

Pānui Whāinga  
Statement of Intent  
2013-2016

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

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## Acceptance of the Statement of Intent 2013-2016

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 2013 to 30 June 2016.

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: 15.07.13



Hon Dr Pita Sharples  
**Minister of Māori Affairs**

Date: 28.06.13



Hon Bill English  
**Minister of Finance**

Date: 07.07.13

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 2013-2016 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 Pūhahi Paoho (Māori Television Electoral College), and Māori Television.

Māori Television has recently refreshed its strategic direction, positioning itself to better respond to current and future challenges whilst also adapting to the changing viewing preferences of our audience. The on-going focus on our digital strategy has been highlighted by the launch of a completely new website aligned with a range of social media resources. Māori Television is committed to successfully transitioning from a traditional broadcaster into a digital multi-media organisation.

During this transition, we also expect to provide an increased range of language learning opportunities at different levels across not only the Māori Television and Te Reo channels but also online.

Our long-term vision is for te reo Māori to be valued, embraced and spoken by all. With this vision in mind, the period ahead is an important one for Māori Television as we focus our energy and expertise on those areas we believe will have the greatest impact.

As we approach the significant milestone of a decade in broadcasting in March 2014, we look forward to building on the strong foundations that have already been laid and extending the value provided to all New Zealanders.



Hon Georgina te Heuheu QSO  
Chairman

# Part One: Purpose & Scope





## 1.0 Purpose and Scope

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

#### 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.
- Fostering development of 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 and non-speakers 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 Māori Television website, [www.maoritelevision.com](http://www.maoritelevision.com), 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.

Māori Television can also be accessed via a range of social media, online, mobile and other emerging technologies.

### 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 Crown.

### Funding

Both the Māori Television channel and Te Reo channel are funded by the Government in acknowledgement of its commitment to promoting and protecting te reo and tikanga Māori. In a climate of increasing costs, the challenges relating to static government funding remain.

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 on a contestable basis. Māori Television's ability to achieve programme-related outcomes is dependent on continued access to sufficient levels of funding administered by Te Māngai Pāho.

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 the Government's Māori Language Strategy

Māori Television is committed to ensuring that it contributes 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 ongoing development of Te Reo channel and the dual language Māori Television website are key strategic initiatives that support 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.

There are five goals within the Māori Language Strategy:

1. Strengthening language skills
2. Strengthening language use
3. Strengthening education opportunities in the Māori language
4. Strengthening community leadership for the Māori language
5. Strengthening recognition of the Māori language



Māori Television supports the goals of the Māori Language Strategy by:

- i) Broadcasting te reo Māori throughout its schedules and online (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 free-to-air via both satellite and terrestrial platforms (Goal 5).
- v) Ensuring that programming broadcast on the Māori Television channel and available online is inclusive and accessible to all New Zealanders (Goal 5).

Māori Television is working in partnership with Te Puni Kōkiri, Te Taura Whiri i Te Reo Māori and Te Māngai Pāho to ensure the goals of the Māori Language Strategy continue to be 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 support the development and implementation of a new Government 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.

#### **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 and statutory 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

- Positive attitudes among Māori towards the 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 transmission, due for completion by the end of 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.
- Increasing numbers of people using social media.
- Continued development of mobile technologies.

#### State Sector

- Māori Television Service Amendment Bill.
- Māori Language Strategy.
- Māori Broadcasting and e-Media Framework.
- Broad acceptance that te reo and tikanga Māori are integral to New Zealand's national heritage and identity.

#### Economy

- A challenging economic environment 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 Strategy 2013-2016

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 Vision and Mission Statement

Māori Television's vision is for te reo Māori to be valued, embraced and spoken by all New Zealanders.

The mission is to contribute to Māori success through te reo me ngā tikanga Māori.

### 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:

- Significantly contribute to the revitalisation of te reo me ngā tikanga Māori so that it can be valued, embraced and spoken by all New Zealanders.
- To develop as an independent Māori television broadcaster that is relevant, effective and widely accessible.

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 organisation:

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

### 3.3 Intermediate Outcomes

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

Māori Television will integrate its television and online services to target different types of viewers:

- Online will target Māori non-viewers and receptive viewers (especially rangatahi).
- The Māori Television channel will target growth amongst receptive Māori audiences.
- Te Reo channel will continue to target core and committed learners. The Te Reo channel will also be made widely accessible on the digital terrestrial transmission platform prior to digital switch over in 2013.

### 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 3.5) the Māori Television channel will broadcast at least 51 percent Māori language programming.

- During its core broadcast hours (3.00pm to 11.30pm) the Māori Television channel will broadcast at least 51 per cent Māori language programming.
- The Te Reo channel will endeavour to broadcast 100 percent Māori language across its entire schedule.

Notes:

1. *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.*

#### General Broadcast Hours

- Māori Television will achieve a minimum of 3,100 hours of broadcast during the core broadcast hours (3.00pm - 11.30pm daily) for the 2013-2014 financial year.
- Māori Television will achieve a minimum of 1,700 hours of language learning hours outside of the core broadcast hours for the 2013-2014 financial year.
- Te Reo channel will achieve a minimum of 2,300 hours of broadcast (4.30pm - 11.00pm daily) for the 2013-2014 financial year.
- Both channels will achieve a minimum combined total of 7,100 broadcast hours.

### 3.5 Prime Time

Māori Television's prime time hours for the general audience (i.e. Māori and non-Māori) align with the industry prime time hours of 5.30pm to 10.30pm daily.

### 3.6 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 Speakers

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. 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 (Refer section 1.2)			
GOALS	By 2028: Te reo Māori is widely spoken by Māori	By 2028: Te reo Māori is in common use among whānau	By 2028: All New Zealanders appreciate the value of te reo Māori to New Zealand society

MĀORI TELEVISION OUTCOMES:		
MAJOR OUTCOMES	Significantly contribute to the revitalisation of te reo me ngā tikanga Māori so that it can be valued, embraced and spoken by all New Zealanders.	To develop as an independent Māori television broadcaster that is relevant, effective and widely accessible.
INTERMEDIATE OUTCOME	Māori Television will integrate its television and online services to deliver specific content to its different types of viewers.	

**MAJOR OUTCOME 1:**  
Significantly contribute to the revitalisation of te reo me ngā tikanga Māori so that it can be valued, embraced and spoken by all New Zealanders

**KEY PERFORMANCE INDICATORS FY 2013/14**

Mechanism	Deliverable	Target	Measurement
Māori language content	<p><b>Māori Television Channel:</b> Minimum percentage of Māori language during prime time hours from 5.30pm to 10.30pm daily</p> <p>Minimum percentage of Māori language across the schedule during its core broadcast hours from 3.00pm to 11.30pm daily</p> <p><b>Te Reo Channel:</b> Māori language across schedule</p> <p><b>Language Learning Programming:</b> Programmes broadcast for all people learning Māori language during core broadcast hours</p> <p>Programmes broadcast for all people learning Māori language outside of core broadcast hours</p> <p><b>Tamariki Programming:</b> Programmes for tamariki/ rangatahi participating in Māori language immersion education</p>	<p>51%</p> <p>51%</p> <p>95-100%*</p> <p>15 hours per month (average)</p> <p>140 hours per month (average)</p> <p>10 hours per week (average)</p>	<p>Māori Television Schedule</p> <p>Te Reo Channel Schedule</p> <p>Māori Television/ Te Reo Channel Schedule</p> <p>Māori Television Schedule</p> <p>Māori Television Schedule</p>
Māori language quality	Average rating** is achieved	4.0	Independent Assessor
Impact***	<p>Understanding of Māori language is improved by watching Māori Television</p> <p>Interest in learning Māori language is increased by watching Māori Television</p>	<p>To be reported in Annual Report</p> <p>To be reported in Annual Report</p>	<p>Māori Television Tracking Research</p> <p>Māori Television Tracking Research</p>

Mechanism	Deliverable	Target	Measurement
Broadcast Hours	Māori Television - minimum core broadcast hours (3.00pm - 11.30pm daily)	3,100 hours	Māori Television Schedule
	Māori Television - additional Language Learning hours outside of the core broadcast hours (10.00am - 3.00pm daily)	1,700 hours	Māori Television Schedule
	Te Reo - minimum hours of broadcast	2,300 hours	Māori Television Schedule
	Minimum hours of broadcast combined across both channels	7,100 hours	Māori Television Schedule
Transmission	Provide broadcast services to as many people as practicable	Māori Television: 100% of NZ via digital satellite and 87% via digital terrestrial platforms.  Te Reo: 100% of NZ via satellite and 87% via digital	Kordia Johnston Dick & Associates

\* Some programmes will contain English words and phrases.

\*\* Rating band is: 1- Very Poor; 2- Poor; 3- Good; 4- Very Good; 5- Excellent.

\*\*\* Based on two-yearly surveys conducted by Māori Television.

\*\*\*\* The Te Reo channel planned to be added to the digital terrestrial platform during the year.

**MAJOR OUTCOME 2:  
Develop as an independent national Māori television broadcaster  
that is relevant, effective and widely accessible**

**KEY PERFORMANCE INDICATORS**

<b>Mechanism</b>	<b>Deliverable</b>	<b>Target</b>	<b>Measurement</b>
Efficiency	<b>Cost effective and efficient operations:</b>		
	Average cost of programme production (per programme hour)	To be reported in Annual Report	Comparison against local production industry average costs
	Average cost of broadcasting (per programme hour)	To be reported in Annual Report	Comparison against local production industry average costs
	Cost per viewer	To be reported in Annual Report	Annual cost to taxpayer per viewer reached
Financial	Financial targets are achieved	Forecasted Budget	Māori Television Statement of Financial Performance



# Part Two: Forecast Financial Statements



## 5.0 Statement of Forecast Service Performance

### 5.1 Non-Departmental Output Class

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 2013-2016 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 2013-2014 Output Plan.

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	
Description	Performance Measures
To support the operational costs of Māori Television so that it can meet its statutory functions	<p><b>Quantity</b></p> <ul style="list-style-type: none"> <li>• Broadcast a minimum of 7,100 hours of programming for the year</li> <li>• Broadcast programmes will be mainly in te reo Māori</li> </ul>
COST	\$13.821 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	<p><b>Quantity</b></p> <p>Provide free-to-air transmission:</p> <ul style="list-style-type: none"> <li>• Māori Television channel: 100% of NZ via the digital satellite platform and 87% of NZ via the digital terrestrial platform</li> <li>• Te Reo channel: 100% of NZ via the digital satellite platform and 87% of NZ via the digital terrestrial platform*</li> </ul> <p><i>* The Te Reo channel planned to be added to the digital terrestrial platform during the year</i></p>
COST	\$2.790 MILLION (excl GST)

## 5.2 Funding

### (a) Projected Operational Funding from Vote Māori Affairs:

	2013/2014 (\$m)	2014/2015 (\$m)	2015/2016 (\$m)
Incl GST	19.103	19.103	19.103
Excl GST	16.611	16.611	16.611

### (b) Projected Direct Programme Funding:

	2013/2014 (\$m)	2014/2015 (\$m)	2015/2016 (\$m)
Incl GST	18.538	18.538	18.538
Excl GST	16.120	16.120	16.120

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.

### (c) Projected Indirect Programme Funding:

	2013/2014 (\$m)	2014/2015 (\$m)	2015/2016 (\$m)
Incl GST	17.296	17.296	17.296
Excl GST	15.040	15.040	15.040

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):

	2013/2014 (\$m excl GST)	2014/2015 (\$m excl GST)	2015/2016 (\$m excl GST)
Advertising Income	1.427	1.616	1.817
Interest Income	0.583	0.410	0.285
<b>TOTAL</b>	<b>2.010</b>	<b>2.026</b>	<b>2.102</b>

## 5.3 Statement of Projected Financial Position

	2013/2014 (\$m)	2014/2015 (\$m)	2015/2016 (\$m)
<b>PUBLIC EQUITY</b>			
Opening Equity	19.312	19.338	18.564
Add Surplus/Deficit	0.026	(0.774)	(1.648)
<b>CLOSING EQUITY 30 JUNE</b>	<b>19.338</b>	<b>18.564</b>	<b>16.916</b>
Represented by:			
<b>CURRENT ASSETS</b>			
Cash Bank & Short Term Deposits	10.554	7.433	6.715
Programme Rights	2.916	3.499	4.093
Receivables & Other Current Assets	0.570	0.594	0.610
<b>TOTAL CURRENT ASSETS</b>	<b>14.040</b>	<b>11.526</b>	<b>11.418</b>
Property Plant & Equipment (at book value)	7.625	9.007	7.676
<b>TOTAL ASSETS</b>	<b>21.665</b>	<b>20.533</b>	<b>19.094</b>
Current Liabilities	2.327	1.969	2.178
Term Liabilities	0.000	0.000	0.000
<b>NET ASSETS EMPLOYED</b>	<b>19.338</b>	<b>18.564</b>	<b>16.916</b>

The above figures are GST exclusive

## 5.4 Statement of Projected Comprehensive Income

	2013/2014 (\$m)	2014/2015 (\$m)	2015/2016 (\$m)
<b>INCOME</b>			
Crown Appropriation	16.611	16.611	16.611
Programme Funding	16.120	16.120	16.120
Advertising Revenue	1.427	1.616	1.817
Interest Earned	0.583	0.410	0.285
<b>TOTAL INCOME</b>	<b>34.741</b>	<b>34.757</b>	<b>34.833</b>
<b>EXPENDITURE</b>			
Personnel Costs	14.397	14.734	15.028
Depreciation & Amortisation Expense	2.013	2.665	2.905
Finance Costs	0.000	0.000	0.000
Programme Production and Acquisitions	10.070	10.273	10.479
Other Operating Costs	8.235	7.859	8.069
<b>TOTAL EXPENDITURE</b>	<b>34.715</b>	<b>35.531</b>	<b>36.481</b>
Surplus / (Deficit)	0.026	(0.774)	(1.648)
Other Comprehensive Income	0.000	0.000	0.000
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>0.026</b>	<b>(0.774)</b>	<b>(1.648)</b>
<b>Surplus/(Deficit) Attributable to:</b>			
Māori Television Service	0.026	(0.774)	(1.648)
<b>Total Comprehensive Income Attributable to:</b>			
Māori Television Service	0.026	(0.774)	(1.648)

The above figures are GST exclusive

## 5.5 Statement of Projected Cash Flows

	2013/2014 (\$m)	2014/2015 (\$m)	2015/2016 (\$m)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from -			
Crown Appropriation	16.611	16.611	16.611
Other Income	1.421	1.592	1.800
Production Funding	16.120	16.120	16.120
Cash was disbursed to -			
Payments to Suppliers	(33.169)	(33.698)	(33.873)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>0.983</b>	<b>0.625</b>	<b>0.658</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was disbursed to -			
Purchase of Property Plant & Equipment	(2.388)	(3.746)	(1.376)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(2.388)</b>	<b>(3.746)</b>	<b>(1.376)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(1.405)</b>	<b>(3.121)</b>	<b>(0.718)</b>
Opening cash	11.959	10.554	7.433
<b>CLOSING CASH AT 30 JUNE</b>	<b>10.554</b>	<b>7.433</b>	<b>6.715</b>

The above figures are GST exclusive

## 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 2016.

### (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 installments 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 fit-out	10-80 years
Building soft fit-out	5-12 years
Artworks	200 years

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)**

These financial statements have been prepared in accordance with IFRS.



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