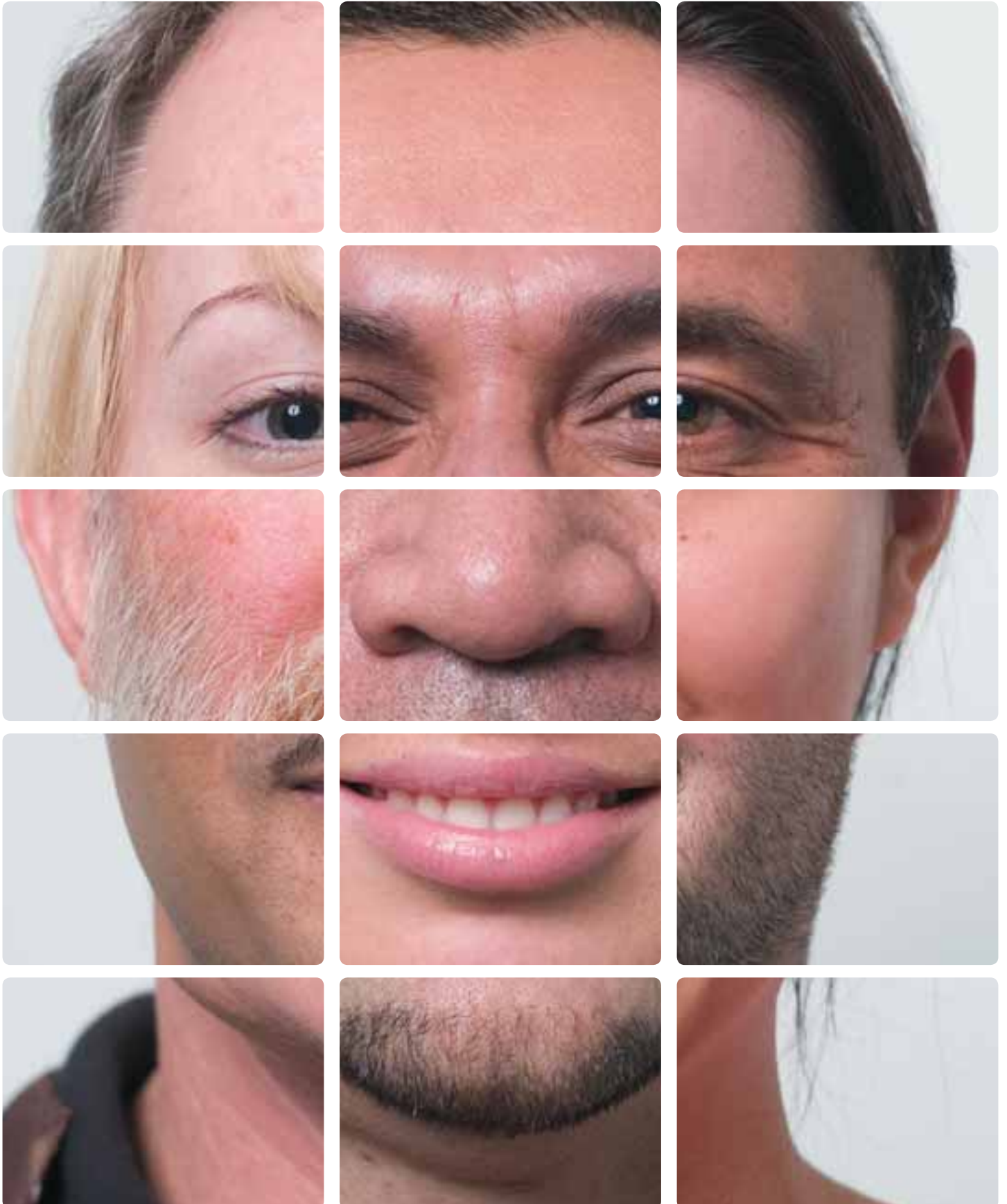


Te mata o Aotearoa

Pānui Whāinga | Statement of Intent 2007-2008

**MĀORI**  
TELEVISION  
mā rātou mā mātou mā koutou mā tātou



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## Acceptance of the Statement of Intent 2007-2008

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 2007 to 30 June 2008.

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: 20 June 2007



Hon Parekura Horomia  
Minister of Māori Affairs  
Date: 20 June 2007



Hon Dr Michael Cullen  
Minister of Finance  
Date: 20 June 2007

Whakaata Māori, hē pourewa pāpāho taketake kei ngā taumata o te ao.  
Māori Television is a world-class indigenous broadcaster.

## Vision

## 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.

## Chairman's Overview

In accordance with section 26 (1)(a) of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 I am pleased to present the Statement of Intent 2007-2008 for Māori Television.

The Statement of Intent sets out the broad strategies and outcomes that Māori Television will pursue, as agreed between joint reporting ministers, the Minister of Māori Affairs and Minister of Finance; Te Pūtahī Paoho (Māori Television Service Electoral College), and Māori Television. It should be noted that this Statement of Intent 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.

The major and intermediate outcomes that Māori Television is pursuing are unchanged from the previous year. These remain relevant to Māori Television as it continues on its pathway to consolidating a strong platform for success. The relevance of these outcomes for the forthcoming period speaks to their soundness and appropriateness as to the strategic direction of the organisation.

### Māori Language Strategy

Māori Television fully supports the achievement of the goals of the Māori Language Strategy and views the strategy as vital to the perpetuation of te reo Māori. We reiterate our commitment to contributing to the success of the strategy. It is our intention to work closely with key stakeholder partners to ensure that, as a like-minded group, the responsibilities of Māori Television to contributing to the achievement of the nation's reo strategy are clear. We aim to ensure that collectively the strategic approach of the contributing partners is coordinated, consistent and integrated.

### Outcomes for 2007-2010

Māori Television is making strong progress towards the achievement of its stated major outcomes and this is evidenced by increasing audience numbers, growing public awareness and support for our programming initiatives, and the feedback of our reporting stakeholders. The major outcomes that we will continue to pursue for the 2007-2010 term are to:

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

### Broadcasting Environment

The New Zealand broadcasting environment is currently undergoing change with the advent of digital television which will provide improved picture and sound quality, better reception and the capacity for more channels.

This new technology will offer important development opportunities for Māori Television to further the revitalisation of reo and tikanga Māori, enhance our public service programming offerings and advance the solid foundation of the organisation.

The Freeview platform will also see all the major free-to-air broadcasters move to UHF frequencies alongside Māori Television, which will eliminate the inherent reception disadvantage that we have been operating under to date.

The availability of additional funding from Government has made it possible for Māori Television to participate in the digital era and I acknowledge and commend the Government's insight and commitment to ensuring the future of this nation's indigenous channel.

### New Channel

The possibilities presented by digital technology are exemplified by the proposed launch of a second channel broadcasting in 100 percent te reo Māori. This new channel, which will broadcast in prime time, is being developed as an initiative to further enhance the profile and status of the Māori language and to better meet the needs of the fluent Māori speaking audience.

The new channel, together with the existing channel, will ensure that Māori Television is exceeding its statutory obligation to promote and revitalise te reo and tikanga Māori.

### Key Strategic Initiatives

We have identified six key strategic initiatives for the 2007-2008 term that we believe will significantly enhance our ability to achieve our vision, mission statement, and the major and

intermediate outcomes that we have targeted. These initiatives are set out on page 10 and are the additional key area of focus for the Board and Executive for the period ahead.

### Programming

The additional budget announced in May this year will result in increased broadcast hours. Māori Television expects to increase those hours, over the course of a full 12 months, from just under 3,000 hours per year to approximately 4,600 hours via its two channels.

For the 2007-2008 year, which will include the launch of the new channel in the first quarter of 2008, Māori Television will achieve total broadcast hours of between 3,300 and 3,500. Viewers will continue to enjoy a schedule of at least 80 percent of local programming and an increase in both production and broadcast of reo Māori programmes.

### Reporting Stakeholders

I have already acknowledged the support of Government in the ongoing development of Māori Television. This has been particularly evident in our bid for funding for digital and existing channel development. Our reporting ministers, Hon Dr Michael Cullen and Hon Parekura Horomia, have been instrumental in supporting developments that we view as important to Māori Television's long-term future and success.

I acknowledge, too, the unwavering support that Māori Television receives from the Board of Te Pūtahi Paoho, particularly its Chairman Tuwhakairiora Williams. We view the approval and support of our Māori stakeholder as a barometer of our success.

### Conclusion

This Statement of Intent is my final as Chairman of the Board of Māori Television. Business commitments have led to my resignation as Chairman after five years of leading an organisation that has become more successful than most New Zealanders, but possibly not Māori, anticipated.

It is my view that in light of the progress and the advancement the channel has made, my specific role to guide the launch and establishment phases has come to an end. However, I look forward to continuing my involvement with Māori Television

as a Board director. This change will allow for a smooth transition of responsibility and ensure continuity and stability at the Governance level.

There are many highlights of my tenure as Chairman but I single out for specific mention the magnificent and emotional launch day of the channel, witnessing the broadcast of te reo Māori particularly during prime time, the quality and vibrancy of the programming and on-screen presence, the ANZAC Day broadcasts which I believe are defining moments in the lifetime of the channel, the channel's growing attraction to all New Zealanders, and of course the advent of a second channel. Māori Television is not just delivering on its reo and tikanga responsibilities; it has become the public service broadcaster of choice for many New Zealanders and of this I am particularly proud.

Pleasing too are the research results which show that 82 percent of New Zealanders support Māori Television as a permanent part of New Zealand broadcasting.

Māori Television is now well placed and prepared to fulfil a key role in building this country's unique New Zealand culture and nationhood. I end my chairmanship with a high level of confidence in the Board, Chief Executive Jim Mather, management and staff, and I look forward to continuing to support Māori Television as a Board member.

It has been a privilege to be part of the establishment, launch, development and success of Māori Television.



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, Māori and the public with information about the outcomes we intend to pursue over the next three years.

This SOI has two components:

#### Part One

The first part outlines Māori Television's statutory responsibilities and its contribution to achievement of the Māori Language Strategy. 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 2007-2008 financial year.

### 1.1 About Māori Television

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](http://www.maoritelevision.com). Māori Television launched on 28 March 2004.

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

The Government is one stakeholder, and these interests are represented by the Minister of Māori Affairs and the Minister of Finance.

Māori are the second stakeholder 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 (Te Aratuku Whakaata Irirangi Māori) Act 2003 to provide partnership with the Ministers. A list of organisations represented on Te Pūtahi Paoho can be found at our website [www.maoritelevision.com](http://www.maoritelevision.com).

As well as emphasising our primary function of promoting te reo me ngā tikanga Māori, the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 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.
- Foster development of the broadcasting capacity of Māori Television through appropriate training and education.

Māori Television is funded by the Government in acknowledgement of the Government's commitment to promoting and protecting te reo Māori and tikanga Māori. 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 Contribution to Government Priorities

Māori Television will contribute to key government priorities 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 at least 80 percent 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 [www.dPMC.govt.nz/dPMC/publications/government-priorities.html](http://www.dPMC.govt.nz/dPMC/publications/government-priorities.html)

### 1.3 Contribution to Māori Language Strategy

Māori Television is committed to being an active participant in the achievement of the Māori Language Strategy. Māori Television has developed its strategic plan to support the Māori Language Strategy, to fulfil the channel's 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).
- vi) Achieving an average monthly cumulative target of 550,000 individuals per month during the 2007-2008 financial year (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. The Government's Māori Language Strategy can be found at [www.tpk.govt.nz](http://www.tpk.govt.nz).

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 Governance and Management

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's operations are divided into the following divisions:

#### Reo and Tikanga

During 2006-2007 Māori Television reviewed its executive level structure and the placement of reo and tikanga, incorporating people development, within that structure. As a result, the Reo and Tikanga department has been developed. It is responsible for the channel's Reo Māori strategy and its people development and resource objectives (HR).

### Programming

The Programming Department is responsible for Māori Television's Programming Strategy and drives the schedule structure, and programme production, commissioning and acquisition, and on-air promotions.

### News and Current Affairs

The News and Current Affairs unit reports directly to the Chief Executive/Editor-In-Chief. This team is currently providing daily news, weekly current affairs and a weekly half-hour of kaumātua discussion on current issues.

### Operations

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.

### Sales, Marketing and Communications

The Sales, Marketing and Communications department is responsible for the development of Māori Television's commercial capability, brand and programme marketing and corporate communications.

### Finance and Administration

The Finance and Administration department covers all aspects of financial and contractual management, and general administrative support for Māori Television.

### Kaihautū Tikanga

The Kaihautū Tikanga is responsible 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 effect 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.
- 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.
- The Māori television production community growing its capacity and expertise.

#### State sector

- Māori Language Strategy.
- Māori Potential framework focused on 'Māori Succeeding as Māori'.
- Broad acceptance that te reo and tikanga Māori are integral to New Zealand's national heritage and identity.

## 3.0 Outcomes and Strategies

### 3.1 Mission Statement

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.

### 3.2 Major Outcomes 2007-2010

Māori Television has determined that it will achieve this mission statement by continuing to implement the major outcomes, as specified in its Statement of Intent 2006-2007, which remain current and relevant. Those major outcomes are to:

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

Each of these objectives is interconnected by the following central element that is recognised by Māori Television as representative of the core value of the channel:

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

### 3.3 Intermediate Outcomes and Strategies

Māori Television will achieve its major outcomes through the implementation of the following intermediate outcomes. These intermediate outcomes, which were identified in 2006-2007, have been reviewed and determined as remaining relevant to the ongoing progress and development of the organisation. The launch of a second channel will significantly support the organisation to achieve the outcomes particularly relevant to reo content and programming hours.

#### Intermediate Outcome One: Māori Television broadcasts a range of high quality programmes.

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.

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.

With the advent of the second channel, Māori Television will achieve a minimum of 60 percent te reo Māori across its broadcast schedule. The establishment of the second channel will complement the existing channel. The philosophy is to not significantly change the programming schedule and operation of the existing channel, as it has proven to be a very successful formula to date with audience numbers continuing to grow. It is envisaged that the reo content is likely to increase incrementally on the main channel, particularly as Māori language programming from the second channel is likely to be subtitled into English and broadcast on the existing channel.

Māori Television has identified target quality standards for programming and is working with external and internal producers to attain and maintain those standards.

**Intermediate Outcome Two: Māori Television appeals to a broad audience.**

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. Māori Television will maintain its focus on providing quality public service broadcasting, in both reo Māori and English, which contributes to national identity and pride.

**Intermediate Outcome Three: Māori Television has strong relationships and effective engagement with iwi Māori.**

Māori Television acknowledges the critical role that Māori play in transmission of the language from generation to generation. Māori Television will continue to strengthen its relationships with Māori to foster language usage and uptake, ensure that the dialectal and cultural diversity of Māori is reflected in its

programming, and safeguard and enhance the cultural integrity of our programming.

**Intermediate Outcome Four: Reo and tikanga Māori, and corporate objectives, are successfully integrated and aligned.**

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

**Intermediate Outcome Five: The capacity and skills of the people of Māori Television are developed.**

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 will remain on building capacity to the level required to ensure sustainability for the channel. Māori Television will implement a comprehensive training and development plan 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.

**Intermediate Outcome Six: Commercial opportunities are maximised.**

Māori Television will continue its focus on maximising the revenue opportunities that are available to it, however Māori Television remains committed to ensuring that its revenue objectives do not compromise its public value service. Phase two of its sales strategy will be implemented.

It is not intended that the new channel will include the presence of advertising.

**Intermediate Outcome Seven: The growth and capacity of the Māori production community is increased.**

Māori Television acknowledges its reliance on the Māori production sector for the supply of creative, high quality Māori and English language 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. An independent survey of the relationship and

formal processes that exist between Māori Television and the production sector will be conducted in conjunction with Ngā Aho Whakaari.

### 3.4 Key Strategic Initiatives for 2007-2008

To support the achievement of the major and intermediate outcomes, Māori Television has identified the following key strategic initiatives for the year ahead:

- Māori Language Strategy – Māori Television is committed to active participation in the achievement of the Māori Language Strategy. Māori Television will engage with key stakeholder organisations to confirm its responsibilities to contributing to the strategy.
- 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 Māori Television 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 – Secure long-term extension of the UHF Management Right. Extension of this Right is critical to safeguarding the channel's future and extending its reach (or footprint) via digital television technology.
- Digital Television – Commence implementation of a three-year development plan aimed at ensuring that Māori Television maximises digital technology opportunities that enhance and reinforce its position. This includes the launch of a second channel in early 2008.
- Measuring Success – Māori Television will develop a comprehensive research strategy that supports the organisation 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 the inaugural World Indigenous Television Broadcasting Conference aimed at unifying, strengthening and promoting indigenous broadcasters throughout the world.

The successful achievement of these strategic initiatives will significantly enhance the realisation of Māori Television's major and intermediate outcomes.

### 3.5 Target Audiences

Māori Television is one of a number of government initiatives developed to revitalise 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 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.

### 3.6 Prime Time

Māori Television's prime time hours for the general audience (ie Māori and non-Māori) are defined as 7.30pm-10.30pm. Māori Television will broadcast programmes during prime time mainly in te reo Māori.

### 3.7 Accountability and Performance Measurement

Māori Television measures its accountability and performance against its overarching goal and mission to make a significant contribution to the revitalisation of tikanga Māori and reo Māori by being an independent, secure and successful Māori television broadcaster. Accountability and performance measurements to gauge the success of Māori Television are as follows:

Performance Goal	Rationale	Mechanism	Target
Promote te reo and tikanga Māori by providing a television service that informs, educates and entertains a broad viewing audience	In accordance with section 8(2) of Māori Television Service Act 2003	Broadcast hours	<ul style="list-style-type: none"> <li>• Broadcast between 3,300 and 3,500 hours of programming in 2007-08</li> <li>• Broadcast more than 4,600 hours of programming from 2008-09</li> </ul>
Broadcast a substantial proportion of programmes in te reo Māori	In accordance with section 8(2) of Māori Television Service Act 2003	Percentage of reo spoken across Māori Television schedule	50% spoken reo across broadcast schedule, increasing to 60% in the last quarter
Viewership	A measure of the number of viewers being exposed to te reo and tikanga Māori	AGB Nielsen Media Research Cumulative Ratings	550,000 average viewers per month
Provide broadcast services to as many people as practicable	In accordance with section 8(2) of Māori Television Service Act 2003	Transmission coverage	<ul style="list-style-type: none"> <li>• 90% of population via UHF</li> <li>• 100% of country via Satellite</li> <li>• Broadcast via Freeview DTT (from March 2008) and DTH</li> </ul>
Financial targets are achieved	Māori Television is a well-managed organisation	Māori Television annual budget	100% of budgets achieved

## 4.0 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 three years of operation;
- The systems, policies and procedures we have in place to manage our business; and
- The creativity and professionalism of our independent production community.

### 4.1 Key Capability Issues

The key capability issues for Māori Television are:

- i) More people with technical production and post-production skills and especially those with te reo Māori proficiency. An industry-wide shortage of suitably qualified people with these skills exists.
- ii) Ongoing independent production community development.

### 4.2 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;
- ii) Improved alignment with Te Māngai Pāho, Ngā Aho Whakaari and the independent production community.

## Part Two: Forecast Financial Statements

### 5.0 Statement of Forecast Service Performance

#### 5.1 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 2007-2008 Statement of Intent;
- Support the operational costs of Māori Television; and
- 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 2007-2008 Output Plan.

Outputs will be provided at a total forecast cost of Outputs 1 and 2.

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 between 3,300 and 3,500 hours of programming for the year, 70 percent 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 indicator framework.

COST

\$31.588 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

\$2.731 MILLION (excl GST)

## 5.2 Funding

### a) Forecast Funding from Vote Māori Affairs:

	2007/2008	2008/2009	2009/2010
GST exclusive	\$18.106m	\$16.539m	\$17.974m
GST inclusive	\$20.369m	\$18.606m	\$20.221m

Included in the above figures are amounts for capital expenditure funding of \$1.6m in 2007/08 and \$1.4m in 2009/10. We are currently ascertaining the appropriate accounting treatment of this funding for reporting purposes.

For the purposes of this Statement of Intent, the capital funding is being accounted for as Crown Revenue.

### b) Forecast Funding (Direct) from Te Māngai Pāho:

	2007/2008	2008/2009	2009/2010
GST exclusive	\$16.120m	\$16.120m	\$16.120m

### c) Forecast Funding (Indirect) from Te Māngai Pāho:

	2007/2008	2008/2009	2009/2010
GST exclusive	\$15.698m	\$15.698m	\$15.698m

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) Forecast Other Revenue (including advertising and sponsorship):

GST exclusive	2007/2008	2008/2009	2009/2010
Interest Earned	\$0.210m	\$0.245m	\$0.245m
Net Income from Advertising	\$1.017m	\$1.337m	\$1.696m



### 5.3 Statement of Forecast Financial Position

	2007/2008	2008/2009	2009/2010
	(\$m)	(\$m)	(\$m)
<b>Public Equity</b>			
Opening Equity	15.054	15.338	15.582
Add Surplus/Deficit	0.284	0.244	0.322
<b>CLOSING EQUITY 30 JUNE</b>	<b>15.338</b>	<b>15.582</b>	<b>15.904</b>

Represented by:

#### Current Assets

Cash at Bank and Short Term Deposits	4.540	6.583	6.353
Programme Rights	2.631	2.858	3.085
Receivables and Other Current Assets	1.413	1.416	1.446
<b>Total Current Assets</b>	<b>8.584</b>	<b>10.857</b>	<b>10.884</b>

<b>Property Plant and Equipment (at Book Value)</b>	<b>8.645</b>	<b>6.846</b>	<b>7.009</b>
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<b>Total Assets</b>	<b>17.229</b>	<b>17.703</b>	<b>17.893</b>
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<b>Current Liabilities</b>	<b>1.891</b>	<b>2.121</b>	<b>1.989</b>
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<b>Term Liabilities</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
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<b>NET ASSETS EMPLOYED</b>	<b>15.338</b>	<b>15.582</b>	<b>15.904</b>
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#### 5.4 Statement of Forecast Financial Performance

	2007/2008	2008/2009	2009/2010
	(\$m)	(\$m)	(\$m)
<b>Television Operations</b>			
<b>Income</b>			
Crown Appropriation	17,256	17,289	17,324
Advertising Revenue	1,017	1,337	1,696
Total Income	18,273	18,626	19,020
<b>Deduct Expenditure</b>			
Operational	13,493	13,339	13,725
<b>Surplus/(Deficit) from Television Operations</b>	<b>4,780</b>	<b>5,287</b>	<b>5,295</b>
<b>Programme Production and Acquisition</b>			
<b>Income</b>			
Programme Funding	16,120	16,120	16,120
<b>Deduct Expenditure</b>			
Programme Production and Acquisition	20,826	21,408	21,338
<b>Surplus/(Deficit) from Programming</b>	<b>(4,706)</b>	<b>(5,288)</b>	<b>(5,218)</b>
<b>Interest</b>			
Interest Earned	0,210	0,245	0,245
Interest Expense	0,000	0,000	0,000
<b>Surplus/(Deficit) from Interest</b>	<b>0,210</b>	<b>0,245</b>	<b>0,245</b>
<b>SURPLUS FOR THE PERIOD</b>	<b>0,284</b>	<b>0,244</b>	<b>0,322</b>

The figures above are GST exclusive.

### 5.5 Statement of Forecast Cash Flows

	2007/2008	2008/2009	2009/2010
	(\$m)	(\$m)	(\$m)
<b>Cash Flows from Operating Activities</b>			
Cash was provided from –			
Crown Appropriation	18.106	16.539	17.974
Other Income	2.499	1.334	1.666
Production Funding	16.120	16.120	16.120
Cash was disbursed to –			
Payments to Suppliers	(32.310)	(31.340)	(34.130)
<b>Net Cash Flows from Operating Activities</b>	<b>4.415</b>	<b>2.653</b>	<b>1.630</b>
<b>Cash Flows from Investing Activities</b>			
Cash was disbursed to –			
Purchase of Property Plant and Equipment	(2.250)	(0.610)	(1.860)
<b>Net Cash Flows from Investing Activities</b>	<b>(2.250)</b>	<b>(0.610)</b>	<b>(1.860)</b>
<b>Cash Flows from Financing Activities</b>			
Cash was provided from –			
Borrowings	0.000	0.000	0.000
Cash was disbursed to –			
Repayment of Borrowings	0.000	0.000	0.000
<b>Net Cash Flows from Financing Activities</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>2.165</b>	<b>2.043</b>	<b>(0.230)</b>
Opening Cash	2.375	4.540	6.583
<b>CLOSING CASH AT 30 JUNE</b>	<b>4.540</b>	<b>6.583</b>	<b>6.353</b>

The figures above are GST exclusive.

## 5.6 Statement of Accounting Policies

For the Year ending 30 June 2008

### 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 valued at their net cost to Māori Television. These values less amounts amortised or written off are accounted for as programme inventory.

- Programme inventories are amortised on a systematic basis depending on the nature of the programme and within a period not exceeding three years.

- 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.

**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 our 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 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 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.

**p) International Financial Reporting Standards ("IFRS")**

In 2007/08 Māori Television is required to report in accordance with NZ IFRS and these projections have been prepared in accordance with those standards.

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