



Pānui Whāinga | Statement of Intent 2006-2007



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Presented to the House of Representatives pursuant to section 31(6) of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003.

Cover image: Te Kauae Moko was tattooed on the chin of a young woman of a chiefly rank when she reached puberty, to denote that she held the mana of her people. This Kauae Moko was designed for Māori Television by artist Rewi Spraggon, according to traditional design principles of Tupuna Māori, and features the inverted form of the Māori Television tohu. Traditionally this moko would have been tattooed using straight and curved lines; here it is illustrated in a contemporary manner using motifs associated with Māori Television.



Māori Television Statement of Intent 2006-2007

This Statement of Intent has been prepared in accordance with the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, covering the period from 1 July 2006 to 30 June 2007.

Pursuant to relevant sections of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, the Responsible Ministers and the Chairman of Te Pūtahi Paoho have accepted this Statement of Intent.

Tuwhakairiora Williams
Chairman – Te Pūtahi Paoho
Date: 13/06/06

Hon Parekura Horomia
Minister of Māori Affairs
Date: 27/06/06

Hon Dr Michael Cullen
Minister of Finance
Date: 27/06/06

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

Māori Television is a world-class indigenous broadcaster.

Vision

Mission

Kia toitū motuhake a Whakaata Māori hei pourewa pāpāho i ngā kaupapa, whakaaturanga hei whakaaraara i ngā tikanga, hei whakaora hoki i te reo Māori.

To be an independent, secure and successful Māori television broadcaster of programmes that make a significant contribution to the revitalisation of tikanga Māori and te reo Māori.



Chairman's Introduction

I am pleased to present the Statement of Intent 2006-2007 for Māori Television.

This Statement of Intent (SOI) is based upon the statutory responsibilities and strategic plan of Māori Television and has also been developed to align with the Government's Māori Language Strategy. Within this publication is a clear indication of the direction Māori Television is taking as it consolidates its place in Aotearoa New Zealand as a public value indigenous broadcaster, and as we continue to establish a strong platform for a successful future.

Māori Television's strategic focus remains firmly fixed upon our vision for the channel as a world-class indigenous broadcaster whose purpose is to revitalise and promote te reo me ngā tikanga Māori. The two years since launch have seen Māori Television develop into a quality broadcaster of programmes that give voice to te reo and Māori aspirations, issues and culture, and which reflect New Zealand and our unique place in the world.

In 2005, Māori Television's Statement of Intent outlined the channel's vision, mission and major and intermediate outcomes. Māori Television stated that these outcomes were fundamental to establishing Māori Television's place within the broadcasting landscape, and that our achievement of these would be over the longer term.

All key performance indicators show that Māori Television is making good progress. This Statement of Intent has been updated accordingly to reflect that progress, and to include newly identified strategic priorities.

Māori Television is one of a number of initiatives to support the goals of Government's Māori Language Strategy, whose vision statement is that 'a spoken language is a living language'. The core of Māori Television's purpose is the revitalisation and promotion of te reo Māori me ngā tikanga Māori. This purpose remains integral to our approach to ensuring both the success of the channel and the normalisation of te reo and tikanga.

As you will read in this document, Māori Television will at all times support the principles and practices of tikanga and kaupapa Māori. We recognise and acknowledge the support of our core audience, those being Māori, and undertake to deliver a channel that celebrates our language and culture.

Just as Māori are our core audience, all New Zealanders are our target audience. We believe that while it is Māori who will ensure the survival of te reo Māori from generation to generation, the goodwill and support of all New Zealanders provides the certainty for that survival.

Māori Television is reaching out to all New Zealanders so that te reo Māori becomes a normal part of our everyday lives and is rightfully recognised as a taonga belonging uniquely to Aotearoa New Zealand.

Over the course of the 2006-2007 year, Māori Television will continue to pursue the following major outcomes:

- 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.

Seven intermediate outcomes have been identified to ensure that the long term objectives are achieved. A comprehensive strategic plan is in place and successful implementation is a key priority.

It is my view that Māori Television is fulfilling the public broadcaster role more effectively than has been seen before, to become an important contributor to New Zealand's sense of nationhood, and to unity and understanding. The channel has an exciting future ahead and I have every confidence that it is well on the way to achieving the stated major outcomes.

Wayne Walden
Chairman



Part One: Purpose and Scope

1.0 Purpose and Scope

Māori Television develops a Statement of Intent (SOI) each year to provide Parliament and the public with information about the outcomes we intend to pursue over the next three to five years.

Māori Television has made significant progress over the course of the previous year. A review of progress against the strategic objectives and priorities has been conducted and, accordingly, the Statement of Intent 2006-2007 has been updated to reflect those achievements and re-assessed strategic priorities.

The changes made do not include any adjustment to the Major Outcomes that Māori Television is pursuing. It is anticipated that these will remain in place for some time. However, the Intermediate Outcomes have undergone some consolidation, and the strategies employed to achieve those have been updated accordingly.

This SOI has three components.

Part One

The first part provides an overview of Māori Television. It also describes the operating environment and the associated strategies and outcomes that we have developed to achieve our objectives.

Part Two

The second part provides the forecast financial statements including a statement of objectives for the 2006-07 financial year.

Part Three

The third part covers additional information relevant to the SOI.

This SOI is pitched at a strategic level. It does not provide details of the outputs that Ministers will purchase from Māori Television. These are covered in Māori Television's annual Output Plan.



1.1 Overview

Māori Television is a statutory corporation and was formally established by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 ("the Act"). The Act can be accessed at our website www.maoritelevision.com. Māori Television is funded by the Government in acknowledgement of the Government's commitment to promoting and protecting te reo Māori and tikanga Māori.

As well as emphasising our primary function of promoting te reo me ngā tikanga Māori, the Act also requires that we:

- Provide a high quality, cost-effective Māori television service, in both Māori and English, that informs, educates and entertains a broad viewing audience, and in doing so, enriches New Zealand's society, culture and heritage.
- Broadcast mainly in te reo Māori during prime time and a substantial proportion at other times.
- Have regard in our programming to the needs and preferences of children participating in te reo Māori immersion education and all people learning te reo Māori.
- Provide broadcast services that are technically available throughout New Zealand and practically accessible to as many people as is reasonably possible.

Māori Television's schedule is continually developing and whilst we are planning to incrementally extend our broadcast hours, a minimum of 3,000 hours per year of programming is planned. A unique aspect of Māori Television is that up to 90% of the programming schedule will continue to be local New Zealand content.

The Government's Māori broadcasting funding agency, Te Māngai Pāho, is the major provider of funding for programmes produced for Māori Television. Te Māngai Pāho provides direct funding for Māori Television-produced programmes and indirect funding for commissioned programmes.



1.2 Governance and Shareholders

Māori Television has a Board of seven directors who are responsible for the governance of Māori Television. It also has a Chief Executive who reports to the Board and is responsible for implementing Board decisions and for Māori Television's operations.

Māori Television has two distinct partners who exercise both independent and joint powers.

The Government is one partner, and these interests are represented by the Minister of Māori Affairs and the Minister of Finance ("Responsible Ministers"). Māori are the other partner and these interests are specifically represented by Te Pūtahi Paoho (the Māori Television Service Electoral College) – an entity which was established by the Māori Television Service Act to provide partnership with Ministers. A list of organisations represented on Te Pūtahi Paoho can be found at our website www.maoritelevision.com.

The following table provides an overview of the powers and functions that the partners exercise together and independently of each other.

Independent Powers

Te Pūtahi Paoho appoints and dismisses four of the seven Board directors.

Responsible Ministers appoint and dismiss three of the seven Board directors.

Responsible Ministers approve Māori Television's Output Agreement.

Shared Functions

The Responsible Ministers and chairperson of Te Pūtahi Paoho acting jointly must appoint one of the directors to be the chairperson of the Board and one to be the deputy chairperson.

Responsible Ministers and Te Pūtahi Paoho must agree on the SOI.

They must agree if they want to direct the Board to amend the SOI.

They must agree if they want to review Māori Television.

They must agree to Māori Television holding shares, taking out loans and establishing subsidiaries.

These functions provide for the Responsible Ministers and Te Pūtahi Paoho to participate in Māori Television's planning and strategic direction. They also establish Māori Television's dual accountability to Parliament through the Responsible Ministers and to Māori through Te Pūtahi Paoho.



1.3 Māori Language Strategy

Māori Television has developed its strategic plan to support the achievement of the Māori Language Strategy, to fulfill its statutory responsibilities, and to achieve its business objectives.

Māori Television is guided by the vision of the Māori Language Strategy which targets 2028 for te reo Māori to be widely spoken by Māori, that it will be in common use among whānau, and that all New Zealanders will appreciate the value of te reo to New Zealand society.

Māori Television is supporting the goals of the Māori Language Strategy by:

- i) Broadcasting te reo Māori throughout its schedule (Goal 2 of the Māori Language Strategy);
- ii) Broadcasting levels of te reo Māori suitable for a wide audience, including tamariki, rangatahi, pākeke and kaumātua (Goal 2);
- iii) Broadcasting language learning programmes (Goal 3);
- iv) Broadcasting via its free-to-air UHF frequency to 90% of the population (Goal 5);
- v) Ensuring that its programming is inclusive and accessible to all New Zealanders (Goal 5).

Māori Television is working in partnership with Te Puni Kōkiri, Te Taura Whiri i Te Reo Māori and Te Māngai Pāho to ensure the goals of the Māori Language Strategy are met.

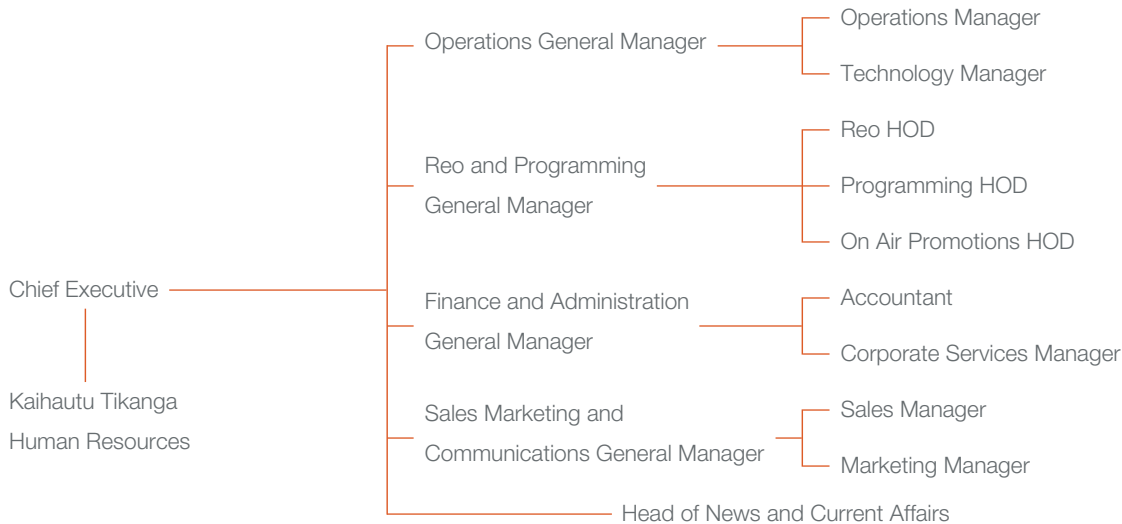
It should be noted that Māori Television's strategic plan incorporates business objectives to ensure the viability and future of the channel. Effectively managing Māori Television with a business approach will ensure the channel's long-term success.



1.4 Organisational Structure

Management

Māori Television’s operations are divided into five departments. The following diagram provides an organisational overview of Māori Television:



Sales, Marketing and Communications

During the previous financial year, Māori Television finalised its executive structure with the establishment of a Sales, Marketing and Communications department. This department is responsible for the development of Māori Television’s commercial capability, brand and programme marketing and corporate communications.

Reo and Programming Department

The Reo team is responsible for language (English and Māori) and tikanga. It focuses on translating in-house programming and subtitling, and on ensuring that tikanga is followed and that when people speak Māori they use the language appropriately.

The Programming Department has undergone a re-organisation with some teams merging under the new position of Programming Head of Department. Now reporting directly to the General Manager Reo and Programming are the Reo, Programming (which includes Commissioning, Broadcast Scheduling, Sport, In-house Programmes, Programme Acquisitions, and Censor) and On-Air Promotions teams.

Operations Department

The Operations Department is responsible for the day-to-day running of the Māori Television facility, including maintaining broadcasting equipment, transmission, information technology (IT), presentation and programme receipt and storage.

Finance and Administration Department

The Finance and Administration department covers all aspects of financial and contractual management, and general administrative support for Māori Television. The Contracts function has been added to this department, transferring from Programming.



News and Current Affairs

The News and Current Affairs department reports directly to the Chief Executive/Editor-In-Chief. Currently providing daily news and a weekly half-hour of current affairs, this department is planning to provide an expanded range of news and current affairs programming in the 2007 financial year.

Human Resources

The Human Resources unit ensures that Māori Television is staffed by well-trained people with appropriate levels of expertise and experience. A Training and Development Manager has been appointed with responsibility for the development of te reo Māori and industry skills of staff.

Kaihautu Tikanga

The Kaihautu Tikanga is a new position with responsibility for providing advice and guidance to Māori Television on matters of tikanga, kaupapa and kawa.



2.0 Operating Environment

The operating environment of Māori Television is shaped by a number of factors in the state sector, the broadcasting industry, the Māori language sector and society. These factors will continue to have a direct affect on the priorities and performance of Māori Television. They also directly influence the outcomes that we will continue to pursue.

2.1 Forces and Trends

Forces and trends affecting Māori Television include:

Māori

- Increasing numbers of people fluent in te reo Māori. Te Puni Kōkiri 2001 survey on the Health of the Māori Language found that 42 percent of the Māori adult population could speak and understand Māori to some degree, with nearly half of all Māori language speakers under 25 years.
- Positive attitudes among Māori towards revitalisation of te reo Māori.
- An increasing Māori population and the percentage of New Zealanders who identify themselves as Māori.
- An increase in the diversity of the Māori population and a predominantly young Māori population.
- Māori growth as significant contributors to the New Zealand economy.
- Improving levels of educational participation and high achievement by Māori.

Industry

- A highly competitive market for television audiences.
- Rapidly-changing television studio and broadcasting technology.
- The introduction of digital television technology and the transition from analogue to digital.
- Long-term programme funding uncertainty.
- A labour market shortage of those fluent in te reo Māori with skills in television production and broadcasting.
- The Māori television production community growing its capacity and expertise.

State sector

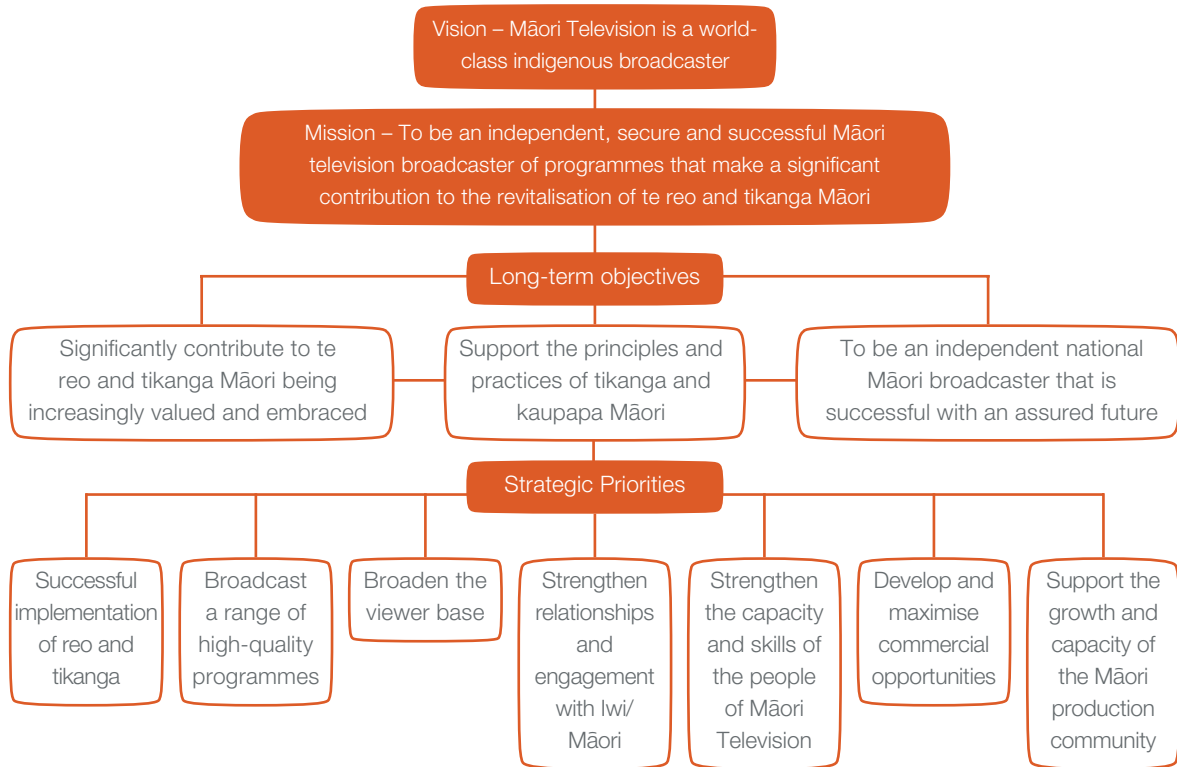
- Māori Language Strategy.
- Ongoing scrutiny of publicly-funded initiatives for Māori.
- Māori Potential framework focused on 'Māori Succeeding as Māori'.
- Broad acceptance that reo and tikanga Māori are integral to New Zealand's national heritage and identity.

It is within this environment that Māori Television faces the challenge to make a difference.



Strategic Plan

2006-2007





3.0 Outcomes and Strategies

3.1 Vision

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

Māori Television is a world-class indigenous broadcaster.

3.2 Mission

Kia toitū motuhake a Whakaata Māori hei pourewa pāpāho i ngā kaupapa, whakaaturanga hei whakaaraara i ngā tikanga, hei whakaora hoki i te reo Māori.

To be an independent, secure and successful Māori television broadcaster of programmes that make a significant contribution to the revitalisation of tikanga Māori and te reo Māori.

3.3 Target Audience

Māori Television is one of a number of government initiatives developed to retain and promote te reo Māori. We acknowledge the central role that Māori play in leading the revitalisation of the language, along with the importance of the goodwill of all New Zealanders in achieving this goal.

Māori Television is a channel for all New Zealanders and our goal is to revitalise te reo and tikanga Māori by providing quality Māori and indigenous television with something for everyone. Māori Television is targeting:

- Fluent Māori, particularly whānau in their central role as transmitters of te reo Māori to new generations. By broadcasting directly into whānau settings, Māori Television can position te reo as a normal everyday part of life and can provide educational and entertainment opportunities for the delivery and acquisition of the language.
- Non-fluent Māori who are learning the language. Through the use of learning devices and bilingual programming Māori Television can support language learners seeking higher levels of fluency.
- Non-Māori New Zealanders with an interest in te ao Māori (the Māori world). Through our strategy to be an inclusive broadcaster and by broadening our viewer base, Māori Television can play a key role in strengthening recognition of te reo Māori. In order to achieve this recognition, the goodwill and support of the wider New Zealand population is required.

3.4 Prime Time

Māori Television's prime time hours for the general audience are defined as 8pm-11.30pm. Māori Television will broadcast programmes during prime time mainly in te reo Māori.



3.5 Major Outcomes

As stated in the Statement of Intent 2005-2006, Māori Television has two key long-term major outcomes. These outcomes are interconnected by a central element which states that the channel will:

Support the principles and practices of tikanga and kaupapa Māori

Major Outcome 1: Significantly contribute to te reo and tikanga Māori being increasingly valued and embraced.

Māori Television's programming strategy aims to broadcast programmes that fulfill our reo and tikanga Māori objectives, whilst increasing audience share. To achieve this, Māori Television will ensure that:

- Its programming entertains, informs and educates viewers.
- The integrity of te reo and tikanga Māori is maintained throughout the programming schedule.
- The requirements of viewers are clearly identified, segmented and fulfilled.
- Viewers learning te reo Māori are catered for by broadcasting a wide range of programmes suitable for all levels of language proficiency.
- Māori Television's unique cultural and creative qualities are maintained, and the channel remains distinctly different from mainstream television.
- A marketing strategy for promoting and publicising the schedule is implemented.
- Programming remains inclusive and accessible to all New Zealanders.

This major outcome supports the achievement of goals two, three and five of the Māori Language Strategy.

Major Outcome 2: To be an independent national Māori broadcaster that is successful with an assured future.

Prudent, responsible and ethical financial management are our foundation business philosophies. This approach to financial management has enabled Māori Television to report financial surpluses since launching in March 2004. It is this business "best practice" and effective cost control measures that will support the development of Māori Television in the digital television technology environment of the future.

Realising the commercial potential of Māori Television is a key priority and we are committed to maximising commercial opportunities. However, we remain mindful of our obligation to provide public value television and our primary function to promote te reo and tikanga Māori through the provision of a high quality, cost effective television service. Māori Television will not compromise its primary purpose to revitalise te reo and tikanga Māori with a commercial imperative.

3.6 Intermediate Outcomes

A review of progress against the intermediate outcomes specified in the Statement of Intent 2005-2006 indicates that Māori Television has made credible progress. As a result, the channel's strategic plan has been updated and its intermediate outcomes consolidated where appropriate.

Intermediate Outcome 1: Successful implementation of te reo me ngā tikanga Māori

Māori Television is committed to ensuring that the integrity of te reo me ngā tikanga Māori is maintained throughout our programming schedule. We will continue our emphasis on improving and maintaining reo quality within programming and on developing programmes that include Māori elements and which reflect the diversity of New Zealand. Our consultative partnership with Te Taura Whiri i Te Reo Māori (Māori Language Commission) ensures monitoring of quality reo standards, while ongoing and regular consultation with our Kaunihera Kaumatua (Council of Elders) provides appropriate focus and interpretation specifically on matters of tikanga.

Research* conducted during 2005 shows that 80% of Māori and 55% of the general population agree that Māori language is a "more normal part of New Zealand life" since Māori Television launched. This is an indication that progress is being made in the integration of reo and tikanga with programming and corporate objectives, and it remains a key priority.

* TNS New Zealand Limited



Intermediate Outcome 2: Broadcast a range of high quality Māori programmes

Māori Television's schedule demonstrates the unique cultural and creative qualities of our programmes. Public, industry and stakeholder recognition of the quality of the schedule indicates that Māori Television is making credible progress.

Our challenge is to ensure we remain distinctly different from mainstream television offerings, and to ensure we continue to significantly contribute to the revitalisation of te reo and tikanga Māori. Māori Television will:

- Implement the Māori Television programming strategy.

The vision of the Māori Television programming strategy is to broadcast programmes that increase our audience share, whilst fulfilling our reo and tikanga Māori objectives.

- Continue to undertake market research.

During 2005-2006 Māori Television undertook market research* to define and understand current and potential viewership. As a result, Māori Television has access to robust data regarding general television viewer behaviour, awareness and understanding of Māori Television, attitudes towards Māori Television, viewing preferences, and audience segmentation to measure commitment and availability.

Māori Television's programming and marketing strategies incorporate the results of this research. Ongoing research to measure and monitor trends will continue to be conducted.

* TNS New Zealand Ltd

Intermediate Outcome 3: Broaden the viewer base

Māori Television continues to appeal to both Māori and non-Māori viewers. This is viewed as a key requirement to the achievement of our statutory obligations to revitalise te reo Māori and enrich New Zealand's identity, society and culture.

Māori Television has identified the following measures to broaden the viewer base:

- Increase the number of people who watch Māori Television.

The programming strategy and schedule are guided by audience research which shows that viewers want to see more of the following programme genres:

- General Māori programmes;
- Māori language learning programmes;
- New Zealand movies and documentaries;
- News and Current Affairs;
- Sports;
- International indigenous documentaries;
- Music.

- Ensure te reo Māori programming is accessible to all viewers.

Research has identified that 100 percent te reo Māori programmes are a barrier to viewing for the general population and that they can also create the perception that Māori Television is not an inclusive broadcaster. We will maintain our focus on implementing strategies to meet the needs of non-fluent Māori and non-Māori viewers, particularly during prime time.

- Integrate marketing and programming activities to contribute to increased numbers of people watching.

A marketing strategy to promote appointment viewing, engage audiences, and promote the Māori Television brand will be implemented.

- Position Māori Television to maximise digital television opportunities.

Digital television developments present many challenges and opportunities for broadcasters. A strategy to position and differentiate Māori Television in the digital environment is under development.



Intermediate Outcome 4: Strengthen relationships and engagement with iwi Māori.

Māori are guardians of the language and are leading its revitalisation. Māori Television will continue to engage with iwi Māori to ensure that not only are we achieving our statutory responsibilities, but we are also recognising the dialectal and cultural diversity that exists amongst various iwi. We believe that this stronger iwi focus will further enhance the cultural integrity of our programming.

Intermediate Outcome 5: Strengthen the capacity and skills of the people of Māori Television.

Strengthening Māori capacity within the television industry is a key requirement for the future of Māori Television. While it is clear that skill levels amongst Māori industry personnel are increasing, focus must remain on building capacity to the level required to ensure sustainability for the channel. Māori Television will:

- Fully develop television craft and technical skills.
Specialist training via in-house training programmes, on-the-job experience, and external training opportunities utilising acknowledged industry experts and tertiary partnerships.
- Strengthen the managerial and supervisory skills of Māori Television people.
Ongoing training and mentoring to develop management and supervisory level skills is in place.
- Grow proficiency and fluency in te reo Māori.
An in-house training position has been established to lead Māori language acquisition and development.

Intermediate Outcome 6: Develop and maximise commercial opportunities.

Māori Television is two years old and still in the initial phase of attracting and building its audience. As programming develops and audience grows, so too will opportunities to grow revenue via advertising, sponsorship and other income streams.

A fulltime Sales Manager was appointed in October 2005 and significant work has since been undertaken to ascertain the revenue potential of Māori Television. A Sales strategy to maximise commercial opportunities, without compromising Māori Television's public value positioning, has been developed and is currently being implemented.

Intermediate Outcome 7: Support the growth and capacity of the Māori production community.

Māori Television acknowledges the importance of a successful independent production sector to its success as a broadcaster. Our focus has been on developing and maintaining clear, consistent and open communication with producers, and on refining our processes to ensure effective, efficient information flow, high levels of creativity and timely programme delivery. Māori Television has committed to the independent production community and its national representative body, Ngā Aho Whakaari that it will:

- Provide clear and early identification of its schedule requirements.
- Ensure an efficient and equitable commissioning process.
- Continue to strengthen partnerships with the independent production community.

Māori Television is strongly committed to the development of the Māori production community.



3.7 Accountability and Performance Measurement

Accountability and performance measurements to gauge the success of Māori Television are as follows:

Statutory

Output plan

Reo

Outputs are achieved

Te Puni Kokori's Health of the Māori Language Survey measuring improved language fluency. To be conducted at three-year intervals.

Audience Research

AGB Nielsen Media research measuring cumulative ratings data.

TNS quantitative research measuring:

- Awareness of Māori Television
- Attitudes towards Māori Television.

Commercial Performance

Meet budgeted financial projections.



4.0 Contribution to Government Goals

4.1 Specific Government Goals

Māori Television will contribute to key government goals through:

i) National Identity

Māori Television will contribute to this goal through its principle function of promoting te reo Māori me ngā tikanga Māori through the provision of a high quality, cost-effective Māori television service, in both English and Māori, that informs, educates and entertains a broad viewing audience, and in doing so, enriches New Zealand's society, culture and heritage. In addition, Māori Television will ensure that its broadcast services are technically available throughout New Zealand and practically accessible to as many people as possible.

Māori Television provides inclusive television for all New Zealanders. Its schedule comprises up to 90% locally made programming, in both te reo Māori and English, covering a range of genre including arts, culture, film, sports, music, New Zealand's environment and history, and issues of relevance to all New Zealanders. By broadcasting New Zealand programming that informs, educates and entertains, and through its commitment to provide high quality public value broadcasting for all New Zealanders, Māori Television is contributing to the nationhood building of our country.

ii) Economic Transformation

Māori Television is supporting the development and growth of Māori and non-Māori in the broadcasting sector through its commitment to the development of the independent production community and the Māori Television workforce.

iii) Families – Young and Old

Māori Television provides New Zealanders with a wide range of informative and educational programming via free-to-air television. This includes programmes which enable viewers to increase their skills and knowledge of te reo Māori and tikanga Māori.

A copy of the Government's goals can be found at <http://www.dpmc.govt.nz/dpmc/publications/government-priorities.html>.

4.2 Alignment with the Māori Language Strategy

Māori Television will advance the Government's Māori Language Strategy as specified in 1.3. The Government's Māori Language Strategy can be found at www.tpk.govt.nz.



5.0 Capability

Māori Television's capability includes:

- Our people – first and foremost.
- Our resources, including our studio and other production facilities.
- The production and programming capabilities developed in our first two years of operation.
- The systems, policies and procedures we have in place to manage our business.
- The creativity and professionalism of our independent production community.

5.1 Key Capability Issues

The key capability issues for Māori Television are:

- i) Recruiting and retaining people with technical production and post-production skills and especially those with te reo Māori proficiency. There is an industry-wide shortage of suitably qualified people with these skills, and we need to create an environment that will attract them to us; and
- ii) Ongoing independent production community development.

5.2 Strengthening Capability

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

- i) A human resource strategy and related training programmes to meet our current and medium-term people needs; and
- ii) Improved alignment with Te Māngai Pāho, Ngā Aho Whakaari and the independent production community.



6.0 Priorities for 2006-2007

Our priorities for 2006-2007 relate specifically to:

- i) Consolidation of the rapid organisational development of Māori Television.
- ii) Successfully integrating the corporate objectives of Māori Television with te reo and tikanga Māori outcomes.
- iii) Implementation of Quality Assurance processes to maintain the integrity of te reo and tikanga Māori being broadcast.
- iv) Strengthening the skill levels of Māori Television staff in television craft, te reo proficiency and supervisory/management skills.
- v) Strengthening relationships with key internal and external stakeholder groups.



Part Two: Forecast Financial Statements



Part Two: Forecast Financial Statements

7.0 Statement of Forecast Service Performance

7.1 Non-Departmental Output Class

Māori Television receives operational funding from Vote: Māori Affairs. The description of the output class through which Māori Television receives operational funding is as follows:

The Minister of Māori Affairs will purchase this class of outputs from Māori Television to:

- Enable Māori Television to meet its statutory functions, including the promotion of te reo me ngā 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 2006-2007 Statement of Intent.
- Support the operational costs of Māori Television.
- Purchase and produce programmes to be broadcast on Māori Television.

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

- Māori Television 2006-2007 Output Plan.

Outputs will be provided within the appropriated sum of \$11.538 million (exclusive of GST) along with income and advertising revenue.

Māori Television will deliver two outputs through this output class. A description, the cost and performance measures for each output are described below:

Output 1 – Television Service Operations

Description

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 its quality indicators framework.

Cost | \$9.826 million (excl GST)



Output 2 – Transmission Coverage

Description

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 free-to-air transmission coverage to at least 90% of New Zealand's population.

Provide satellite transmission coverage throughout as much of New Zealand as is technically and economically feasible.

Cost | \$2.616 million (excl GST)

7.2 Funding

a) Projected Funding from Vote Māori Affairs:

	2006/2007	2007/2008	2008/2009
GST exclusive	\$11.538m	\$11.538m	\$11.538m
GST inclusive	\$12.980m	\$12.980m	\$12.980m

b) Projected Funding (Direct) from Te Māngai Pāho:

	2006/2007	2007/2008	2008/2009
GST exclusive	\$20.868m	\$16.120m	\$16.120m

c) Projected Funding (Indirect) from Te Māngai Pāho:

	2006/2007	2007/2008	2008/2009
GST exclusive	\$19.000m	\$19.000m	\$19.000m

This funding is not paid to Māori Television, nor is it confirmed funding. It is an estimate of the amount of funding that Te Māngai Pāho may make available and pay to independent television production companies for the purpose of producing programmes for broadcast by Māori Television.

d) Projected Other Revenue (including advertising and sponsorship):

	2006/2007	2007/2008	2008/2009
Interest Earned	\$0.090m	\$0.090m	\$0.090m
Net Income from Advertising	\$0.864m	\$1.293m	\$1.635m



7.3 Statement of Projected Financial Position

	2006/07 (\$m)	2007/08 (\$m)	2008/09 (\$m)
Public Equity			
Opening Equity	14.856	14.906	14.940
Add Surplus/Deficit	0.050	0.034	0.052
CLOSING EQUITY 30 JUNE	14.906	14.940	14.992
Represented by:			
Current Assets			
Cash at Bank and Short Term Deposits	4.641	7.127	9.658
Programme Rights	2.365	2.365	2.365
Receivables and Other Current Assets	1.038	1.042	1.070
Total Current Assets	8.044	10.534	13.093
Property Plant and Equipment (at Book Value)			
Total Assets	17.043	17.115	17.180
Current Liabilities			
Term Liabilities	0.000	0.000	0.000
NET ASSETS EMPLOYED	14.906	14.940	14.992



7.4 Statement of Projected Financial Performance

	2006/07 (\$m)	2007/08 (\$m)	2008/09 (\$m)
Television Operations			
Income			
Crown Appropriation	11.538	11.538	11.538
Advertising Revenue	0.864	1.293	1.635
Total Income	12.402	12.831	13.173
Deduct Expenditure			
Operational	11.624	12.051	12.351
Surplus/(Deficit) from Television Operations	0.778	0.780	0.822
Programme Production and Acquisition			
Income			
Programme Funding	20.868	16.120	16.120
Deduct Expenditure			
Programme Production & Acquisition	21.686	16.956	16.980
Surplus/(Deficit) from Programming	(0.818)	(0.836)	(0.860)
Interest			
Interest Earned	0.090	0.090	0.090
Interest Expense	0.000	0.000	0.000
Surplus/(Deficit) from Interest	0.090	0.090	0.090
SURPLUS FOR THE PERIOD	0.050	0.034	0.052



7.5 Statement of Projected Cash Flows

	2006/07 (\$m)	2007/08 (\$m)	2008/09 (\$m)
Cash Flows from Operating Activities			
Cash was provided from –			
Crown Appropriation	11.538	11.538	11.538
Other Income	0.839	1.289	1.607
Production Funding	20.868	16.120	16.120
Cash was disbursed to –			
Payments to Suppliers	(30.674)	(26.111)	(26.384)
Net Cash Flows from Operating Activities	2.571	2.836	2.881
Cash Flows from Investing Activities			
Cash was disbursed to –			
Purchase of Property Plant and Equipment	(0.830)	(0.350)	(0.350)
Net Cash Flows from Investing Activities	(0.830)	(0.350)	(0.350)
Cash Flows from Financing Activities			
Cash was provided from –			
Borrowings	0.000	0.000	0.000
Cash was disbursed to –			
Repayment of Borrowings	0.000	0.000	0.000
Net Cash Flows from Financing Activities	0.000	0.000	0.000
Net Increase/(Decrease) in Cash Held	1.741	2.486	2.531
Opening Cash	2.900	4.641	7.127
CLOSING CASH AT 30 JUNE	4.641	7.127	9.658



7.6 Statement of Accounting Policies

For the Year ending 30 June 2007

a) Reporting Entity

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

b) Measurement Base

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

c) Fixed Assets, Depreciation and Intangibles

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:

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

Intangibles are initially recorded at cost less amount amortised.

d) Programme Rights, Inventories, Frequencies and Development

■ Frequency Licenses:

The cost of acquiring frequency licenses are amortised on a straight line basis over the period for the licenses, typically 20 years.

■ Research and Development Costs:

Research expenditure is expensed in the period incurred. Development costs are deferred where there is a clear future benefit to which those costs are related. Deferred development costs are amortised over future periods in relation to expected future benefits.

■ 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 licenses 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 licenses 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 three years.



ii) Programme licenses on programmes commissioned by Māori Television are expensed on a systematic basis depending on the term of the license and the number of plays acquired, to a maximum of three plays.

iii) Programme licenses acquired from other programmes are expensed on a systematic basis depending on the term of the license and the number of plays acquired, to a maximum of three 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 realizable value with the cost of inventories being ascertained by using the first in, first out (FIFO) cost method.

e) 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.

f) Foreign Currencies

Transactions denominated in a foreign currency are converted at the exchange rate ruling at the date of the transaction except where forward currency contracts have been taken out to cover specific foreign currency contracts. Where forward foreign currency contracts have been taken out, the transaction is converted at the rate specified in the contract.

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.

g) Foreign Exchange Contracts

Foreign exchange contracts taken out as a general hedge are revalued on a monthly basis with any gain or loss included in the Statement of Financial Performance as an operating item. The cost of foreign currency options are expensed on payment and the market value is included in the Statement of Financial Performance until exercise date.

Foreign exchange contracts taken out to hedge future transactions are accounted for in the period the transaction occurs. Premiums paid for interest rate options are amortised over the period until exercise date. Where interest swap agreements are used, the differential to be paid or received is accrued as interest rates fluctuate. The differential forms part of the interest expense in the Statement of Financial Performance.

h) 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 employment contracts for long service leave or retirement leave.

i) Goods and Service Tax (GST)

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

j) Broadcasting Services

The allocation of funds to broadcasting services is treated as expenditure when the allocation is approved and committed against the current year's income and includes funds approved but not paid out at the year end.

k) Cash at 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 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 separate accounting policy all financial instruments are shown by 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 fixed assets.

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

o) Commitments

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



Part Three: Additional Information

8.0 Additional Information

8.1 Statutory Functions

Māori Television is formally established under the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003. The functions of Māori Television as described in Section 8 of the Māori Television Service Act are:

- i) The principal function of Māori Television is to promote te reo Māori me ngā 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 doing so, enriches New Zealand's society, culture and heritage.
- ii) Māori Television must also:
 - a) Ensure that during prime times it broadcasts mainly in te reo Māori.
 - b) Ensure that at other times it broadcasts a substantial proportion of its programmes in te reo Māori.
 - c) Ensure that, in its programming, Māori Television has regard to the needs and preferences of:
 - Children participating in te reo Māori immersion education; and
 - All persons learning te reo Māori.
 - d) Provide broadcast services that are technically available throughout New Zealand and practicably accessible to as many people as is reasonably possible.
- iii) Māori Television may undertake other functions consistent with the purposes of the Act, including (without limitation) fostering development of the broadcasting capacity of Māori Television through appropriate training and education.



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