I am proud to remain on the board of Māori Television as a director and I have absolute confidence that the organization is well led, governed, managed and prepared for ongoing success.

Kāore e kumea roatia te kōrero, heoi anō, noho pai mai i roto i ngā manaakitanga katoa.



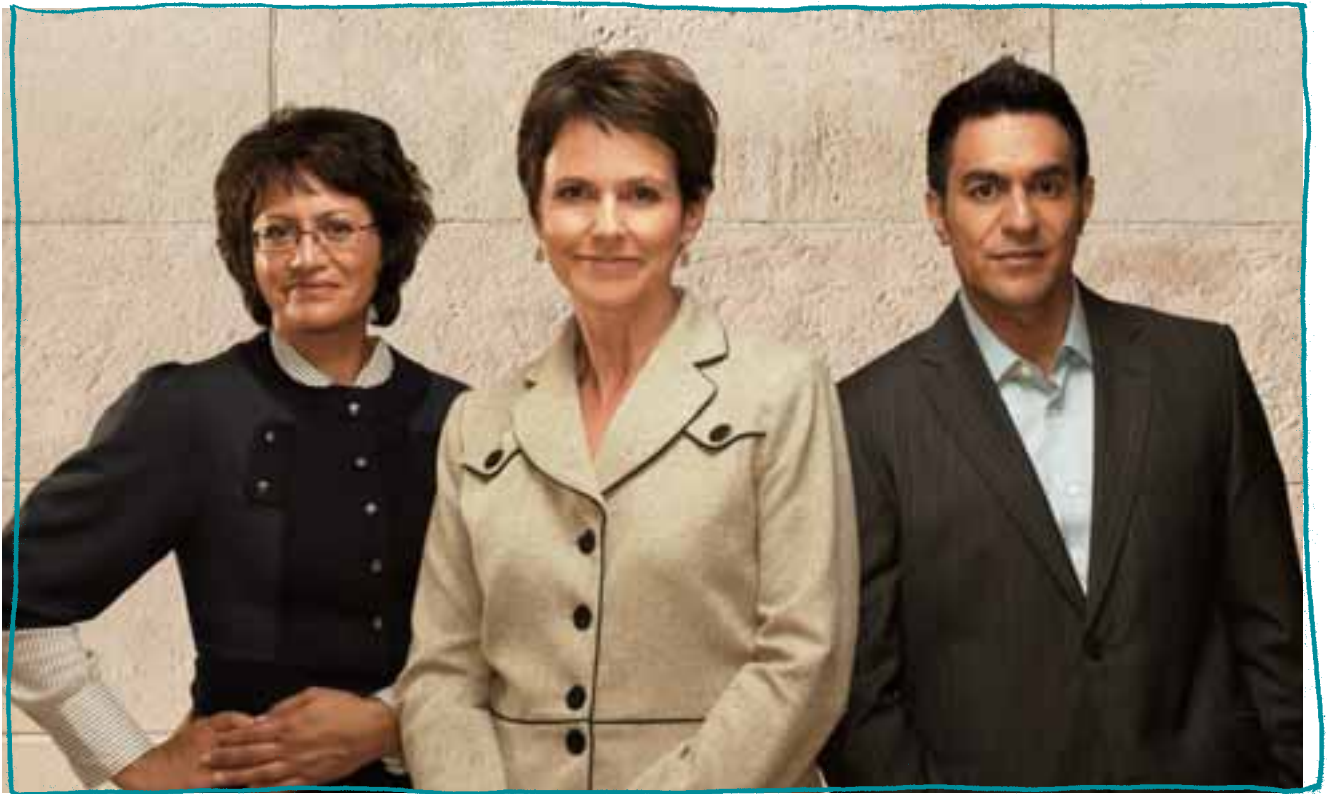
Wayne Walden
Chairman 2003-2007



KŌREERO

Telling more of our stories





NGĀKAU

Sharing more of what moves us



NĀ RĀTOU MŌ TĀTOU.

Ngā pūtake o te pūrongo a te Tāhūhū Rangapū

E ngā mana, e ngā reo, e ngā urupā o rātou mā kua hoki atu nei ki te kāpunipunitanga o te ao wairua ki tua o te pae o maumahara. Otirā, waiho ake rātou ki a rātou, ko tātou ngā kanohi ora o rātou mā ki a tātou, tihei mauri ora!

He tau nui tēnei kua mahue ake nei mo te hunga pāpaaho o Aotearoa i te whakamānūtangahia o te whakaaturanga kore utu ā-tihi. No reira, e koa ana te ngākau kei te kaha a Whakaata Māori ki te hiki i āna kaupapa i roto i ngā uauatanga o te ao hangarau me te whakaū i tōna tūnga kaiwhakapaaho ā iwi taketake mo Aotearoa.

I te mutunga anō ka kitea te toitūtanga o te kamupene ma tōna kaha ki te tautoko me te hāpai i te reo me ngā tikanga Māori. E koa ana te ngākau mo ngā mahi i oti i a mātou me ngā tari reo Māori puta noa, mo te maha ake o te hunga e hiahia ana ki te reo Māori. Ka kitea ēnei hua i ngā tauanga o te pūrongo kohinga kōrero 2006 mo te Hauora o te reo Māori, e whakaatu ana 27 orau o ērā i whakahoki kōrero mai he matatau ki te reo Māori. Heoi, i taua pūrongo rangahau anō, 93 orau o ērā katoa i whakahoki kōrero mai e tino whakaaea ana he taonga nui a Whakaata Māori hei whakaora hei manaaki hoki i te reo me ngā tikanga Māori.

Ki te whakatairanga i te reo me ngā tikanga Māori, e ū tonu ana mātou kia whai wāhi mai te hunga mātaki o Aotearoa whānui, Māori mai, Tau-lwi mai ā, kia tōtika hoki ngā kaupapa kia hono mai ai rātou ki a Whakaata Māori. Na te pai o a mātou whakaaturanga ā rohe puta noa i Aotearoa me te whānui o te whakapāho i ngā take nui o te motu i maha ake ai te hunga mātakitaki. E aro nui ana mātou ki te whakaputa i ngā hōtaka ahurei whai kiko rerekē hoki ki wa ētahi atu kaiwhakapāho.

Kei te wāhanga Ahunga Rautaki o te Pūrongo ā Tau te mahere e tutuki ai a mātou uaratanga hei kaiwhakapāho

Māori tūturu, pūmau, angitū mo ngā hōtaka e hāpai ana i te kaupapa whakaora i te reo me ngā tikanga Māori. Me āta eke te kawē i te reo me ngā tikanga ki ngā taumata tiketike ā, me eke anō hoki ki ngā taumata whakahaerenga pakihi me ngā here kāwanatanga. Ka tū tonu a Whakaata Māori hei kamupene tōtika ā utu e whakahaere paihia nei i runga i te māramatanga me te pūataata.

I te tau o te tahua kua mahue ake nei i kitea te pai o ngā whakahaerenga pūtea a Whakaata Māori. Mo te whakatoe moni, mo ngā tau e rima kua mahue ake nei, he kōputu \$14.9 miriona kua whakaimihia. Heoi, e ai ki te Pūrongo ā Tau o tērā tau, he iti nei ngā toenga moni i matapakihia mo te tau o te tahua 2006-2007 ā, te āhua nei ka pērā anō mo ngā tau e rua e heke iho nei. I pēnei ai na te tōtika o te toha i ngā pūtea utu kaimahi me ngā hōtaka e tika ana, tae atu ki ngā utu e pā ana ki te whakanui ake i ngā haora whakapāho me te whanaketanga kia taea ai te whakamānu i te teihana hou a te 2008. Ko ngā toenga pūtea, me ngā moni mai i ngā pānui hokohoko, ka whakahokia atu anō hei āwhina i te kaupapa kia tutuki ai ngā whāinga ā ture me ngā whāinga rautaki.

teihana te reo Māori
100%
2008

Na te tū hei mema tūāpapa mo te rōpū Freeview i whakamānuhia nei i te marama o Haratua 2007, kei te ū mātou kia angitū

te whakamānutanga o tā tātou teihana te reo Māori 100 orau a te tīmatanga o te tau 2008. Ma te rautaki o ngā teihana e rua e taea ai e Whakaata Māori te whakatutuki i ngā wawata o ngā kaimātakitaki whānui tae atu ki ērā e matatau ana ki te reo Māori, me te hunga reo rua, tae atu ki ngā kaimātaki e hiahia nei kia ranongahia ko te reo Māori anake i o rātou kāinga.

Ko ngā takinga kōrero a te hunga pāpaaho, me te hāngai ki ngā rangahau ōkawa i tonoa e Whakaata Māori, ka kitea te

Chief Executive's Report

tokomaha o te hunga e rata ana ki a mātou whakahaere. Tāpiri atu ki tēnei ko te piki ake o ngā whakatauranga i mana ai te kii kei te ngata ngā hiahia o ngā kaiutu. Ahakoa he mea nui te whakatauranga hei whakamātau i a mātou mahi, i te mutunga iho ko ngā mahi kē a Whakaata Māori ki te whakakaha i te reo me ngā tikanga Māori ka tirohia.

Hei whakakapi, e mihi ake ana ki ngā kaitautoko matua e whakapau kaha nei ki te tautoko i a Whakaata Māori, otirā ki te Kaunihera Kaumātua e mau pūmau nei ki te kei o te waka o Whakaata Māori kia ū ai ki ngā tikanga. He mihi nui hoki ki ngā mema o Te Pūtahi Paoho, o tātou Minita Pāremata, Te Māngai Pāho me te Poari, ngā kaiwhakahaere, tae atu hoki, ki ngā kaimahi o Whakaata Māori.

Ka hoki anō ki taua kōrero, ehara taku toa i te toa takitahi, engari he toa takitini. Noho ora mai i roto i ngā manaakitanga a te mea ngaro.



Jim Mather

Tāhūhū Rangapū

E ngā mana, e ngā reo, e ngā urupā o rātou mā kua hoki atu nei ki te kōpunipunitanga o te ao wairua ki tua o te pae o maumahara. Otirā, waiho ake rātou ki a rātou, ko tātou ngā kanohi ora o rātou mā ki a tātou, tihei mauri ora!

This last year has been particularly significant for the New Zealand television broadcasting sector with the launch of the Freeview digital television platform and the emergence of other new technologies. Therefore, it is pleasing to report that Māori Television has continued to meet the challenges of ongoing technological change whilst further consolidating its position as New Zealand's indigenous broadcaster.

Ultimately our performance will be measured by our effectiveness as an organisation that makes an important contribution to te reo and tikanga Māori being increasingly valued and embraced. We are proud to have played a role, alongside the other Māori language sector organisations, in the significant increase in the uptake of te reo Māori. This improvement is evident in the statistics outlined in the 2006 Survey on the Health of the Māori Language report, which shows that 27 percent of respondents are able to converse proficiently in te reo Māori. Whilst, in that same research report, 93 percent of all respondents are credited with strongly agreeing that Māori Television is important for preserving and fostering the Māori language and culture.

Connecting with Māori Television

In promoting Māori language and culture, we have continued to focus on ensuring that all New Zealanders, both Māori and non-Māori, are given good reasons to connect with Māori Television. Our special brand of local New Zealand programming and comprehensive coverage of significant public broadcasting events has seen our audience continue to grow. It is our belief that we must continue to provide a unique and viable programming alternative to the other broadcasters.

The Strategic Direction section of the Annual Report covers in detail the plan to achieve our organisational mission of being an independent, secure and successful Māori television broadcaster of programmes that make a significant contribution to the revitalisation of te reo and tikanga Māori. Specifically this will require ongoing excellence in both the advancement of our language and cultural objectives as well as maintaining high standards of commercial management and fiscal responsibility. Māori Television will continue to be an extremely cost-effective organisation which operates efficiently and with a high level of transparency.

Financial Performance

A notable feature of the last financial year is the ongoing strong financial performance of Māori Television. Having achieved another operating surplus, for the fifth consecutive year, reserves of \$14.9 million have been accumulated. However, as noted in last year's Annual Report, a modest surplus was projected for the 2006-2007 financial year and this trend will continue for at least the next two years. This reflects the organisation reaching its budgeted staffing and programming levels, and costs associated with our increasing transmission hours and development of our capacity to launch a new channel in 2008. Operating surpluses, together with revenue earned from advertising sales, are re-invested back into supporting efforts to achieve statutory and strategic objectives.

A Multi-Channel Broadcaster

As a foundation member of the Freeview consortium which was launched in May 2007, we are committed to the successful launch of our new 100 percent Māori language channel early in 2008. This two channel strategy will enable Māori Television to very effectively meet the programming expectations of a broad audience as well as fluent Māori speakers, committed second language learners, and those viewers keen to have full Māori language immersion households.

Meeting Customer Needs

Media commentary and reporting, aligned with formal research commissioned by Māori Television, indicates continued and growing satisfaction with our performance. This is reinforced by our consistent upward trend in viewer ratings which provides a quantifiable measure of customer satisfaction. Although ratings remain an important component of measuring our performance, ultimately the performance of Māori Television will continue to be benchmarked against the strengthening of Māori language and culture.

It is pleasing to record that industry recognition of the quality of our programmes continues with Māori Television programmes winning two Air New Zealand Screen Awards and a Qantas Television Award, and the on-air promotions team winning at the 2007 World Gold Awards.

In closing, I also recognise the efforts of all key stakeholders for their committed support of Māori Television, in particular our Kaumātua Kaunihera who continue to maintain the cultural bearings for Māori Television. This acknowledgement is extended to the members of Te Pūtahi Paoho, our Responsible Ministers, Te Māngai Pāho and of course the Board, management and, most importantly, the staff of Māori Television.

Ka hoki anō ki taua kōrero, ehara taku toa i te toa takitahi, engari he toa takitini. Noho ora mai i roto i ngā manaakitanga a te mea ngaro.



Jim Mather

Chief Executive

Strategic Direction

This section outlines the strategic direction for Māori Television over the next three years as it continues to consolidate a platform for success.

The long-term objectives and strategic priorities detailed below have been previously developed for Māori Television. These have undergone review and have been determined as remaining pertinent for the organisation. The continuing relevance of these strategic goals underscores the appropriateness of the strategic direction of Māori Television.

Vision

Whakaata Māori, hē pourewa pāpāho taketake kei ngā taumata o te ao.

Māori Television is a world-class indigenous broadcaster.

Mission

Ki te whakapau kaha ki te whakaora i te reo Māori me ngā tikanga, ma te tū motuhake, toitū momoho o Whakaata Māori hei pourewa pāpāho whakaaturanga.

To make a significant contribution to the revitalisation of tikanga Māori and reo Māori by being an independent, secure and successful Māori Television broadcaster.

Long-term Objectives

Māori Television is making strong progress towards the achievement of objectives, evidenced by increasing audience numbers, broadening public awareness and support for programming initiatives, and stakeholder and public feedback. Long-term objectives are to:

- Significantly contribute to te reo and tikanga Māori being increasingly valued and embraced; and to
- Be an independent national Māori television broadcaster that is successful with an assured future.

These objectives are interconnected by a central element which acknowledges the overriding purpose of Māori Television to promote Māori language and culture. In implementing its strategic objectives Māori Television will:

- Support the principles and practices of tikanga and kaupapa Māori.

To achieve the long-term objectives Māori Television will continue its implementation of the following key strategic priorities:

Strategic Priority: Broadcast a range of high quality programmes

Māori Television is recognised for its ability to produce, commission and acquire local and international programmes that are distinctly different to offerings by other broadcasters in this country. Retaining and enhancing the unique flavour and fresh perspectives of our programming style is a foremost consideration in our selection of programmes for broadcast on the channel, as is our attention to the delivery of quality reo Māori throughout our programming schedule.

In 2007-2008 Māori Television will increase its broadcast hours to between 3,300 and 3,500 hours of programming in both reo Māori and English, which meets the viewing needs of our core Māori audience and the wider New Zealand public. It is proposed that the increased hours will be achieved mainly by the reo Māori second channel, with the remainder achieved via extended broadcast hours of the existing channel.

2008-2009
4600
broadcast hours
per year

In the 2008-2009 year and beyond Māori Television expects to achieve in excess of 4,600 broadcast hours per year. These additional hours will be achieved over a full 12-month period.

Of the total broadcast hours, approximately 80 percent will comprise local content.

Strategy Priority: Broaden the viewer base

Māori Television will produce, commission and acquire programming that reflects life in Aotearoa New Zealand, meets the viewing needs of and attracts all New Zealanders, and which fulfils its public service responsibility to enrich New Zealand society, culture and heritage. Focus will remain on providing quality public service broadcasting, in both reo Māori and English, which contributes to national identity and pride.

Strategy Priority: Strengthen relationships and engagement with iwi Māori

Māori play a critical role in the transmission of te reo from generation to generation. Māori Television will continue to strengthen relationships with iwi Māori in order to foster language usage and uptake, ensure that the dialectal and cultural diversity of Māori is reflected in programming, and safeguard and enhance the cultural integrity of programmes.

Strategy Priority: Successful implementation of reo and tikanga Māori, and corporate objectives

The challenge to implement corporate objectives and disciplines that are aligned with tikanga Māori is a unique aspect of Māori organisations. Māori Television will continue to work with the guidance of the Kaunihera Kaumātua to successfully achieve this integration.

Strategic Priority: Strengthen the capacity and skills of the people of Māori Television

Strengthening Māori capacity within the television industry remains a key requirement for the future of Māori Television. Skill levels amongst industry personnel are increasing however focus remains on building capacity to the level required to ensure sustainability for the channel. Māori

Television will continue its implementation of comprehensive training and development to fully develop television craft and technical training skills, strengthen managerial and supervisory skills, and grow proficiency and fluency of staff in te reo Māori.

Strategic Priority: Support the growth and capacity of the Māori production community

Māori Television acknowledges its reliance on the Māori production sector for the supply of creative, high quality programming. To foster and build this key relationship Māori Television will provide clear and early identification of its schedule requirements, ensure an efficient and equitable commissioning process, and continue to strengthen partnerships with the independent production community.

Strategic Priority: Maximise commercial opportunities

Māori Television will continue its focus on maximizing the revenue opportunities available so that revenue earnings can be invested back into producing a quality product. However, Māori Television remains committed to ensuring that its revenue objectives do not compromise its delivery of public service programming.

Key Strategic Initiatives 2007-2008

To support the achievement of the objectives and strategic priorities, Māori Television has identified the following key strategic initiatives:

- **Māori Language Strategy**

Māori Television is committed to active participation in the achievement of the Māori Language Strategy and will engage with key stakeholder organisations to confirm responsibilities for contributing to achievement of the strategy.

Operating Report

- **Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003**

Due for review in 2008, Māori Television will aim to ensure that the Act provides for the ongoing development of the organisation as an independent national Māori broadcaster of reo Māori and English programmes and operating within a highly competitive and rapidly developing industry.

- **UHF Management Right**

Extension of this right is critical to safeguarding Māori Television's future and extending its reach via digital television technology.

- **Digital Television**

Commence implementation of a three-year development plan aimed at ensuring that Māori Television maximizes digital technology opportunities that enhance and reinforce its position. A key component of this plan is the launch of the new channel in 2008.

- **Measuring Success**

Māori Television will develop a research strategy that supports the organization to achieve its language revitalisation strategic goals.

- **World Indigenous Television Broadcasting Conference 2008**

Support Māori Television's vision to be a world-class indigenous broadcaster by hosting this inaugural event, which is aimed at unifying, strengthening and promoting indigenous broadcasters throughout the world.

Te Reo and Tikanga Māori

This department was established during the period under review following an internal reorganisation that saw the reo and tikanga Māori responsibilities combined. The department is responsible for the provision and quality of reo Māori translations and subtitling, and for the wellbeing of the people of Māori Television.

Primary focus since establishment of the department has been the development of a reo and tikanga Māori framework and the development of quality assurance guidelines, together with a re-positioning of the HR function within Māori Television.

The HR function, renamed Pūmanawa Tāngata, is focused on the promotion and maintenance of positive staff wellbeing, staff relationships and wairua within Māori Television. It is tasked with providing independent and objective support to enable the development of strong, positive workplace relationships. While formal HR practices and procedures remain an important function, emphasis has shifted to the overall development of people and internal culture. This development is a reflection of Māori Television's organisational transition from the start-up phase to the next stage of growth and consolidation.

Programming

The key focus for the Programming department has been the delivery of quality programmes, in both Māori and English, which attract a broad viewing audience. The delivery of unique locally produced commissioned programmes, good quality and cost effective in-house programmes, free-to-air sport, intelligent and entertaining international programmes, and coverage of events of significance to all New Zealanders have been and remain the key deliverables for this team.

Programming highlights during the period were:

- Te Matatini national kapa haka championships;
- Waitangi Day all-day broadcast;
- Tangihanga of Te Arikini Dame Te Atairangikaahu;
- Coverage of the annual Ratana celebrations;
- ANZAC Day all-day broadcast;
- Hyde Park Memorial;
- Year of the Veteran Military Pageant;
- Tangihanga of the King of Tonga King Taufa'ahau Tupou IV and the Head of State of Samoa His Majesty Malietoa Tanumafili II;
- Investiture of the New Zealand Governor General;
- Tri-Nations rugby league free-to-air;
- Tall Blacks basketball series decider vs Australia;
- The third season of popular sports entertainment programme *CODE*;
- *Tautohetohe* debate series;
- Launch of talent show *Homai Te Pakipaki*; and
- Coverage of Māori media and sports awards.

Commissioning

Commissioned programmes are an important source of content for Māori Television. These programmes are recognised as being a key contributor to providing the channel with its unique style, look and feel. The commissioning team's priority during the period has been to strengthen relationships with the independent production community by providing clear direction regarding programming preferences, ensuring an efficient and equitable commissioning process, and aiming for Māori Television to lead the industry as a network of choice. Popular programmes broadcast during the period included *Kai Time on the Road*,

Hunting Aotearoa, *Kai Ora*, *Bro-tour.com*, *Manu Rere*, *Te Hiko Mahanga*, *Pio Revisited*, *Meke My Waka* and *Ngāti NRL*. A total of 514 hours of original commissioned programmes were broadcast during 2006-2007.

Acquisitions

Māori Television's reputation for broadcasting outstanding international documentaries and film has continued to grow. These programmes are continually featured as some of the channel's most watched. Māori Television's strategy to acquire these programmes as a means to attract viewers to the channel has been proven to be sound. A total of 186 hours of international documentaries and movies were broadcast during the period from a range of overseas markets including Morocco, South America, Spain, India, Iceland, Israel, the Pacific, China, Canada and Australia.

General Programmes

The challenge for the General Programmes team is to produce low cost, high volume programmes on a daily basis. During the period the team produced its stable of programmes including *Tau Kē*, *Haa*, *Mā Tātou*, *Tautohetohe*, *Toi Whakaari*, *He Rāranga Kōrero* and joint venture initiative *Ask Your Auntie*. New additions during the period included short films review programme *Iti Pounamu* and the very successful live talent show *Homai Te Pakipaki*.

The team was also tasked with producing the channel's first ever all-day broadcast to acknowledge and celebrate Waitangi Day and coverage of the tangihanga of Te Arikini Dame Te Atairangikaahu. A total of 539 hours of general programmes were broadcast during the period.

Sport

Sport is a major driver of audience and the inclusion of sport in the Māori Television schedule is a reflection of this. The channel does not attempt to compete financially with

mainstream broadcasters; however Māori Television has been successful in securing several high profile sporting clashes, such as the New Zealand Kiwis Tri-Nations rugby league in 2006, New Zealand Māori vs Cook Islands rugby league, the Tall Blacks series decider against the Australia Boomers in Melbourne, and the New Zealand Touch national championships. Māori Television has since gone on to consolidate a strong relationship with the New Zealand Rugby League (NZRL) and has secured broadcast rights for the New Zealand Breakers 2007-2008 basketball season.

These international sporting events have complemented schedule mainstays including the NZRL Bartercard Cup, the national Waka Ama championships, the Māori Sports Awards, and audience favourite *CODE*. The sports team broadcast 106 hours of original programming in 2006-2007.

News and Current Affairs

The highlight for the News and Current Affairs department during the period was the launch of two new programmes.

2006-2007
2000 hrs
produced by the
News and Current
Affairs team

its target audience and from those viewers who prefer current affairs in the Māori language.

Native Affairs launched in May 2007 and is Māori Television's English language current affairs programme aimed at a broad viewing audience. Featuring regional and national stories from a Māori perspective, and international indigenous stories, *Native Affairs* is earning a strong following as the source for educational, informed and serious current affairs.

Te Tēpu is the channel's show that reviews and comments on current affairs from the kaumātua perspective. Broadcast in te reo Māori, *Te Tēpu* is attracting good support from

A total of 200 hours of programmes were produced by the News and Current Affairs team, with daily live news programme *Te Kāea* contributing 182 of those hours. During the period *Te Kāea* was the recipient of two Māori Media Awards for Hiringa Kawenga Kōrero (Excellence in Journalism) and Kaiwhakataki Reo Māori Wahine (Best Reo Māori Presenter – Female) which was awarded to Oriini Kaipara.

During the period Māori Television also launched repeats of TVNZ programmes *Marae* and *Eye To Eye*. These shows are replayed on Māori Television in prime time slots, giving New Zealanders an opportunity to watch in viewer friendly timeslots.

Operations

The 2006-2007 year has been a period of consolidation for the Operations department following two intensive establishment years for the team. The previous year had seen the commencement of capital works to develop new studio and broadcast facilities, the set up of Wellington premises for the News function, and an increase to our UHF transmission coverage.

Each of these projects has been successfully completed. The new studio and broadcast facilities are enabling increased studio output, and the Wellington premises have enabled more timely delivery of up-to-the-minute political coverage for news and current affairs. UHF transmission coverage has been increased to 90 percent, up from 85 percent, signalling a significant increase to the channel's broadcast footprint.

Technology and capital works development for the new channel commenced during the period and will be a key focus for the Operations department in the next financial year.

Sales and Marketing

Sales

The period represented the first full financial year with a dedicated Sales team in place. Priority for the team has been to investigate and maximise all potential commercial opportunities while complementing the channel's responsibility to promote te reo and tikanga Māori. Key objectives for 2006-2007 have been to establish a stable operational sales infrastructure, achieve revenue objectives, and develop a highly motivated sales team.



A three-phase strategy has been developed to achieve the revenue potential of Māori Television. Solid progress has been made, particularly in establishing and developing key client relationships and positioning Māori Television as a media option for advertisers. Sales revenues for the period represented a 66 percent increase on the previous year.

Marketing

The key challenge for every new broadcaster is to attract audience and encourage people to switch. At just over three years of age Māori Television remains focused on this challenge and continues to implement marketing and communication strategies aimed at raising the profile of the channel and what it has to offer viewers.

Research has identified that approximately one million New Zealanders are open to watching Māori Television. The 2006-2007 year has been specifically focused on targeting this group of potential viewers, particularly through the use of advertising, marketing communications, promotions, publicity and the development of mutually beneficial media

partnerships. Focus has also gone into encouraging our audience to interact with the channel and increasing Māori Television's presence and awareness in target locations with high Māori populations.

The key performance indicator for the marketing and communications team has been the achievement of an average monthly cumulative audience of 400,000. Actual average cumulative audience for the period was 568,000 per month.

Finance and Administration

Robust financial management remains a priority for Māori Television. This department maintains the robust systems and processes, proactive cost control and reporting which have contributed to Māori Television's achievement of an operating surplus for the fifth consecutive year.

Governance and Accountability

The board of Māori Television comprises up to seven non-executive directors. Four directors are appointed by Te Pūtahi Paoho and the remaining three by the Crown, represented by the Minister of Finance and the Minister of Māori Affairs.

Wayne Walden Ngāti Kahu (Crown appointment)

Wayne Walden was appointed chairman of the board of Māori Television in April 2003. Formerly managing director of Farmers Deka Limited, Mr Walden has extensive experience in the New Zealand retail and wholesale sectors and is involved in a range of business interests. He has been a director of a number of boards including Mighty River Power, and is the former chairman of Tranzrail and deputy chairman of Meat New Zealand. He is an independent director of rural retail co-operative Farmlands and maintains an active interest in environmental matters. Mr Walden resigned from the chairmanship of Māori Television in July 2007 and remains a director of the board.

Garry Muriwai Ngāpuhi (Te Pūtahi Paoho appointment)

Garry Muriwai is chief executive of the New Zealand Institute of Chartered Accountants. Formerly head of the School of Business at Auckland University of Technology, Garry has held senior accounting and information technology roles in the corporate sector and has provided consultancy advice to a number of public and private sector organisations. Garry is the Chair of the Global Accounting Alliance, and is on the boards of the Earthquake Commission and Advanced Business Education Ltd. Garry was appointed as chairman of the board of Māori Television following the resignation from the position of Wayne Walden.

Rod Cornelius (Crown appointment)

During the pioneering years of television, Rod Cornelius worked at the NZBC specialising in production in Dunedin, and then leading teams of producers and production staff. By the late 1970s, Rod was controlling programming production and development, TVNZ drama, general and special interest

Māori programming, documentaries and features. He completed a lengthy career in the industry as managing director of Avalon Television.

Cathy Dewes Te Arawa, Ngāti Porou (Te Pūtahi Paoho appointment)

Cathy Dewes is a long-time advocate of the Māori language and has been actively involved in various Māori language revitalisation initiatives for more than three decades. She was a part of Te Reo Māori Society which was instrumental in establishing the first Koha and Te Karere programmes as well as the first training programme for Māori television producers and directors. A founding member of the kura kaupapa Māori movement, Cathy is the principal of Te Kura Kaupapa Māori o Ruamata in Rotorua which is a pioneer in the delivery of national secondary qualifications in te reo Māori. She is also a former chairperson of Te Rūnanganui o Ngā Kura Kaupapa Māori o Aotearoa and still serves on the executive council. Cathy was the first woman to serve on Te Arawa Māori Trust Board and represented Ngāti Rangitīhi through to the settlement of their lakes claim.

Amohaere Houkamau Ngāti Porou (Te Pūtahi Paoho appointment)

Amohaere Houkamau is the chief executive of Te Rūnanga o Ngāti Porou. She has been at the forefront of education and social development in Ngāti Porou during the last decade, and was instrumental in the transfer of the management of fisheries operations from the Rūnanga to Ngāti Porou Fisheries Ltd, the review of the Rūnanga Mana loan portfolio, and establishing the Ngāti Porou Land Owners Forum. Amohaere is a board member of the Charities Commission, co-chairs the Tairāwhiti District Taskforce Social Development Forum, is a Trustee of the Tairāwhiti Development Management Trust and a member of the Tairāwhiti Development Co-ordination Committee.

Tahu Potiki Ngai Tahu (Te Pūtahi Paoho appointment)

Tahu Potiki is a former chief executive of Te Rūnanga o Ngai Tahu and has worked for many years in Māori development

including kaiārahi (leader) at Christchurch Polytechnic, chairman of the Industry Training Organisation for Social Services, Māori mental health social worker and lecturer at Otago University. He has been a major influence in the South Island tribe's Māori language revitalization initiatives over the past two decades and recently sat on the board of the Māori broadcasting funding agency, Te Māngai Pāho.

Wena Tait Tūhoe, Te Arawa (Crown appointment)

Wena Tait has extensive experience in the communications and media sectors. She has been a journalist for both broadcast and print media, and is an experienced television producer, writer, editor and publisher. Wena is general manager of iwi radio station Te Ūpoko o Te Ika in Wellington.

Role of the Board

The board's governance responsibilities, which are defined in the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, include:

- The annual completion of a Statement of Intent, which is to be agreed upon with the Minister of Māori Affairs and the Minister of Finance (the 'responsible ministers') and Te Pūtahi Paoho;
- The annual completion of an Output Agreement, which is to be agreed upon with the responsible ministers;
- The provision of quarterly reports against the Output Agreement to the chairperson of Te Pūtahi Paoho and the responsible ministers;
- The provision of an Annual Report to the responsible ministers and the chairperson of Te Pūtahi Paoho;
- The delegation to the chief executive of responsibility for the efficient and effective administration of the day-to-day operations of Māori Television.

The board concentrates on setting policy and strategy and holds regular meetings to monitor progress towards the

achievement of those strategic objectives and to ensure that the affairs of Māori Television are being conducted in accordance with the board's policies.

The board has two standing committees:

- **Audit Committee**

During the year members of the Audit committee were Garry Muriwai and Amohaere Houkamau.

- **Remuneration Committee**

During the year members of the Remuneration committee were Wayne Walden, Rod Cornelius and Wena Tait.

Conflicts of Interest

A director who is interested in a transaction, or proposed transaction of, or other matter relating to Māori Television must disclose the nature of the interest to the chairperson of the board. If the director is the chairperson disclosure must be made to the responsible ministers and the chairperson of Te Pūtahi Paoho.

Risk Management

The board acknowledges that it is ultimately responsible for the management of risks to Māori Television. The board has charged the chief executive with establishing and operating a prudent risk management programme.

Programme Standards

The board acknowledges Māori Television's responsibility to comply with programme codes adopted by the Broadcasting Standards Authority. Māori Television has implemented procedures to ensure formal complaints are investigated and appropriate action taken.

Occupational Health and Safety

Māori Television is committed to maintaining a safe and healthy working environment and has implemented a health and safety policy to promote prevention and best practice.

Statement of Responsibility for the year ended 30 June 2007

The Board and management of Māori Television accepts responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Board and management of Māori Television accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.

In the opinion of the Board and management of Māori Television the annual Financial Statements for the year ended 30 June 2007, fairly reflect the financial position and operations of Māori Television.



Garry Muriwai

Chairman

Date 28 October 2007



Jim Mather

Chief Executive

Date 28 October 2007



TĀNGATA

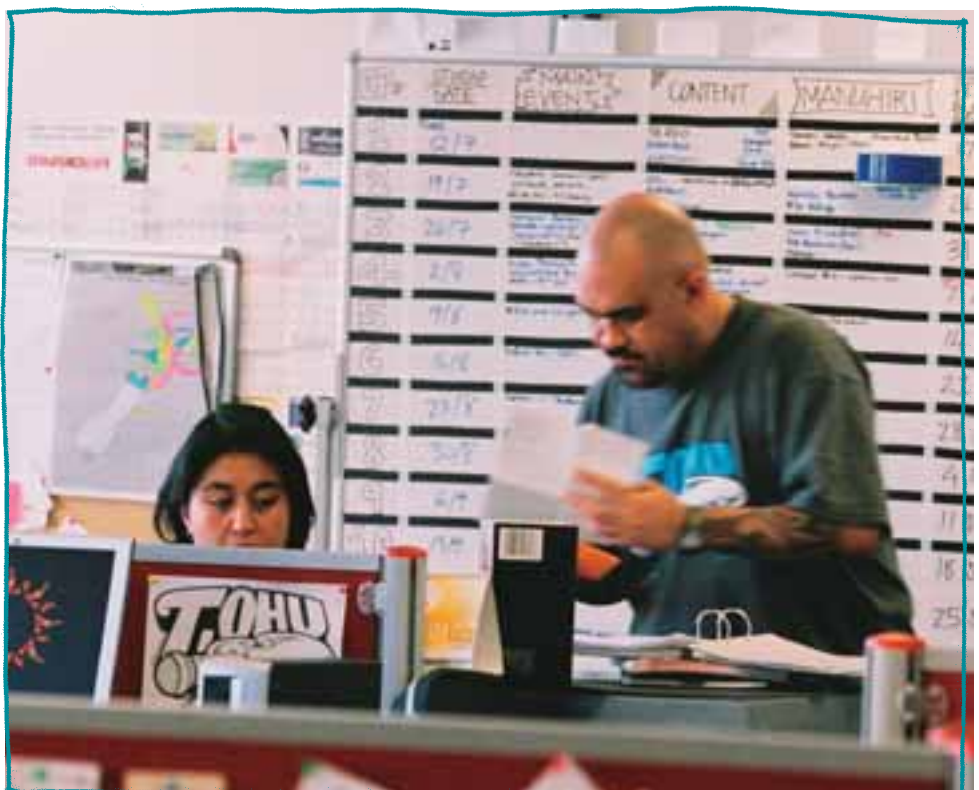
Showcasing more of our people





TĀONGA

Creating more to celebrate



Report of the Auditor-General



To the readers of Māori Television Service's financial report for the year ended 30 June 2007

The Auditor-General is the auditor of Māori Television Service. The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to carry out the audit of the financial report of Māori Television Service, on his behalf, for the year ended 30 June 2007.

Unqualified Opinion

In our opinion the financial report of Māori Television Service on pages 25 to 41:

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects:

Māori Television Service's financial position as at 30 June 2007;

the results of its operations and cash flows for the year ended on that date; and

its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 28 October 2007, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Board and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in

order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial report disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial report.

We evaluated the overall adequacy of the presentation of information in the financial report. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial report in accordance with generally accepted accounting practice in New Zealand. The financial report must fairly reflect the financial position of Māori Television Service as at 30 June 2007. The report must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Board's responsibilities arise from the Māori Television Service Act 2003.

We are responsible for expressing an independent opinion on the financial report and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 43(2) of the Māori Television Service Act 2003.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out an assurance assignment over the broadcasting levy return, which is compatible with those independence requirements.

Other than the audit and the assurance related assignment, we have no relationship with or interests in the Māori Television Service.



F Caetano

Audit New Zealand

On behalf of the Auditor-General
Auckland, New Zealand

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Māori Television Service for the year ended 30 June 2007 included on Māori Television Service's web site. The Māori Television Service's Board is responsible for the maintenance and integrity of the Māori Television Service's web site. We have not been engaged to report on the integrity of the Māori Television Service's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial report named above. It does not provide an opinion on any other information, which may have been hyperlinked to/from, these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 October 2007 to confirm the information included in the audited financial statements presented on this web site.

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

Statement of Service Performance

Māori Television receives operational funding from Vote: Māori Affairs. The class of outputs as purchased by the Minister of Māori Affairs and a report on service performance is outlined in the following table. These outputs have been purchased from Māori Television to:

- Promote Māori television broadcasting;
- Enable Māori Television to meet its statutory functions, including the promotion of te reo Māori me nga tikanga Māori through the provision of a high quality, cost effective Māori television service, in both Māori and English, that informs, educates and entertains a broad viewing audience and, in so doing, enriches New Zealand's society, culture and heritage;
- Pursue the outcomes in its 2006/07 Statement of Intent;
- Support the operational costs of Māori Television; and
- Broadcast and produce programmes to be broadcast on Māori Television.

Outputs were provided within the appropriated sum of \$12.980 million (inclusive of GST).

The Statement of Service Performance by Māori Television follows:

Output 1 – Television Service Operations

To support the operational costs of Māori Television so that it can meet its statutory functions.

Performance Measures

Quantity

Broadcast, on average, seven hours of programmes a day – three hours of which will be original programmes.

Broadcast programmes mainly in te reo Māori.

Broadcast at least five hours per week of programming for children participating in te reo Māori immersion education, a substantial proportion of which will be in te reo Māori.

Quality

Two six-monthly reviews by Te Taura Whiri I Te Reo Māori (Māori Language Commission) confirm that a selection of programmes broadcast during the general prime time meet Te Taura Whiri I Te Reo Māori quality indicators framework.

Cost

Service Performance to 30 June 2007

Māori Television has broadcast on average 9.1 hours per day, with 6.8 hours being made up of original programmes.

The spoken reo Māori content during the year averaged 55 percent.

Māori Television averaged 9.3 hours per week of children's programmes. The average reo content during these hours was 94 percent.

Two reviews to assess the quality of Māori Language content broadcast on Māori Television have been conducted. Each review involved a selection of programmes broadcast during prime time. The reviews confirmed that Māori Television programmes meet Te Taura Whiri I Te Reo Māori quality indicators framework.

\$9.826 MILLION (excl GST)

Output 2 – Transmission Coverage

Provide broadcast services that are technically available throughout New Zealand and are accessible to as many people as is reasonably and economically possible.

Performance Measures**Quantity**

Provide broadcast services that are technically available throughout New Zealand and are accessible to as many people as is reasonably and economically possible.

Quality

Provide free-to-air transmission coverage to at least 90 percent of New Zealand's population. Provide satellite transmission coverage throughout as much of New Zealand as is technically and economically feasible.

Cost**Service Performance to 30 June 2007**

Māori Television transmitted on average 9.1 hours per day via free-to-air, UHF and Digital Satellite throughout New Zealand.

Māori Television programming was broadcast and technically available on a free-to-air basis to 90 percent of the population via UHF and 100 percent of the country via satellite.

Māori Television was also available on the Sky Digital service and via the Freeview satellite service launched in May 2007.

\$2.616 MILLION (excl GST)

Statement of Financial Performance for the year ended 30 June 2007

	Note	Actual 2007 \$000's	Budget 2007 \$000's	Actual 2006 \$000's
Crown Revenue		11,537	11,538	11,537
Te Māngai Pāho Production Funding		21,415	20,868	21,053
Advertising Income		890	864	535
Interest Income		200	90	434
Other	3	84	-	584
Total Operating Revenue		34,126	33,360	34,143
Interest Expense		1	-	6
Cost of Operations and Administration	4	11,740	11,624	10,940
Cost of Programme Production and Acquisition		22,339	21,686	21,659
Total Expenses		34,080	33,310	32,605
Net Surplus for the Year	6	46	50	1,538

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Movements in Equity for the year ended 30 June 2007

	Note	Actual 2007 \$000's	Budget 2007 \$000's	Actual 2006 \$000's
Public Equity -1 July		14,831	14,856	13,293
Net Surplus for the Year	6	46	50	1,538
Public Equity - 30 June		14,877	14,906	14,831

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Financial Position as at 30 June 2007

	Note	Actual 2007 \$000's	Budget 2007 \$000's	Actual 2006 \$000's
Public Equity				
General Funds	6	14,877	14,906	14,831
Total Public Equity		14,877	14,906	14,831
Represented by:				
Assets				
Current Assets				
Cash and Bank and Short-Term Deposits		626	4,641	6,734
Programme Inventory	5	2,350	2,365	2,328
Receivables and Prepayments	7	4,690	1,038	1,903
GST Receivable		348	-	-
Merchandise Inventory	8	104	-	28
Total Current Assets		8,118	8,044	10,993
Non-Current Assets				
Property, Plant & Equipment	9	9,082	8,999	10,918
Total Assets		17,200	17,043	21,911
Liabilities				
Current Liabilities				
Payables	10	1,664	1,737	1,930
Employee Entitlements	11	659	400	467
Unearned Revenue	12	-	-	4,598
GST Payable		-	-	85
Total Current Liabilities		2,323	2,137	7,080
Term Liabilities				
Net Assets		14,877	14,906	14,831

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2007

	Note	Actual 2007 \$000's	Budget 2007 \$000's	Actual 2006 \$000's
Cash Flows from Operating Activities				
Cash was provided from:				
Crown Appropriation		7,582	11,538	14,421
Te Māngai Pāho Production Funding		17,901	20,868	13,578
Interest Received		200	-	484
Advertising Revenue		994	839	607
Other		83	-	15
Cash was applied to:				
Payments to Employees		(10,085)	(10,462)	(8,900)
Payments to Suppliers		(21,782)	(20,212)	(20,988)
Interest Paid		0	-	(6)
Net Goods and Services Tax		(433)	-	(547)
Net Cash flows from Operating Activities	13	(5,540)	2,571	(1,336)
Cash Flows from Investing Activities				
Cash was applied to:				
Purchase of Property, Plant and Equipment		(568)	(830)	(1,763)
Net Cash Flows from Investing Activities		(568)	(830)	(1,763)
Cash Flows from Financing Activities				
Cash was applied to:				
Loan repayments		-	-	(1,000)
Net Cash flows from Financing Activities		-	-	(1,000)
Net Increase/(Decrease) in Cash Held		(6,108)	1,741	(4,099)
Plus Opening Cash Balance		6,734	2,900	10,833
Closing Cash Balance		626	4,641	6,734

Statement of Commitments as at 30 June 2007**Commitments**

	2007 \$000's	2006 \$000's
Transmission and Satellite linking	4,869	5,588
Programme Production	5,300	5,512
Programme Acquisitions	509	198

Transmission and Satellite Linking

We have entered into long-term agreements with Sky Network Television, Television New Zealand and Kordia for transmission and linking services.

Programme Production

Production of a number of programmes had commenced but were not completed at year end. Expenditure required to complete production is recorded as a commitment.

Programme Acquisitions

Contracts for the purchase of broadcast rights in certain programmes have been entered into but full payment has not yet been made and is not yet due, pending certain events, eg delivery of materials, first transmission etc.

Non-Cancellable Operating Lease Commitments

	2007 \$000's	2006 \$000's
Not later than one year	891	622
Later than one but not later than two	872	650
Later than two but not later than five	2,438	1,846
Later than five years	-	1,220
	4,201	4,338

Statement of Contingent Liabilities as at 30 June 2007

There were no contingent liabilities at year end 30 June 2007.

There were no contingent liabilities at year end 30 June 2006.

Statement of Accounting Policies for the year ended 30 June 2007

The following accounting policies that materially affect the measurement of financial performance, financial position and cash flows have been applied:

a) Reporting Entity

The Māori Television Service is a statutory corporation established under the Māori Television Service Act 2003.

These financial statements have been prepared in accordance with section 41 of the Māori Television Service Act 2003.

b) Measurement Base

The financial statements have been prepared on an historical cost basis.

c) Forecast Financial Statements

The forecast financial statements are those approved by the Board at the beginning of the financial year. The forecasts have been prepared in accordance with generally accepted accounting practice and using accounting policies consistent with those adopted by Māori Television for the preparation of these financial statements.

d) Accounts Receivable

Accounts receivable are shown at their estimated net realisable value, after allowing for doubtful debts.

e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation. The provision for depreciation is calculated on a straight line basis to allocate the cost of the assets by equal instalments to an estimated residual value at the end of the economic life of the asset. Important depreciation periods are:

IT equipment	3 years
Computer software	3 years
Office equipment	3-10 years
Studio equipment	5 years
Studio fitout	10-80 years
Building soft fitout and office equipment	5-12 years
Artworks	200 years

f) Programme Rights, Inventories and Frequencies Licences

Frequency Licences:

The cost of acquiring frequency licences is amortised on a straight line basis over the period of the licences, typically 20 years.

Programme rights are recorded as follows:

- i) Programmes produced by Māori Television, either completed or still in production, are recorded at the lower of cost or expected future revenue earning potential. These amounts, less amounts amortised or written off, are accounted for as programme inventory;
- ii) Programme licences acquired on programmes commissioned by Māori Television and made by independent production houses, but for which Māori Television has not incurred any direct cost, are valued at an average cost per hour based on the average cost per hour of acquired programmes. These values, less amounts amortised or written off, are accounted for as programme inventory;
- iii) Programme licences acquired are recorded at the lower of cost or expected future revenue earning potential. These costs, less amounts amortised or written off, are accounted for as programme inventory.

Programme inventories are amortised on the following basis:

- i) Programmes produced by Māori Television are expensed on a systematic basis depending on the nature of the programme and within a period not exceeding 3 years;
- ii) Programme licences on programmes commissioned by Māori Television are expensed on a systematic basis depending on the term of the licence and the number of plays acquired, to a maximum of 3 plays;
- iii) Programme licences acquired from other programmes are expensed on a systematic basis depending on the term of the licence and the number of plays acquired, to a maximum of 3 plays.

Inventories

Māori Television holds merchandise such as tee-shirts, beanies, caps etc for realisation in the ordinary course of business. Inventories are measured at the lower of cost and net realisable value with the cost of inventories being ascertained by using the first in, first out (FIFO) cost method.

g) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the Statement of Financial Performance in equal amounts over the leased term.

h) Foreign Currencies

Transactions denominated in a foreign currency are converted at the exchange rate ruling at the date of the transaction.

At balance date foreign currency monetary assets and liabilities are converted at closing exchange rates and exchange variations arising from these transaction items are included in the Statement of Financial Performance as operating items.

i) Employee Entitlements

Provision is made in respect of liability for annual leave. Annual leave and other entitlements that are expected to be settled within 12 months of reporting date are measured at nominal values on an actual entitlement basis at current rates of pay. Currently there is no provision in our employment contracts for long service leave or retirement leave.

j) Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, except where otherwise stated.

k) Cash and Bank and Short-Term Deposits

These investments are recorded at cost.

l) Revenue

Revenue is recognised as revenue in the Statement of Financial Performance when earned.

m) Financial Instruments

Māori Television is party to financial instrument arrangements including cash and bank, short term deposits and accounts receivable and pre-payments as part of its every day operations, which are recognised in the Statement of Financial Position. Revenue and expenditure in relation to all financial instruments are recognised in the Statement of Financial Performance. Except for those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

n) Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts and on-demand deposits.

Operating activities include cash received from all income sources of Māori Television and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of property, plant and equipment.

Financing activities are those activities relating to changes in debt or capital structure.

o) Commitments

The allocation of funds against future years' income is recorded in the Statement of Commitments. Other future payments are also disclosed as commitments at the point a contractual obligation arises, to the extent they are equally unperformed obligations.

p) Contingent Liabilities

Contingent Liabilities are disclosed in the statement of contingent liabilities at the point at which the contingency is evident.

Notes to the Financial Statements for the year ended 30 June 2007

1. Taxation

Māori Television is exempt from Income Tax for the period and therefore no provision has been made in the financial statements.

2. Comparatives

The financial statements provide comparative figures for the year ended 30 June 2006. Where necessary, comparative figures have been reclassified to align with current year disclosure.

3. Other Income

	2007 \$000's	2006 \$000's
Merchandise	64	8
Recognition of Programme Acquisitions	0	570
Other	20	6
	84	584

4. Cost of Operations and Administration

	2007 \$000's	2006 \$000's
The net surplus is after charging for:		
Fees paid to Auditors	59	53
Board Members' fees	139	139
Bad and Doubtful Debts	7	11
Rental Expense on Operating Leases	821	787
Depreciation:		
Office Equipment	21	19
IT Equipment	166	210
Computer Software	151	179
Studio Equipment	1,697	1,533
Studio Fitout	264	226
Building Soft Fitout & Office Equip	104	95
Artworks	0	-
Total Depreciation Expense	2,403	2,262

5. Programme Inventories

	2007 \$000's	2006 \$000's
Productions Completed	650	617
Commissioned Programmes	934	968
Acquired Programmes	766	743
	2,350	2,328

6. Public Equity – General Funds

	2007 \$000's	2006 \$000's
Opening Balance	14,831	13,293
Net Surplus	46	1,538
	14,877	14,831

7. Receivables and Prepayments

	2007 \$000's	2006 \$000's
Receivables	4,608	1,843
Less Provision for Doubtful Debts	(7)	(11)
Prepayments	87	71
Other	2	-
	4,690	1,903

8. Merchandise Inventory

	2007 \$000's	2006 \$000's
Merchandise	104	28
	104	28

9. Property, Plant and Equipment

	2007 \$000's			2006 \$000's		
	Cost	Accum Dep'n	Net Book Value	Cost	Accum Dep'n	Net Book Value
Office Equipment	106	(53)	53	79	(32)	46
IT Equipment	815	(630)	185	738	(465)	273
Computer Software	607	(521)	86	537	(373)	164
Studio Equipment	8,574	(5,101)	3,473	8,291	(3,399)	4,893
Studio Fitout	5,434	(816)	4,618	5,392	(552)	4,840
Building Soft Fitout & Office Equip	800	(308)	492	732	(205)	527
Artworks	175	-	175	175	-	175
	16,511	(7,429)	9,082	15,944	(5,026)	10,918

10. Payables and Accruals

	2007 \$000's	2006 \$000's
Trade Creditors	963	1,432
Accrued Expenses	701	498
	1,664	1,930

11. Employee Entitlements

	2007 \$000's	2006 \$000's
Annual Leave	639	431
ACC Levies	21	36
	659	467

12. Unearned Income

	2007 \$000's	2006 \$000's
Te Māngai Pāho	0	1,714
Te Puni Kōkiri	0	2,884
	0	4,598

13. Reconciliation of the Net Surplus from Operations with the Net Cash Flows from Operating Activities

	2007 \$000's	2006 \$000's
Net Surplus for the Year	46	1,538
Add/(Less) non cash movements		
Depreciation	2,403	2,262
Provision for Doubtful Debts	(3)	11
	2,446	3,811
Add/(Less) movements in Working Capital		
Less Increase /Add Decrease in Prepayments	(16)	42
Less Increase /Add Decrease in Inventory	(98)	44
Less Decrease in Payables & Employee Entitlements	(74)	(246)
Less Increase in Receivables	(2,767)	(1,588)
Less GST Receivable	(433)	(547)
Less Decrease in Unearned Income	(4,598)	(2,852)
Net Cash flows from Operating Activities	(5,540)	(1,336)

14. Related Party Information

Māori Television has been established as a body corporate with perpetual succession whose key stakeholders are the Crown and Māori.

The Government is the principal source of funding for Māori Television.

During the year a number of directors had the following related party transactions with Māori Television. Goods and services were purchased from the organisations listed below, and all transactions were made at 'arms length'.

Related Party	Nature of Interest	2007 \$000's	2006 \$000's
Amohaere Houkamau			
Mauri Ora Productions	Whānau Employed	42	68
Garry Muriwai			
The New Zealand Institute of Chartered Accountants	Chief Executive	3	3
Wena Tait (paid as He Koha Kī Limited)			
Mauri Ora Productions	Whānau Employed	42	68
Tawharau Sports Productions Ltd	Whānau Employed	191	145
Tangata Whenua Television	Whānau Employed	113	23

15. Financial Instruments

Māori Television is risk averse and seeks to minimise its exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to Māori Television, causing Māori Television to incur a loss. Financial instruments which potentially subject the company to risk consist principally of cash, short term investments, and trade receivables.

Māori Television has a minimal credit risk in its holdings of various financial instruments. These instruments include cash, bank deposits, and accounts receivable.

Māori Television believes that these policies reduce the risk of any loss which could arise from its investment activities. Māori Television does not require any collateral or security to support financial instruments.

There is no significant concentration of credit risk.

The maximum amount of credit risk for each class is the carrying amount in the Statement of Financial Position.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

At balance date Māori Television had exposure to currency risk in regard to the purchase of television programmes from overseas which are primarily denominated in US dollars (see Statement of Commitments). Māori Television does not enter into forward exchange contracts to hedge any exposure.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. There are no interest rate options or interest rate swap options in place as at 30 June 2007.

The Board does not consider that there is any significant interest exposure on either Māori Television investments or its borrowings.

16. Employees' Remuneration

The following numbers of employees received remuneration and other benefits in their capacity as employees the total value of which exceeded \$100,000 for the year.

	2007 \$000's	2006 \$000's
\$100,001 - \$110,000	2	1
\$110,001 - \$120,000	1	2
\$120,001 - \$130,000	3	-
\$130,001 - \$140,000	-	3
\$140,001 - \$150,000	3	1
\$150,001 - \$160,000	-	-
\$160,001 - \$170,000	-	1
\$170,001 - \$180,000	-	-
\$180,000 - \$190,000	-	-
\$190,000 - \$200,000	1	-

17. Board Fees

Board members earned the following fees during the period:

	2007 \$000's	2006 \$000's
Wayne Walden (resigned as Chairman 20 July 2007)	36	36
Rod Cornelius	18	18
Craig Soper*	-	18
Leonie Pihama**	15	13
Wena Tait	18	18
Garry Muriwai (appointed as Chairman 20 July 2007)	18	18
Amohaere Houkamau	18	18
Tahu Kingi-Potiki***	16	-
	139	139

*Resigned 2 June 2006

**Resigned 30 April 2007

***Appointed to the board 9 August 2006

18. Loan Facilities

Māori Television has fully repaid its loan with Westpac Bank.

Māori Television also has a letter of credit facility with the bank for \$200,000. At balance date this facility was un-utilised.

19. Good Employer Policy

Māori Television continues to discharge its obligations as a good employer by providing fair employment contracts and policies which provide for proper conduct of the business and opportunities for team members to consult on matters of concern to them.

The most senior positions of Chief Executive and five General Managers comprise a 5:1 male to female gender split, and 5:1 ethnic split between Māori and Other.

In terms of the organisation as a whole Māori Television has a total staff base of 174 employees with all but four classified as full-time. Māori Television has a 51 percent: 49 percent male to female gender split while the ethnic split between Māori and Other is approximately 5:1.

20. Employment Matters

Māori Television paid out a total of \$50,000 in relation to cessation of employment and pursuant to section 123 c (i) of the Employment Relations Act to an employee during the financial year to 30 June 2007.

There were no payments made in relation to cessation of employment for the year ended 30 June 2006.

21. Contingent Assets

Ultra High Frequency (UHF) Right

Under the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, a UHF management right was transferred to Māori Television. This transfer was registered on 28 November 2003 with the Registrar of Radio Frequencies and has a period of 10 years.

As there was no cost incurred by Māori Television to obtain this right, and due to the uncertainty of the fair value of this asset, Māori Television has attributed a nil value in the financial statements.

There are no other contingent assets at 30 June 2007 (30 June 2006 – same as above).

22. Post Balance Date Events

No significant events have occurred since balance date which will have any material effect upon the financial statements for the year ended 30 June 2007.

23. International Financial Reporting Standards

In December 2002, the New Zealand Accounting Standards Review Board announced that all New Zealand reporting entities will be required to comply with International Financial Reporting Standards (IFRS) for periods commencing on or after 1 January 2007.

Transition from existing New Zealand generally accepted accounting principles to NZ IFRS will be made in accordance with NZ IFRS 1. Upon the adoption of NZ IFRS, comparative information will be restated to conform to the requirements of NZ IFRS, and the impact that adoption of the IFRS has had on the financial statements will be disclosed.

Māori Television has utilised the services of Ernst and Young to prepare an assessment of issues and impact of NZ IFRS.

Māori Television is a 'late adopter' of reporting against IFRS which means it will have to complete full-year NZ IFRS compliant financial statements for the year ended 30 June 2008.

Māori Television is in the process of designing and implementing changes required to current accounting policies and procedures: as well as systems and procedures in order to transition towards fully compliant NZ IFRS financial statements for the year end 30 June 2008.



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9-15 Davis Crescent
PO Box 113 017
Newmarket, Auckland
New Zealand

Phone: +64 9 539 7000
Facsimile: +64 9 539 7199

info@maoritelevision.com
www.maoritelevision.com

