

Pānui Whāinga
Statement of Intent 2009-2010

KO TE KAKĀ WAHANUI
RŪRŪ ANA TE NGAHERE
E KORE E
NGARO PĒRĀ
I TE
MOA

MĀORI
TELEVISION


TE REO

Contents

1	Acceptance of the Statement of Intent
2	Chairman's Overview
4	Part One: Purpose and Scope
4	1.0 Purpose and Scope
	1.1 About Māori Television
	1.2 Contribution to Māori Language Strategy
	1.3 Māori Broadcasting and e-Media Outcomes Framework
	1.4 Governance and Management
8	2.0 Operating Environment
	2.1 Forces and Trends
9	3.0 Mission Statement, Outcomes and Strategies 2009-2012
	3.1 Mission Statement
	3.2 Major Outcomes
	3.3 Intermediate Outcomes
	3.4 Strategies
	3.5 Key Outputs
	3.6 Key Strategic Initiatives 2009-2010
	3.7 Prime Time
	3.8 Target Audience
	3.9 Accountability and Performance Measurement
17	Part Two: Forecast Financial Statements
17	4.0 Statement of Forecast Service Performance
	4.1 Non-Departmental Output Class
	4.2 Funding
	4.3 Statement of Projected Financial Position
	4.4 Statement of Projected Comprehensive Income
	4.5 Statement of Projected Cash Flows
	4.6 Statement of Accounting Policies

Cover Illustration:

Ko te kākā wahanui rūrū ana te ngahere e kore e ngaro pērā i te moa

While the raucous cry of the kākā is heard in the forest, it will not be extinct like the moa

Acceptance of the Statement of Intent 2009-2010

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 2009 to 30 June 2010.

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: 6 August 2009



Hon Dr Pita Sharples

Minister of Māori Affairs

Date: 6 August 2009



Hon Bill English

Minister of Finance

Date: 6 August 2009

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

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 2009-2010 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 Pūtahi Paoho (Māori Television Service Electoral College), and Māori Television.

2009 marks the milestone of Māori Television's fifth anniversary. We celebrate the achievements of the last five years and acknowledge the contributions of numerous people for the commitment and focus that has been required to accomplish the progress made.

Over the next three years Māori Television will continue this progress to further contribute to efforts to promote te reo and tikanga Māori. By strengthening our organisation and providing a service that is of value to all New Zealanders in as cost effective a manner as possible, Māori Television is well placed to continue to fulfil the purpose for which it was established.

Committed to Language Revitalisation

First and foremost, Māori Television is a broadcaster with the promotion of Māori language as its core objective and key responsibility. We have seen the status of te reo Māori in this country grow through collective efforts by Māori language organisations, and it is important that we capitalise on all the progress that has been achieved to date.

Our contribution over the next three years will be made through a three-tier strategy to Enhance, Expand and Internationalise our business. Through this strategy we are prioritising the implementation of a comprehensive Māori Language Plan, high quality Māori language programming, improved production quality, and a programming schedule that attracts a broad viewing audience. We will prioritise the dissemination of our language and culture by sharing our programmes via our recently re-developed website, effectively delivering an unprecedented level of Māori language and culture programming to the global community.

And we will continue to position Māori Television as a broadcaster with something for everyone. Language revitalisation and the success of our organisation depend upon the support of the wider community. We acknowledge this and remain committed to ensuring we deliver to and for all New Zealanders.

Our work to promote the Māori language is one of a number of initiatives established to achieve the goals of the Māori Language Strategy and, more recently, the Māori Broadcasting and e-Media Outcomes Framework. Our objectives remain aligned with the Māori Language Strategy and we

endorse and fully support a co-ordinated and collaborative approach by all language revitalisation agencies so that maximum outcomes are achieved.

A Robust Operation

A sound, well managed Māori broadcaster is essential for a robust television production industry.

The 2009-2010 year will see the continuation of our focus on consolidation of our business. Having committed the past year to strengthening our base after four years of rapid growth, we have seen the benefits of this decision. A second year to consolidate further will bring with it the opportunity for more long-term operational and production gains.

Our record as a fiscally responsible organisation is one we are proud of. Over five years we have maintained a budget conscious approach to operating our business, extracting as much value as possible from budgets. We are confident that Māori Television has provided value-for-money and this financial management approach will continue, particularly as we face the challenges of rising costs and maintaining pace with industry developments.

To support this, we will continue to implement our advertising sales strategy, as well as efforts to identify new revenue opportunities. I note that the current economic downturn is expected to impact on existing revenue levels for the year ahead.

Strategic Initiatives

Five key strategic initiatives for the 2009-2010 year have been identified. These initiatives will significantly enhance our ability to achieve our vision, mission statement, and the major and intermediate outcomes being targeted. These initiatives are set out on pages 14-15 and, together with the operational strategy, are an important area of focus for the Board and Executive.

Conclusion

The Statement of Intent 2009-2010 represents the goals to be achieved in what will be Māori Television's sixth full year of operation since launch. Stakeholders can expect their national indigenous broadcaster to continue to deliver a Māori television service that effectively promotes te reo and tikanga Māori, informs, educates and entertains, and ultimately enriches our society, culture and heritage.



Garry Muriwai

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 1

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 2

The second part provides the forecast financial statements including a statement of objectives for the 2009-2010 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.

Māori Television launched on 28 March 2004. A second channel, named Te Reo, was launched by Māori Television on 28 March 2008 and aims to provide 100 percent Māori language programming.

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.

As well as emphasising our primary function of promoting te reo and 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.

Both the Māori Television channel and Te Reo channel are funded by the Government in acknowledgement of the Government's commitment to promoting and protecting te reo 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 internally produced programmes and indirect funding for commissioned programmes.

The Government has provided direct funding for the Te Reo channel.

Māori Television also receives both direct and indirect funding from New Zealand On Air.

1.2 Contribution to Māori Language Strategy

Māori Television is committed to ensuring that both channels contribute to the achievement of the Māori Language Strategy. Māori Television has developed its strategic plan to support the Māori Language Strategy, fulfil its statutory responsibilities, and achieve its business objectives. The establishment of Te Reo channel is an important initiative that adds further support to achieving the goals of the Māori Language Strategy.

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 the Māori language to New Zealand society. The launch of the Te Reo channel is a key strategic initiative to provide further support to the achievement of the Māori Language Strategy.

Both channels support the goals of the Māori Language Strategy by:

- i) Broadcasting te reo Māori throughout its schedules (Goal 2 of the Māori Language Strategy).

- ii) Broadcasting levels of te reo Māori suitable for a wide audience, including tamariki, rangatahi, pakeke and kaumātua (Goal 2).
- iii) Broadcasting language learning programmes (Goal 3).
- iv) Broadcasting via free-to-air UHF to 90 percent of the population, and via the free-to-air Freeview satellite and terrestrial platforms (Goal 5).
- v) Ensuring that programming broadcast on the Māori Television channel is inclusive and accessible to all New Zealanders (Goal 5).
- vi) Achieving an average monthly cumulative audience target of 1.4 million individuals per month watching Māori Television during the 2009-2010 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 <http://www.tpk.govt.nz/en/in-focus/te-reo/>.

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

1.3 Māori Broadcasting and e-Media Outcomes Framework

Māori Television supports the principles of the Māori Broadcasting and e-Media Outcomes Framework. Māori Television is committed to working with key stakeholders to ensure Māori language and culture are well positioned for best advantage in the digital age.

In this way, Māori Television will further support the goals of the Government's Māori Language Strategy.

1.4 Governance and Management

Māori Television has a board of seven directors who are responsible for the governance of the organisation. 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 organisational structure delivers to the requirements of both channels. The organisation comprises the following divisions:

Reo and Tikanga

The Reo and Tikanga department is responsible for the organisation's reo Māori strategy and tikanga advice and guidance.

Programming

The Programming department is responsible for Māori Television's Programming strategy, including Te Reo channel. This department drives the schedule structure, programme production, commissioning and acquisition, and on-air promotions.

News and Current Affairs

The News and Current Affairs department provides daily news, weekly current affairs, a weekly half-hour of kaumātua discussion on current issues and an international indigenous current affairs series. This department is also responsible for Māori Television's election coverage programming.

Operations

The Operations department is responsible for the day-to-day running of the Māori Television facility, including maintaining broadcasting equipment, transmission of both channels, 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.

Pūmanawa Tāngata

Pūmanawa Tāngata (HR) is responsible for providing administrative support and general human relations' guidance and advice.

Kaunihera Kaumātua

A council of elders representing iwi provides advice to the organisation on matters of tikanga, kaupapa and kawa. This is an independent council which sits outside the formal organisational structure. The council represents Māori Television's commitment to supporting the principles and practices of tikanga and kaupapa Māori.

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.
- Digital television technology developments and the transition from analogue to digital.
- The development of the internet as a standard broadcasting platform to deliver on-demand and live viewing.
- Rapidly-changing television studio and broadcasting technology.
- The Māori television production community continuing to grow its capacity, expertise and viability.

State Sector

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

Economy

- Economic recession and resulting impact on revenues.
- Funding levels to enable Māori Television to maintain pace with technological, digital and viewer preference developments, and inflation.

3.0 Mission Statement, Outcomes and Strategies 2009-2012

3.1 Mission Statement

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

Māori Television's mission is 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

Māori Television has determined that it will achieve this mission statement by continuing to implement initiatives to achieve the major outcomes, as specified in its Statement of Intent 2008-2009, which remain current and relevant. Those major outcomes are to:

- Significantly contribute to te reo and tikanga Māori being increasingly valued, embraced and spoken.
- 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

A review of Māori Television strategy has been undertaken and, as a result, the following intermediate outcomes have been updated and refined. The major outcomes will be achieved through the implementation of the following intermediate outcomes:

Intermediate Outcome One

- Māori Television and Te Reo broadcast a range of high quality programmes.

We will develop a programming strategy for both channels that ensures the achievement of high levels of Māori language and production quality, is fit for audience and which fulfils schedule requirements within budget.

In order to achieve maximum audience potential the programming strategy will utilise viewer research to inform decisions. Regular audience surveys are conducted for the purpose of ensuring that audience needs and preferences are identified and strongly considered when programmes are produced, acquired and commissioned. These surveys are also critical to informing marketing strategy to ensure key messaging and promotional activity is targeted. A targeted approach by both Programming and Marketing ensures that value-for-money from programme purchasing and marketing budgets is achieved.

The programming strategy will foster and develop creative programming abilities internally and with the independent production community. Attracting and retaining audiences in the heavily fragmented television environment relies upon highly creative and innovative thinking and ideas. It is essential to ensure that these capabilities are encouraged and cultivated.

The programming strategy will also review scheduling to consider how to strengthen programming strands during prime time. Our goal is that viewers are compelled to come to our channels and to stay with us, particularly during the prime time hours when most people are available to watch television. Our challenge is to ensure we offer a relevant, engaging and consistent strand of quality programming every evening.

A key initiative for the programming strategy is the establishment of a Head of Programming position for Te Reo channel. This dedicated role is expected to result in an enhanced Te Reo schedule through improved programming diversity and quality.

The programming strategy will be predicated on the achievement of Māori language content goals (as required by the Māori Television Service Act 2003) and any further requirements that may result from the current review of the Act. This follows on from progress made in 2008-2009 to firmly establish our two-channel strategy.

Intermediate Outcome Two

- Māori language revitalisation objectives are achieved.

At the core of our purpose is language revitalisation. We will develop a Māori language plan and policy that will ensure the achievement of this purpose so that our statutory and organisational

imperatives are clear. Planning will include the identification of Māori language objectives that are aligned with the goals of relevant external organisations and the Māori Language Strategy. The plan will include language development programmes for staff, an on-screen language plan, and the development of appropriate performance measures.

Intermediate Outcome Three

- Grow the audience.

A strategic priority for our channels is to grow the audience.

The role of the Māori Television channel is articulated in its brand positioning: Mā tātou – for everyone. Māori Television will continue to fulfil its obligations as specified within legislation, i.e. to promote language and culture, broadcast in both the Māori and English languages, and enrich New Zealand society, culture and heritage. It is in this way that Māori Television strongly supports goals 1, 2, 4 and 5 of the Māori Language Strategy.

The role of Te Reo channel is to ensure that fluent speakers and learners of the language are able to watch and enjoy television programming that is in the Māori language and does not include the distraction of subtitles. The provision of a dedicated channel for Māori language speakers during prime time adds considerable substance to the language promotion objectives of the organisation. The establishment and kaupapa of Te Reo strongly support goals 1, 2, and 4 of the Māori Language Strategy.

We will implement a marketing strategy that builds the value perceptions of both channels. The marketing strategy will position Māori Television as compelling viewing so that the channel is included in the regular consideration set of our target audience.

For Te Reo, which as a new entity is continuously developing and improving, the objective of the marketing strategy is to increase awareness of the channel and its Māori language kaupapa.

Intermediate Outcome Four

- Consolidate and enhance the business model.

Our future is dependent upon a strong platform for growth and development. The consolidation of existing operational activities, which commenced in the previous year, will continue as a key focus. Aimed at achieving greater efficiency and performance, the decision to consolidate the business has resulted in a number of positive initiatives. These include the stabilisation of television schedules, the review of departmental structures and the continuation of our risk management review programme. The year ahead will see these continue and will include a review of costs to assess possibilities for achieving realistic cost savings within what is an already highly cost conscious organisation.

The launch of the re-developed Māori Television website in March 2009 is a new initiative aimed at enhancing our current business model. Broadcasting via the internet is now a standard method of reaching audiences for television broadcasters and the re-launch of our website, which has the capability to provide up to 330 hours of on-demand viewing plus live viewing, ensures that we are maintaining pace with industry developments.

With the launch of the bilingual website successfully achieved, the online team will focus on bedding in the website operation and strategic planning for the next stage of the site's development.

Intermediate Outcome Five

- Strategic alliances and relationships are developed.

Associated with enhancing the business model, the development of beneficial strategic alliances and relationships will provide greater security for our organisation. We will build relationships with important groups, such as tribal, non-commercial and commercial Māori organisations, industry and business groups, and the international community. We will seek to leverage, through these relationships, greater understanding of the goals and achievements of Māori Television, and a range of mutually beneficial cultural, programming, and commercial opportunities.

During the 2009-2010 year we will engage with iwi organisations to continue development of our initiative to launch a unique iwi-sourced programming strand for broadcast on Te Reo. This work will continue alongside our leadership and development commitment as chair organisation and secretariat for the World Indigenous Television Broadcasters Network.

Intermediate Outcome Six

- Grow industry skills, capacity and relationships.

We will continue to 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.

We acknowledge the importance of the Māori production sector for the supply of creative, high quality Māori and English language programming. Māori Television will support the growth of this sector by providing clear and early identification of schedule requirements, ensuring an efficient and equitable commissioning process, continuing to strengthen partnerships, and supporting and encouraging a highly creative approach to programming ideas.

Intermediate Outcome Seven

- Revenue opportunities are maximised.

Advertising sales and sponsorship revenue assists the organisation to counter the impact of rising costs. The Māori Television channel will continue its focus on maximising this option. We do expect, however, that the current economic downturn will challenge existing income levels.

We will also investigate a range of other options to generate further revenues.

While the need to source revenue is required, we reiterate our commitment to ensuring that revenue objectives do not compromise the public value service that the Māori Television channel is able to provide to Māori and all New Zealanders.

Te Reo channel is advertising-free.

3.4 Strategies

In order to continue to achieve our vision, mission, and major and intermediate outcomes Māori Television will continue implementing a strategy in 2009-2010 that is centred on a three-tier plan:

- Enhance – Māori Television will focus on consolidating operational progress made to date, strengthening its Māori language programming, and delivering quality, excellence and consistency of performance. Specific focus will be on consolidation and enhancement of programming schedules for both channels.
- Expand – Māori Television will face the digital future by seeking to be on every viable platform. In 2009-2010 we will prioritise the establishment of the re-developed Māori Television website, which will result in significantly expanded accessibility to Māori Television and Te Reo programmes to both New Zealand and overseas-based audiences.
- Internationalise – In order to deliver to our vision statement, Māori Television will continue to build an international reputation as an indigenous broadcast leader. Our work to establish the World Indigenous Television Broadcasters Network will continue.

3.5 Key Outputs

Māori language content and broadcast hours are key outputs for Māori Television. The following minimum language and broadcast targets have been identified for delivery in each of the next three years:

Māori Language

- During prime time (refer 3.7) the Māori Television channel will broadcast a minimum of 51 percent Māori language programming.
- The Māori Television channel will broadcast a minimum of 60 percent Māori language across the entire schedule.
- The Te Reo channel will endeavour to broadcast 100 percent Māori language across its entire schedule.
- The combined Māori language content during prime time for both channels will be 70 percent.

Broadcast Hours

- Māori Television will achieve a minimum of 3,000 hours of broadcast for the 2009-2010 financial year.
- Te Reo will achieve a minimum of 1,000 hours of broadcast for the 2009-2010 financial year.
- Both channels will achieve a minimum of 4,000 broadcast hours.

3.6 Key Strategic Initiatives 2009-2010

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

- **Māori Language Strategy**

Māori Television is committed to active participation in the achievement of the Māori Language Strategy. Māori Television will continue to proactively engage with the lead organisations, Te Taura Whiri i te Reo Māori and Te Puni Kōkiri, to ensure our contribution is part of a co-ordinated and effective collaboration with all other Māori language revitalisation organisations.

- **Māori Language Planning**

A plan and policy identifying the Māori language revitalisation objectives of the organisation will be developed and implemented. These will be aligned with the policies of key external organisations and the goals of the Māori Language Strategy.

- **UHF Management Right**

Secure long-term extension of the UHF management right. Retention and long-term renewal of the UHF management right is critical to the future sustainability and development of Māori Television. This issue remains unresolved and has been incorporated into the current review of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act.

- Measuring Success

Māori Television is investigating comprehensive research options that can provide a higher level of specific measurement of its effectiveness in terms of language revitalisation. It is anticipated that this research will be incorporated into our role as a significant contributor to the Māori Language Strategy.

- Funding Model

Māori Television is required to deliver to statutory obligations, however we are operating within a funding framework that provides us with control over just 12 percent of annual funding. We have recommended to Government that a review be undertaken to develop a funding model that will enable long-term stability and growth.

The successful achievement of these strategic initiatives will significantly enhance our ability to realise Māori Television's major and intermediate outcomes, and key outputs.

3.7 Prime Time

Māori Television's prime time hours for the general audience (i.e. Māori and non-Māori) have been reviewed and adjusted to align with the industry prime time hours of 6.00pm to 10.30pm daily.

3.8 Target Audience

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 need to encourage all New Zealanders to embrace te reo Māori as a taonga.

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 part of everyday 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.
- Māori and 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 the status of te reo and tikanga Māori.

3.9 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 te reo and tikanga Māori by being an independent, secure and successful Māori television broadcaster. Accountability and performance measurements to gauge the success of Māori Television for the 2009-2010 year are as follows:

Performance Goal	Rationale	Mechanism	Target
Promote Māori language and culture 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	Broadcast at least 4,000 hours of programming
Broadcast a substantial proportion of programmes in the Māori language	In accordance with section 8(2) of Māori Television Service Act 2003	Percentage of Māori language spoken across the Māori Television channel schedule	60% spoken Māori language across broadcast schedule
		Percentage of Māori language spoken across Te Reo channel schedule	100% spoken Māori language across broadcast schedule
		Percentage of Māori language spoken during prime time on Māori Television channel	51% spoken Māori language during prime time
		Percentage of Māori language spoken across combined schedules of Māori Television and Te Reo during prime time	70% spoken Māori language across broadcast schedules during prime time
Viewership	A measure of the number of viewers being exposed to te reo and tikanga Māori	AGB Nielsen Media Research Cumulative Ratings	Average cumulative audience of 1.4 million viewers per month (based on updated AGB Nielsen Media Research methodology)

Performance Goal	Rationale	Mechanism	Target
Provide broadcast services to as many people as practicable	In accordance with section 8(2) of Māori Television Service Act 2003	Transmission coverage	- 90% of population via free-to-air UHF - 100% of country via free-to-air satellite
Financial targets are achieved	Māori Television is a well-managed organisation	Māori Television annual budget	100% of budgets achieved

Part Two: Forecast Financial Statements

4.0 Statement of Forecast Service Performance

4.1 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 2009-2010 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 2009-2010 Output Plan.

Outputs will be provided within the appropriated sum of \$17.974 million (exclusive of GST) along with advertising income and other 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	Performance Measures
To support the operational costs of Māori Television so that it can meet its statutory functions.	Quantity Broadcast a minimum of 4,000 hours of programming for the year. Broadcast programmes will be mainly 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	\$14.66 million (excl GST)

Output 2 – Transmission Coverage

Description	Performance Measures
Provide broadcast services that are technically available throughout New Zealand and are accessible to as many people as is reasonably and economically possible.	Quantity Provide free-to-air transmission to at least 90% of New Zealand's population via free-to-air terrestrial UHF and to 100% of the country via free-to-air satellite.
Cost	\$3.31 million (excl GST)

4.2 Funding

a) Projected Operational Funding From Vote Māori Affairs:

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Inc GST	20.211	18.687	18.687
Excl GST	17.974	16.611	16.611

Included in the funding for 2009/2010 year is a one-off amount of \$1.4M (excl GST) for capital equipment purchases.

b) Projected Direct Programme Funding from Te Māngai Pāho:

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Inc GST	18.135	18.135	18.135
Excl GST	16.120	16.120	16.120

c) Projected Indirect Programme Funding:

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Inc GST	22.500	22.500	22.500
Excl GST	20.000	20.000	20.000

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, New Zealand On Air and others may make available and pay to independent television production companies on a contestable basis for the purpose of producing programmes for broadcast by Māori Television.

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

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Advertising Income	0.983	1.034	1.293
Interest Income	0.210	0.216	0.223
Total	1.193	1.250	1.516

4.3 Statement of Projected Financial Position

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Public Equity			
Opening Equity	16.398	17.433	16.843
Add Surplus/Deficit	1.035	(0.590)	(0.595)
Closing Equity 30 June	17.433	16.843	16.248
Represented by:			
Current Assets			
Cash Bank & Short Term Deposits	8.465	9.614	10.533
Programme Rights	4.408	4.110	3.871
Receivables & Other Current Assets	0.175	0.179	0.200
Total Current Assets	13.048	13.903	14.604
Property Plant & Equipment (at book value)	6.909	5.703	4.409
Total Assets	19.957	19.606	19.013
Current Liabilities	2.524	2.763	2.765
Term Liabilities	0.000	0.000	0.000
Net Assets Employed	17.433	16.843	16.248

4.4 Statement of Projected Comprehensive Income

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Income			
Crown Appropriation	17.974	16.611	16.611
Programme Funding	16.120	16.120	16.120
Advertising Revenue	0.983	1.034	1.293
Interest Earned	0.210	0.216	0.223
Total Income	35.287	33.981	34.247
Expenditure			
Personnel Costs	10.649	11.084	11.410
Depreciation & Amortisation Expense	1.478	1.566	1.654
Finance Costs	0.000	0.000	0.000
Programme Production and Acquisitions	13.693	13.327	13.671
Other Operating Costs	8.432	8.594	8.107
Total Expenditure	34.252	34.571	34.842
Surplus/(Deficit)	1.035	(0.590)	(0.595)
Other Comprehensive Income	0.000	0.000	0.000
Total Comprehensive Income	1.035	(0.590)	(0.595)
Surplus/(Deficit) Attributable to:			
Māori Television Service	1.035	(0.590)	(0.595)
Total Comprehensive Income Attributable to:			
Māori Television Service	1.035	(0.590)	(0.595)

4.5 Statement of Projected Cash Flows

	2009/2010 (\$m)	2010/2011 (\$m)	2011/2012 (\$m)
Cash Flows from Operating Activities			
Cash was provided from –			
Crown Appropriation	17.974	16.611	16.611
Other Income	0.956	1.030	1.271
Production Funding	16.120	16.120	16.120
Cash was disbursed to –			
Payments to Suppliers	(33.521)	(32.251)	(32.723)
Net Cash Flows from Operating Activities	1.529	1.510	1.279
Cash Flows from Investing Activities			
Cash was disbursed to –			
Purchase of Property, Plant & Equipment	(0.360)	(0.360)	(0.360)
Net Cash Flows from Investing Activities	(0.360)	(0.360)	(0.360)
Cash Flows from Financing Activities			
Net Cash Flows from Financing Activities	0.000	0.000	0.000
Net Increase/(Decrease) in Cash Held	1.169	1.150	0.919
Opening Cash	7.296	8.464	9.614
Closing Cash at 30 June	8.465	9.614	10.533

4.6 Statement of Accounting Policies

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

a) Reporting Entity

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

The projected financial statements are for the three years ending 30 June 2012.

b) Measurement Base

The financial statements have been prepared on an historical cost basis except where derivative financial instruments have been measured at fair value.

c) Property, Plant & Equipment, 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:

IT equipment	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) Frequency Licenses and Programme Rights

● Frequency Licenses:

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

- 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.

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 Comprehensive Income 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.

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 Comprehensive Income as operating items.

g) Employee Entitlements

Employee entitlements that Māori Television expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken at balance date.

Currently there is no provision in our employment contracts for long service leave or retirement leave.

h) Goods and Service Tax (GST)

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

i) Revenue

Revenue is recognised in the Statement of Comprehensive Income when earned.

j) 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 Comprehensive Income. Except for those items covered by separate accounting policy all financial instruments are shown by estimated fair value.

k) 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.

l) 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.

m) International Financial Reporting Standards (IFRS)

The attached financial statements have been prepared in accordance with IFRS.

A stylized, dark green leaf pattern is overlaid on a textured green background. The leaves are arranged in a branching, upward-sloping pattern, with some leaves overlapping others. The background has a subtle, repeating pattern of small, light-colored floral or leaf-like motifs.

Māori Television

9-15 Davis Crescent

PO Box 113017

Newmarket Auckland 1149

New Zealand

Tel: +64 9 539 7000

Fax: +64 9 539 7199

www.maoritelevision.com