Pānui Whāinga
Statement of Intent 2011-2014
Contents

1 Acceptance of the Statement of Intent
2 Chairman’s Overview
8 Part One: Purpose and Scope
9 1.0 Purpose and Scope
9 1.1 About Māori Television
10 1.2 Contribution to Māori Language Strategy
11 1.3 Māori Broadcasting and e-Media Outcomes Framework
11 1.4 Governance and Management
13 2.0 Operating Environment
13 2.1 Forces and Trends
15 3.0 Strategy 2011-2014
15 3.1 Mission Statement
15 3.2 Major Outcomes
15 3.3 Intermediate Outcomes
19 3.4 Key Outputs
19 3.5 Key Strategic Initiatives 2011-2012
20 3.6 Prime Time
21 3.7 Target Audience
21 4.0 Outcomes Framework and Key Performance Indicators
25 Part Two: Forecast Financial Statements
26 5.0 Statement of Forecast Service Performance
26 5.1 Non-Departmental Output Class
27 5.2 Funding
28 5.3 Statement of Projected Financial Position
29 5.4 Statement of Projected Comprehensive Income
30 5.5 Statement of Projected Cash Flows
31 5.6 Statement of Accounting Policies

Cover Illustration:
Ko te manu rerenga tawhiti. He manu matatau whakarite
The bird that flies great distances is a bird of great vision
Acceptance of the Statement of Intent 2011-2014

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 2011 to 30 June 2014.

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  Hon Dr Pita Sharples  Hon Bill English
Chairman – Te Pūtahi Paoho  Minister of Māori Affairs  Minister of Finance
Date: 27 June 2011  Date: 7 July 2011  Date: 6 July 2011

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 2011-2014 for Māori Television.

The Statement of Intent sets out the broad strategies and outcomes that Māori Television will pursue, as agreed between the Crown’s joint reporting ministers, the Minister of Māori Affairs and the Minister of Finance, Te Pūtahi Paoho (Māori Television Electoral College), and Māori Television.

In less than three years Māori Television will celebrate a decade of broadcasting, a milestone that will represent a significant achievement for Māori broadcasting. As a board we approach the anniversary focused on ensuring that this organisation is in the best possible position to apply the learnings of the past to the successful future that lies ahead.

The Environment

The environment that we operate within is ever changing. Challenging economic conditions, rising costs, broadcast and technological developments, fragmenting audiences and a competitive industry have been previously identified and these remain relevant. In addition, however, we enter the forthcoming period with specific macro level developments on the horizon.

The transition from analogue to digital television broadcasting is imminent. Scheduled to commence in September 2012, this nationwide transition will mean that every free-to-air viewer in New Zealand will find Māori Television on channel five of their television sets, with Te Reo channel also more easily located and accessed. This development will significantly enhance our ability to deliver te reo and tikanga Māori to all New Zealanders. It is a positive development that we welcome.

The current review of the Māori language sector and strategy is a further positive development that we believe must result in the wider Māori language community, from Government through to grass roots level, working in a cohesive and connected way to ensure enhanced results, impact and value for money.

It is within this context of challenging dynamics, change and review that Māori Television is operating and planning for its future.

Māori Television 2011-2014

The approaching end of our first decade is coupled with the commencement of our own initiated review and refinement of the long term strategy for Māori Television. This review is specifically looking at how we adapt our organisation so that it is not only fit for the future within an ever changing environment and is providing return on investment, but primarily so that our objective to contribute to Māori language being increasingly valued, embraced and spoken is amplified.

Our review and refinement of strategy is being conducted with strong consideration to the alignment of our activities with the core principles of language planning. We believe that maximum impact for the revitalisation of language can be achieved when language planning strategy and language promotion strategy are closely aligned. The three principles of language planning, those being status planning, corpus planning and acquisition planning, and how these could be linked to overall strategy are a key factor in our deliberations.
The strategy review will focus on the roles of our two channels, how each channel can be best positioned to cater to the needs of all language learners, the enhancement of Te Reo channel, and digital, online and commercial development opportunities.

There is much work to be done before completion of the strategy review, appropriate consultation with relevant stakeholders, and publication of the updated strategy. We anticipate that our Statement of Intent 2012-2015 will contain details of this planning and that we will be in a position to commence implementation in the 2012-2013 year.

We do not expect that the major outcomes for Māori Television, as have been previously identified, will undergo significant change. These major outcomes were developed based upon our principle function to promote language and culture, and this is unchanged. Therefore, for the period ahead Māori Television will continue to pursue the following major outcomes:

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

**Māori Television 2011-2012**

The financial year ahead presents one of the most challenging and exciting in our history.

Across the organisation the year is dominated by the implementation of our role as lead free-to-air broadcaster of Rugby World Cup 2011. Regarded as a ‘super project’ for us, this huge international sporting event is targeted to deliver a range of benefits, such as:

- Delivery of te reo and tikanga Māori to the largest audience ever to be exposed to language and culture;
- Increased audience;
- Increased revenue;
- Emphasis of Māori Television as a world class indigenous broadcaster; and
- Elevation of the status of Māori Television in the minds of all New Zealanders.

As lead broadcaster we will deliver all 48 games free-to-air on two channels and in both the Māori and English languages. In addition, our viewers will have access to approximately 150 hours of new Rugby World Cup 2011 related programming. Further to that, our Māori language commentary will be available to all iwi radio stations.

Our preparation to date has included working closely with Te Puni Kōkiri to support the achievement of the Government’s wider goals for te ao Māori, including benefits to be accrued for:

- the promotion of Māori language and culture;
- Māori broadcasting;
- Māori tourism;
- Māori employment and entrepreneurship; and
- Māori participation in sport.
Our coverage of Rugby World Cup 2011 is coupled with other major on air developments and projects including leveraging the longer term benefits of the tournament, the re-positioning of our daily news programme for improved audience access, and dedicated coverage of the forthcoming general election. These projects, together with the review of long-term strategy, dictate that our priority for the financial year ahead is to allow the organisation to focus fully on achieving the tasks at hand. Therefore, the Intermediate Outcomes that we have been pursuing will remain unchanged. Those are as follows:

- Māori Language Revitalisation

This includes ongoing implementation of the Māori Television Māori Language Plan

- Audience Engagement and Growth

- Business Model Developed and Enhanced

**Value For Money**

Māori Television provides a strong return on investment by achieving the following results:

**Financial**

- Cost of Programme Production: Māori Television’s average cost to produce an hour of programming is significantly more cost effective than industry standards and benchmarks:

<table>
<thead>
<tr>
<th></th>
<th>Cost/Hour</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>Māori Television in-house</td>
<td>$ 18,000</td>
<td>Actual production 2010</td>
</tr>
<tr>
<td>Independent Production Industry (for Māori Television)</td>
<td>$ 35,000</td>
<td>TMP 2010 Annual Report</td>
</tr>
<tr>
<td>Independent Production Industry (general)</td>
<td>$ 87,000</td>
<td>NZ On Air 2010 Annual Report</td>
</tr>
<tr>
<td>International Public Television Broadcasters</td>
<td>$ 46,000</td>
<td>International Public Broadcasters Survey 2007</td>
</tr>
</tbody>
</table>

- Cost of Broadcasting: Average cost to broadcast an hour of original programming, excluding programme production and transmission costs:

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<thead>
<tr>
<th></th>
<th>Cost/Hour</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>Māori Television</td>
<td>$ 5,000</td>
<td>International Public Broadcasters Survey 2007</td>
</tr>
<tr>
<td>International Public Television</td>
<td>$ 19,000</td>
<td>International Public Broadcasters Survey 2007</td>
</tr>
</tbody>
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Cost Per Viewer:

<table>
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<tr>
<th>Cost Per Viewer</th>
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</thead>
<tbody>
<tr>
<td>Total Direct Government funding</td>
<td>$ 34.094 million</td>
</tr>
<tr>
<td>Total Indirect Government funding</td>
<td>$ 20 million</td>
</tr>
<tr>
<td>Total Government funding (direct and indirect – est)</td>
<td>$ 54.094 million</td>
</tr>
<tr>
<td>Annual cost per viewer (based on reach of 1.7 million viewers per month)</td>
<td>$ 32 per annum</td>
</tr>
</tbody>
</table>

The figure of $32 per viewer per annum (compared with $33 the previous year) illustrates the continuing and improving cost effectiveness of Māori Television.

**Viewership**

Since launching in 2004 Māori Television has steadily grown its audience. In its first month on air Māori Television reached 518,000 New Zealanders and this has increased to an average monthly audience reach of 1.7 million viewers (FY2009-2010).

Of the total audience, Māori Television is reaching 61 percent of Māori on average per month.
Impact

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<th>Impact</th>
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<tr>
<td>60 percent of Māori and 23 percent of all New Zealanders believe that their understanding of Māori has improved through watching Māori Television.</td>
<td>Māori Television Tracking Research 2009</td>
</tr>
<tr>
<td>47 percent of Māori who believe viewing has improved their understanding, say that they use more Māori words, speak Māori more often or their fluency has improved.</td>
<td>Māori Television Tracking Research 2009</td>
</tr>
<tr>
<td>58 percent of Māori, 20 percent of non-Māori, and 25 percent of all New Zealanders say that Māori Television has made them more interested in learning te reo Māori.</td>
<td>Māori Television Tracking Research 2009</td>
</tr>
<tr>
<td>66 percent of Māori agree that Māori Television gives them a strong sense of connection to Māori people, lifestyles, language and culture.</td>
<td>Māori Television Tracking Research 2009</td>
</tr>
</tbody>
</table>

Contribution

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<tr>
<th>Contribution</th>
<th>Source</th>
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<tr>
<td>76 percent of Māori and 49 percent of New Zealanders believe that Māori Television makes a valuable contribution to New Zealand’s sense of nationhood.</td>
<td>Māori Television Tracking Research 2009</td>
</tr>
</tbody>
</table>

Language Revitalisation Outputs

- 60 percent reo Māori across the Māori Television schedule and 51 percent during prime time.
- Approximately 100 percent reo Māori across the Te Reo schedule.
- 70 percent reo Māori combined on Māori Television and Te Reo during prime time.

Broadcast Outputs

- At least 4,500 hours of programming is broadcast per year.
- At least 80 percent of programmes are locally produced.

Māori Television’s Outcomes Framework and Key Performance Indicators can be found on page 21.

We expect that the continued implementation of our strategy in a cost effective and efficient manner will see the achievement of the intermediate outcomes and, ultimately, major outcomes.

Funding

As can be seen from the projected financial results, Māori Television is expecting to achieve break-even results for the next three years.

Since commencing operations Māori Television has maintained very tight control over its cost structure to ensure that what we do is sustainable for a number of years into the future. This has put us in a sound position as we now go into a period of expected static Government funding. We do not envisage the need for any major cost cutting or service reduction in the next financial year as we continue to apply prudent financial management.
However, this will become progressively more difficult in each future year and, therefore, there is a need to look to non-Government income opportunities. Advertising revenue is showing signs of recovery from the financial downturn of 2008-2009. Although this provides less than three percent of total income at present, advertising revenue levels are expected to revert back to pre-2009 levels by the 2012-2013 year.

We are also open to exploring other commercial opportunities. This can present some challenges in balancing the financial benefits against cultural objectives and legislative obligations, however this does potentially provide additional sources of non-Government revenue to help absorb the expected unavoidable cost increases.

Conclusion

The period ahead is an important one for Māori Television as we look to set up the organisation for the long-term. The skills and experience that are now inherent within the organisation leave us well-placed to ensure that the success of Māori Television is continued and enhanced. Ultimately our success will be judged on the level of our contribution to the revitalisation and uptake of te reo Māori. We remain committed to the challenge.

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.

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 can be accessed at our website www.maoritelevision.com.

Purpose

The principal function of Māori Television is to promote te reo and 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.

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:

— 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 and develop the broadcasting capacity of Māori Television through appropriate training and education.

A Māori Language Broadcaster for all New Zealanders

The Māori Television channel was launched on 28 March 2004 and broadcasts programmes in both the Māori and English languages. As a bilingual channel Māori Television has been established to deliver Māori language and culture into the homes of all New Zealanders. It is targeted at Māori language speakers of all fluency levels to encourage as many people as possible to value the language as a taonga and increase their own language fluency.

The Te Reo channel was launched by Māori Television on 28 March 2008. It has been established expressly for those with higher levels of Māori language fluency, including advanced learners of the language, whose needs include access to 100% Māori language television. Te Reo offers advanced level speakers the opportunity for uninterrupted viewing of programmes during prime time in the Māori language only and without subtitles.

This two-channel strategy ensures that Māori Television is delivering to the needs of all New Zealanders, including non-speakers who are interested in connecting with te ao Māori, beginner and intermediate level speakers, and fluent speakers.

The website, www.maoritelevision.com, was redesigned and relaunched on 28 March 2009. Māori Television has recognised the strategic importance of the internet as a key platform for the future of broadcasting. This website,
which provides up to 300 hours of on-demand viewing, provides multiple opportunities to view our programmes while delivering Māori language and culture to the world. It is a dual language website and provides New Zealand and global audiences with access to programmes made for both the Māori Television and Te Reo channels.

**Reporting Stakeholders**
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 represented by Te Pūtahi Paoho (the Māori Television Service Electoral College), an entity which was established by the Māori Television Service Act (Te Aratuku Whakaata Irirangi Māori) 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.

**Funding**
Both the Māori Television channel and Te Reo channel are funded by 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.

Māori Television also receives both direct and indirect funding, on a contestable basis, from New Zealand On Air. New Zealand On Air’s Māori Programming Strategy provides funding for Māori programmes which are targeted to the general audience and are predominantly in English.

**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 and ongoing development of Te Reo channel is a key strategic 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.

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, pākeke 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 50 percent of all Māori aged 5-plus and 40 percent of all New Zealanders aged 5-plus 1 during the 2011-2012 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.


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 departments:

Reo and Tikanga
The Reo and Tikanga unit is responsible for the organisation’s reo Māori strategy and tikanga advice and guidance. Reporting to the General Manager Programming, this team is closely aligned to the Programming department to ensure seamless integration of reo and tikanga Māori and the maintenance of quality standards within programmes.

Programming
The Programming department is responsible for the Programming strategy, including both the Māori Television and Te Reo channels. 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 and weekly current affairs and a weekly half-hour of kaumātua discussion on current issues. This department is also responsible for production of a weekly international indigenous current affairs programme as well as 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, presentation and programme receipt and storage.

Marketing and Communications
The Marketing and Communications department is responsible for brand and programme marketing, research, 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. This department is also responsible for the development and management of commercial capability.

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, and a wide range of internal commitments. 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

External 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
- Fragmenting audiences within a highly competitive television market.
- Digital television technology developments.
- Transition from analogue to digital, due for completion by 2013.
- 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 focused on ‘Māori Succeeding as Māori’.
- Broad acceptance that te reo and tikanga Māori are integral to New Zealand’s national heritage and identity.

Economy
- The continuing economic downturn and resulting impact on revenues.
- Funding levels to enable Māori Television to maintain pace with technological, digital and viewer preference developments, and inflation.
As an indigenous broadcaster Māori Television is required to deliver to a range of legislative, Māori language, broadcast, audience, and financial obligations and commitments. These factors create a challenging internal environment with an array of deliverables and priorities to balance. The following graphic provides an illustration of these internal forces:
3.0 Strategy 2011-2014

The following strategy outlines the approach that Māori Television will take to continue the organisation’s development as a world class indigenous broadcaster.

3.1 Mission Statement

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.

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 2010-2013, 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

The major outcomes will be achieved through the implementation of the following intermediate outcomes:

Intermediate Outcome One

Māori language revitalisation.

Māori Television exists to make a significant contribution to te reo Māori being increasingly valued, embraced and spoken. This long-term strategic objective reflects the focus of Māori Television as a television service provider that can deliver Māori language programming into virtually every New Zealand household. Accordingly, a formal strategy is seen as crucial to effectively fulfilling the underlying Māori language objectives of Māori Television.

The Māori Television Māori Language Plan has been developed in consultation with our Kaunihera Kaumātua, Te Pūtahi Paaoho, Te Puni Kōkiri, Te Māngai Pāho, Ngā Aho Whakaari, Māori linguists and language planning experts. The strategy aims to:

- Identify how alignment can be achieved with the Government’s Māori Language Strategy.
- Develop a programming policy to ensure that all Māori language-related statutory and accountability targets
are met. This includes language quality and quantity considerations.

— Ensure the development of an internal Māori Television culture that supports te reo Māori being increasingly valued, embraced and spoken.

— Identify key performance indicators relating to both strategic and operational Māori language-related targets.

**Action:** Implement the Māori Television Māori Language Strategy.

This includes implementation of the programming policy, a review of recruitment procedures to encourage Māori language speakers into the organisation, active promotion of Māori language use within the organisation, the provision of in-house language learning opportunities for all levels of speakers, the creation of in-house Māori language only zones, and the development of language plans for all staff.

**Intermediate Outcome Two**

**Audience engagement and growth.**

The development of a consistent and engaged audience is a key strategic priority for Māori Television. The exposure of quality, targeted programmes to as wide an audience as possible will ensure we successfully contribute to the revitalisation of Māori language and culture. Now that a solid foundation has been set, audience growth and engagement will be a priority for the period ahead.

Research, marketing and programming are the three operational areas that will deliver audience engagement and growth.

**Research**

Existing and potential audiences of Māori Television have been identified and segmented into target groups based on ethnicity, language fluency levels and viewing frequency. This segmentation has defined which sectors of the population present strongest opportunities for acquisition. Our research function provides programmers and marketers with detailed analysis of audience behaviour, preferences and needs, increasing our understanding of audience viewing patterns and trends, scheduling, commissioning, and programme acquisition considerations, and marketing communication opportunities.

**Action:** Deepen our understanding of our audience and potential audiences.

**Programming**

Every year, as we gain more knowledge about our current and potential audiences, we continue to develop the programming schedules of both Māori Television and Te Reo.

The development of schedules is led by our requirement to achieve Māori language content levels, meet legislative obligations, and deliver language and culture in an entertaining way that will attract and engage audiences. This is a set of challenges that requires a high level of planning, creativity, and programme production skill.

Major television events, such as the Rugby World Cup 2011, provide Māori Television with a unique and powerful opportunity to attract new audiences. This event, along with our annual coverage of ANZAC Day, will play an important role in achieving the audience growth we are seeking.
Strategies to engage and grow the audience include:

– Māori Television

**Action:** Maintain and promote an inclusive approach to further develop the broad audience.

**Action:** Commission, produce and acquire unique and entertaining programmes that meet the needs of target audiences.

**Action:** Optimise placement of programmes within the schedules to draw audience.

**Action:** Foster and develop production community capabilities in order to produce high quality programmes that audiences watch more often and for longer.

– Te Reo

**Action:** Enhance the organisation’s commitment to Māori language revitalisation and normalisation.

**Action:** Broadcast a programming schedule specifically targeted at the needs of fluent speakers and language learners.

**Action:** Broadcast high standards of te reo Māori in a range of dialects.

**Online/Digital**

The increasing influence of the internet and continuing digital developments offering new and improved modes of content viewing offer growth opportunities to Māori Television. Since the re-development and re-launch of the Māori Television website in 2009, the average of visits to www.maoritelevision.com has increased 2.5 fold, with Australian viewers typically accounting for about one-fifth of all visits. This growth in internet usage generally and narrowcast viewing in particular is expected to continue and, in order to ensure that Māori Television maintains pace with these developments, a review of our online and digital strategy has been undertaken. The results of this review will be assessed in the period ahead and implementation of further development commenced.

**Action:** Develop our online/digital potential.

**Marketing**

Marketing and promotions are a key factor in developing audience awareness. The marketing opportunity lies in its ability to promote channel brands in a way that will entice first-time viewers and remind regular viewers of what’s on offer.

Our goal is that our channels are included in the regular consideration set of our audiences so that viewers return time and time again to watch. This requires the commitment of an audience focused organisation and quality programmes, together with a marketing strategy that can effectively impact upon public perceptions, knowledge and attitudes.

Strategies to grow the audience are:

**Action:** Attract eyes and minds to our content.

**Action:** Promote the public value of our channels.

**Action:** Build interactive relationships with our audiences and potential audiences.
**Action:** Increase the marketing power of our online tools

**Rugby World Cup 2011**

Intensive planning and preparation have been undertaken to ensure the delivery of an exceptional Rugby World Cup 2011 broadcast experience on both the Māori Television and Te Reo channels. A team experienced in delivering major international sports broadcasts has been assembled, and this team will be supplemented by Māori Television staff whose skills and knowledge will benefit from direct involvement in this project.

Our Programming strategy will see all 48 games simulcast on both channels with Māori Television’s commentary containing up to 10 percent Māori language and Te Reo channel broadcasting in 100 percent Māori language. A world first, this approach will showcase our channels and our language, giving viewers two unique ways to view the coverage. In addition, our Te Reo channel commentary will be made available to iwi radio stations to carry, giving further profile to Māori language and leveraging our involvement in Rugby World Cup 2011.

A marketing strategy that is aimed at generating comprehensive awareness of our game coverage has been developed.

**Action:** Implement the programming and marketing strategies for Rugby World Cup 2011.

**Intermediate Outcome Three**

The business model is further developed and enhanced.

As a financially prudent and efficiency-focused organisation we are continually looking at ways to improve and enhance business operations.

**A Successful Organisation**

The development of beneficial strategic alliances and relationships will provide greater security for our organisation. We will continue to 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.

At the global level, we will continue our strong support for the World Indigenous Television Broadcasters Network, having now completed our two-year foundation chairmanship and handed responsibility for the leadership mantle to Taiwan’s national indigenous broadcaster.

**Action:** Build and strengthen alliances with Māori, industry, and business groups, and international stakeholders.

**Maximising Commercial Potential**

Whilst some improvement in market conditions is evident, the difficult economic conditions continue to impact on advertising revenues. Without this income Māori Television is challenged to find cost savings in order to cover day-to-day operational commitments. We will continue to look for opportunities to maximise commercial revenues, and this will be undertaken in such a way that it will not be at the expense of cultural values or legislative commitments.

**Action:** Explore all options to maximise commercial potential.
Improved Efficiency
We regularly undertake reviews of established operational processes and procedures to find cost efficiencies. Pressure on internal budgets requires that we conduct these reviews of costs so that we can continue to develop and evolve our channels and grow audiences.

Action: Continue to review established operational processes and procedures.

3.4 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 3.6) 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.

Note: The above figures are the levels of spoken reo Māori content as a percentage of all spoken content in a given programme or for a given period.

Broadcast Hours
— Māori Television will achieve a minimum of 3,100 hours of broadcast for the 2011-2012 financial year.
— Te Reo will achieve a minimum of 1,400 hours of broadcast for the 2011-2012 financial year. This is an increase from previous years to reflect an increase in broadcast hours.
— Both channels will achieve a minimum of 4,500 broadcast hours.

3.5 Key Strategic Initiatives 2011-2012
To support the achievement of the major and intermediate outcomes, Māori Television has identified the following key strategic initiatives for the period ahead:

Māori Television Māori Language Plan
Implementation of Māori Television’s Māori Language Plan will result in improved reo Māori standards on-air and within the workplace.

Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 Review
The review of the Act is due for finalisation.
UHF Management Right
Key issues pertaining to spectrum and management rights have been addressed within the review of the Māori Television Service Act, which is due for finalisation.

Future Development
An organisation-wide review of strategy is underway and will consider language and culture, programming, structural, online/digital, and commercial developments.

Measuring Performance
The impact survey developed by Te Puni Kōkiri in association with Te Taura Whiri i Te Reo Māori, Te Māngai Pāho and Māori Television has been completed and the findings are undergoing analysis.

3.6 Prime Time
Māori Television’s prime time hours for the general audience including all people learning te reo Māori (i.e. Māori and non-Māori) align with the industry prime time hours of 6pm to 10.30pm daily. The viewing time for children participating in te reo Māori immersion education programmes is 3.30pm to 5pm and 6pm to 7pm.

3.7 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:

Core Māori
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.

Māori Language Learners
Through the use of learning devices and bilingual programming Māori Television can support language learners seeking higher levels of fluency.

Non-fluent New Zealanders
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 Māori language and culture.
4.0 Outcomes Framework and Key Performance Indicators

**Government’s Māori Language Strategy**

<table>
<thead>
<tr>
<th>Goals</th>
<th>By 2028, te reo Māori is widely spoken by Māori</th>
<th>By 2028, te reo Māori is in common use among whānau</th>
<th>By 2028, all New Zealanders appreciate the value of te reo Māori to New Zealand society</th>
</tr>
</thead>
</table>

**Māori Television Mission**

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

<table>
<thead>
<tr>
<th>Major Outcomes</th>
<th>Significantly contribute to te reo Māori me ona tikanga being increasingly valued, embraced and spoken</th>
<th>Develop as an independent national Māori television broadcaster that is successful with an assured future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Outcomes</td>
<td>Māori language revitalisation objectives are achieved</td>
<td>Audience engagement and growth is maximised</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business model is further developed and enhanced</td>
</tr>
</tbody>
</table>
**Outcome 1: Māori Language Revitalisation Objectives are Achieved**

**Key Performance Indicators**

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Deliverable</th>
<th>Target FY2014</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori language content</td>
<td><strong>Māori Television Channel:</strong></td>
<td>51%</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>Minimum percentage of Māori language during prime time</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimum percentage of Māori language across schedule</td>
<td>60%</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td><strong>Te Reo Channel:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Māori language across schedule</td>
<td>95-100%</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>Combined minimum percentage of Māori language during prime time for Māori</td>
<td>70%</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>Television and Te Reo</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Language Learning Programming:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Programmes broadcast for all people learning Māori language</td>
<td>20 hours per</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>month (average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Tamariki Programming:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Programmes for tamariki participating in Māori language immersion education</td>
<td>10 hours per</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>(average)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Māori language quality</td>
<td>Average rating $^2$ is achieved</td>
<td>4.0</td>
<td>Te Taura Whiri i Te Reo Māori</td>
</tr>
</tbody>
</table>

**Impact $^3$**

- Understanding of Māori language is improved by watching Māori Television
- To be reported in Annual Report
- Māori Television Tracking Research

- Interest in learning Māori language is increased by watching Māori Television
- To be reported in Annual Report
- Māori Television Tracking Research

- Māori Television provides a strong sense of connection to Māori people, lifestyles, language and culture
- To be reported in Annual Report
- Māori Television Tracking Research

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1. Some programmes will contain English words and phrases.
2. Rating band is: 1 – Very Poor; 2 – Poor; 3 – Good; 4 – Very Good; 5 – Excellent.
3. Based on two-yearly surveys conducted by Māori Television.
## Outcome 2: Audience Engagement And Growth Is Maximised

### Key Performance Indicators

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Deliverable</th>
<th>Target FY2014</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viewership</td>
<td>Number of Māori 5+ reached (on average per month)</td>
<td>50% Māori 5+</td>
<td>Nielsen Media Research</td>
</tr>
<tr>
<td></td>
<td>Number of New Zealanders 5+ reached (on average per month)</td>
<td>40% All People 5+</td>
<td>Nielsen Media Research</td>
</tr>
<tr>
<td>Engagement</td>
<td>Daily Time Spent Viewing (on average per month)</td>
<td>17 minutes per day</td>
<td>Nielsen Media Research</td>
</tr>
<tr>
<td>Contribution 4</td>
<td>Māori Television makes a valuable contribution to New Zealand’s sense of nationhood</td>
<td>To be reported in Annual Report</td>
<td>Māori Television Tracking Research</td>
</tr>
<tr>
<td>Broadcast Hours</td>
<td>Māori Television – minimum hours of broadcast FY2011-2012</td>
<td>3,100 hours</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>Te Reo – minimum hours of broadcast FY2011-2012</td>
<td>1,400 hours</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>Minimum hours of broadcast combined across both channels FY2011-2012</td>
<td>4,500 hours</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td></td>
<td>Majority of programmes broadcast on Māori Television are locally produced</td>
<td>80%</td>
<td>Māori Television Schedule</td>
</tr>
<tr>
<td>Transmission</td>
<td>Provide broadcast services to as many people as practicable</td>
<td>Māori Television:</td>
<td>Kordia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100% of NZ via Freeview satellite and Sky satellite</td>
<td>Johnston Dick &amp; Associates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90% of population via analogue terrestrial</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>75% of population via Freeview digital terrestrial</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Te Reo:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>100% of NZ via Freeview satellite and Sky satellite</td>
<td></td>
</tr>
</tbody>
</table>

4 Based on two-yearly surveys conducted by Māori Television.
# Outcome 3: Business Model is Developed and Enhanced

## Key Performance Indicators

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Deliverable</th>
<th>Target FY2014</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Efficiency</strong></td>
<td><strong>Cost effective and efficient operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average cost of programme production (per programme hour)</td>
<td>To be reported in Annual Report</td>
<td>Comparison against local production industry average costs</td>
</tr>
<tr>
<td></td>
<td>Average cost of broadcasting (per programme hour)</td>
<td>To be reported in Annual Report</td>
<td>Comparison against local production industry average costs</td>
</tr>
<tr>
<td></td>
<td>Cost per viewer</td>
<td>To be reported in Annual Report</td>
<td>Annual cost to taxpayer per viewer reached</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td><strong>Financial targets are achieved.</strong></td>
<td>Forecasted Budget</td>
<td>Māori Television Statement of Financial Performance</td>
</tr>
</tbody>
</table>
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 2011-2014 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:


Outputs will be provided within the appropriated sum of $16.611 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

<table>
<thead>
<tr>
<th>Description</th>
<th>Performance Measures</th>
</tr>
</thead>
</table>
| 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 | $12.897 million (excl GST) |
Output 2 – Transmission Coverage

<table>
<thead>
<tr>
<th>Description</th>
<th>Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide broadcast services that are technically available throughout New Zealand and are accessible to as many people as is reasonably and economically possible.</td>
<td>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.</td>
</tr>
<tr>
<td>Cost</td>
<td>$3.714 million (excl GST)</td>
</tr>
</tbody>
</table>

5.2 Funding

a) Projected Operational Funding From Vote Māori Affairs:

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
</table>

b) Projected Direct Programme Funding:

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excl GST</td>
<td>17.820</td>
<td>16.120</td>
<td>16.120</td>
</tr>
</tbody>
</table>

This is funding received primarily from Te Māngai Pāho, but also occasionally New Zealand on Air and others, to contribute to the cost of programmes produced and broadcast by Māori Television. In the 2011/2012 year this is expected to be higher due to additional funding from Te Puni Kōkiri for the Rugby World Cup 2011.

c) Projected Indirect Programme Funding:

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
</table>

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):

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising Income</td>
<td>3.149</td>
<td>2.297</td>
<td>2.703</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.393</td>
<td>0.480</td>
<td>0.520</td>
</tr>
<tr>
<td>Total</td>
<td>3.542</td>
<td>2.777</td>
<td>3.223</td>
</tr>
</tbody>
</table>

In the 2011/2012 year advertising revenue is expected to be higher due to the Rugby World Cup 2011.
### 5.3 Statement of Projected Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Equity</td>
<td>18.300</td>
<td>18.349</td>
<td>18.400</td>
</tr>
<tr>
<td>Add Surplus/Deficit</td>
<td>0.049</td>
<td>0.052</td>
<td>0.461</td>
</tr>
<tr>
<td><strong>Closing Equity 30 June</strong></td>
<td>18.349</td>
<td>18.401</td>
<td>18.861</td>
</tr>
<tr>
<td><strong>Represented by:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Bank &amp; Short Term Deposits</td>
<td>9.663</td>
<td>10.547</td>
<td>11.137</td>
</tr>
<tr>
<td>Programme Rights</td>
<td>4.730</td>
<td>4.731</td>
<td>4.732</td>
</tr>
<tr>
<td>Receivables &amp; Other Current Assets</td>
<td>0.378</td>
<td>0.415</td>
<td>0.449</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>14.771</td>
<td>15.693</td>
<td>16.318</td>
</tr>
<tr>
<td>Property Plant &amp; Equipment (at book value)</td>
<td>5.580</td>
<td>5.789</td>
<td>5.671</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>20.351</td>
<td>21.482</td>
<td>21.989</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>2.002</td>
<td>3.082</td>
<td>3.131</td>
</tr>
<tr>
<td>Term Liabilities</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Net Assets Employed</strong></td>
<td>18.349</td>
<td>18.400</td>
<td>18.858</td>
</tr>
</tbody>
</table>
### 5.4 Statement of Projected Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme Funding</td>
<td>16.120</td>
<td>16.120</td>
<td>16.120</td>
</tr>
<tr>
<td>Other Funding</td>
<td>1.700</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Advertising Revenue</td>
<td>3.149</td>
<td>2.297</td>
<td>2.703</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>0.393</td>
<td>0.480</td>
<td>0.520</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>37.973</td>
<td>35.508</td>
<td>35.954</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Costs</td>
<td>12.591</td>
<td>12.679</td>
<td>12.748</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation Expense</td>
<td>2.258</td>
<td>1.923</td>
<td>2.258</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Programme Production and Acquisitions</td>
<td>21.991</td>
<td>20.347</td>
<td>20.719</td>
</tr>
<tr>
<td>Other Operating Costs</td>
<td>1.084</td>
<td>0.507</td>
<td>(0.232)</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>37.924</td>
<td>35.456</td>
<td>35.493</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>0.049</td>
<td>0.052</td>
<td>0.461</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>0.049</td>
<td>0.052</td>
<td>0.461</td>
</tr>
<tr>
<td>Surplus/(Deficit) Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Māori Television Service</td>
<td>0.049</td>
<td>0.052</td>
<td>0.461</td>
</tr>
<tr>
<td>Total Comprehensive Income Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Māori Television Service</td>
<td>0.049</td>
<td>0.052</td>
<td>0.461</td>
</tr>
</tbody>
</table>
### 5.5 Statement of Projected Cash Flows

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Income</td>
<td>3.017</td>
<td>2.259</td>
<td>2.669</td>
</tr>
<tr>
<td>Production Funding</td>
<td>16.120</td>
<td>16.120</td>
<td>16.120</td>
</tr>
<tr>
<td><strong>Cash was provided from</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash was disbursed to</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(33.127)</td>
<td>(31.974)</td>
<td>(32.670)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>2.621</td>
<td>3.016</td>
<td>2.730</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
<th>2011/2012 ($m)</th>
<th>2012/2013 ($m)</th>
<th>2013/2014 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Property, Plant &amp; Equipment</td>
<td>(0.696)</td>
<td>(2.132)</td>
<td>(2.140)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash Flows from Financing Activities</strong></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

| Net Increase/(Decrease) in Cash Held | 1.925          | 0.884          | 0.590          |
| Opening Cash                         | 7.738          | 9.663          | 10.547         |
| Closing Cash at 30 June              | 9.663          | 10.547         | 11.137         |
5.6 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 3 years ending 30 June 2014.

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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT equipment</td>
<td>3 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>3-10 years</td>
</tr>
<tr>
<td>Studio equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Studio fitout</td>
<td>10-80 years</td>
</tr>
<tr>
<td>Building soft fitout</td>
<td>5-12 years</td>
</tr>
<tr>
<td>Artworks</td>
<td>200 years</td>
</tr>
</tbody>
</table>

Intangibles are initially recorded at cost less amounts 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.