Pānui Whāinga
Statement of Intent
2016-2019

Te Aratuku Whakaata Irirangi Māori
Māori Television Service
# Table of Contents

Table of Contents

Acceptance of the Statement of Intent 2016-2019........................................... 2
Chairman’s Overview....................................................................................... 3

PART 1 - CONTEXTUAL FRAMEWORK......................................................... 5
1. Purpose of Statement of Intent................................................................. 6
   1.1 Purpose of Statement of Intent.......................................................... 6
   1.2 Establishment of Māori Television................................................... 6
   1.3 Principal Statutory Functions......................................................... 6
   1.4 Vision and Mission Statement....................................................... 7
2. Major Outcomes and Strategic Direction 2016-2019.............................. 8
   2.1 Measures....................................................................................... 8
3. Major Impacts.......................................................................................... 9
   3.1 Audience growth normalisation of te reo...................................... 9
   3.2 Content Strategy.......................................................................... 9
4. Key Strategic Priorities........................................................................... 10
   4.1 Audience...................................................................................... 10
      4.1.1 Core Statutory Groups.......................................................... 10
      4.1.2 Growth Personas.................................................................... 10
   4.2 Content......................................................................................... 11
   4.3 Technology................................................................................... 11
      4.3.1 Investment in multi-platform.................................................. 11
      4.3.2 Strategic pillars...................................................................... 12
5. Outputs................................................................................................... 13
   5.1 Broadcast Hours............................................................................ 13
   5.2 Te Reo Māori............................................................................... 13
   5.3 Language Quality Assurance....................................................... 13
   5.4 Key Outputs.................................................................................. 14
6. Organisational Priorities.......................................................................... 15
   6.1 Māori Language Strategy............................................................... 15
   6.2 Accessibility to Māori language programmes................................. 15
   6.3 Internal Māori Language Strategy............................................... 15
   6.4 Operating Context.......................................................................... 16
   6.5 Reporting Stakeholders................................................................ 16
   6.6 Governance.................................................................................. 16
   6.7 Management.................................................................................. 16
7. Māori Television Service Channels.......................................................... 17
8. Initiatives, challenges, constraints and opportunities ................................................................. 19
  8.1 Initiatives................................................................................................................................. 19
      Marketing strategy....................................................................................................................... 19
      Revenue.................................................................................................................................. 19
  8.2 Challenges.............................................................................................................................. 19
      Premises Review......................................................................................................................... 19
  8.3 Constraints............................................................................................................................. 20
      Operational funding.................................................................................................................... 20
  8.4 Opportunities.......................................................................................................................... 20
      Broadcast and production upgrade........................................................................................... 21
      Archiving.................................................................................................................................. 21
      Playout..................................................................................................................................... 21
      Business Tools........................................................................................................................... 21

9. Organisational Realignment.......................................................................................................... 22
  9.1 Organisational Structure.......................................................................................................... 22
  9.2 Multi-media operating mode.................................................................................................... 23

PART 2 - FORECAST FINANCIAL STATEMENTS ............................................................................... 24

10. Statement of Forecast Service Performance.................................................................................. 25
  10.1 Non-Departmental Output Class............................................................................................. 25
      Output 1 – Television Service Operations.................................................................................... 25
      Output 2 – Transmission coverage............................................................................................. 25
  10.2 Funding.................................................................................................................................. 26
  10.3 Statement of Projected Financial Position.................................................................................. 27
  10.4 Statement of Projected Comprehensive Income......................................................................... 28
  10.5 Statement of Projected Cash Flows............................................................................................ 29

Statement of Accounting Policies...................................................................................................... 30
Acceptance of the Statement of Intent 2016-2019

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 2016 to 30 June 2019.

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.

Willie Jackson
Chairman Te Pūtahi Paoho
Date: 26/07/16

Hon Te Ururoa Flavell
Minister for Māori Development
Date: 26/07/16

Hon Bill English
Minister of Finance
Date: 26/07/16

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 Irirangi Whakaata Māori) Act 2003, I am pleased to present the Statement of Intent 2016-2019 for Māori Television.

The Statement of Intent provides contextual information, sets out the intentions, commitments, broad strategies and outcomes that Māori Television will pursue, as agreed between the Crown’s joint reporting Ministers namely the Minister for Māori Development, Hon Te Ururoa Flavell and the Minister of Finance, Hon Bill English together with the Māori Television Electoral College Te Pūtahi Paoho, and the Māori Television Service.

Our unwavering vision is for te reo Māori to be valued, embraced and spoken by all New Zealanders. Accordingly a strategic realignment undertaken by Māori Television in the last two years and audience segmentation research has enabled an organisation-wide refocus on how we can contribute to growing the engagement of more people with our platforms, and thus the number of Māori speakers, with the added benefit of increasing positive attitudes towards te reo and tikanga Māori by all New Zealanders.

Broadcast television is under pressure globally as new competitors and platforms rapidly emerge, leading to audience fragmentation. As a niche New Zealand broadcaster it is critical for Māori Television to be well positioned to take advantage of advancements in technology to remain relevant to our current and future audiences. With clear strategic direction, a considered multi-platform approach, a targeted content strategy, connected business goals and an organisation-wide commitment to te reo fluency, we are confident we have the platform to drive audience growth and in so doing, expose greater numbers of people to te reo me ātā tikanga.

New funding of $10.6 million received in Budget 2016, will support the growth of Māori language through television and digital platforms. The funding will be used to support High Definition broadcast of content and drive multiplatform delivery of content. It will also support Māori Television’s efforts to attract and grow its viewing audiences, particularly youth.

Māori Television’s mandate presents us with a powerful opportunity to share the Māori language and culture with audiences everywhere by delivering content that is educative, engaging, entertaining, factual, informative and relevant, has a positive impact on audience engagement and increases critical awareness and normalisation of te reo Māori in Aotearoa. We know we must be nimble as an organisation and fully audience-centric in our approach. Last year Māori Television set a goal of engaging one million viewers per week. The goal has resulted in a clear company-wide focus and awareness of our ratings and viewer numbers, as well as a cohesive effort to drive audience growth, through the provision of programming that our audiences want to watch and when and where they want to watch it. We will invest in and further develop our multi-platform approach to deliver our content, improve the broadcast quality of our transmission through High Definition and increase awareness about our programme offering through innovative publicity and marketing activity.

Māori Television welcomes the enactment of Te Ture mō Te Reo Māori 2016 (the Māori Language Act 2016) in particular the partnership that is reflected in the Act with both
the Crown and Māori having distinct but complementary roles for revitalising the Māori language. We look forward to working with other Māori language sector agencies in a more coordinated way across government, and contributing to the development of the Maihi Karauna Strategy to revitalise te reo Māori through broadcasting.

Under the Government’s current Māori Language Strategy, Māori Television has a lead role in increasing the number of Māori speakers through broadcasting, alongside our funding partner Te Māngai Pāho. As part of working collaboratively with other Māori language sector agencies, during the next financial year we will work collaboratively with Te Māngai Pāho to explore options for joint research. Māori Television will develop a comprehensive research project to measure our effectiveness in growing the use of the Māori language, as the ultimate measure of our own success in contributing to the revitalisation of te reo Māori. As outlined in the narrative within this Statement of Intent effectiveness measures will be developed later this year. While the measures are not yet in place, Māori Television has refocused its strategic priorities to ensure increased use and positive attitudes of New Zealanders towards te reo Māori. Other projects with Te Māngai Pāho include streamlining the assessment process for programmes that receive funding both from ourselves and Te Māngai Pāho.

As the Maihi Karauna Strategy progresses and Te Mātāwai is established and begins to advance the Maihi Māori Strategy, it is expected that opportunities for working together in joint projects and work programmes will flow from these developments. Māori Television looks forward to collaborating with Māori language sector agencies and others to advance the overall efforts of Māori and Government for the revitalisation of te reo me nga tikanga.

Nāku noa, nā

Hon Georgina te Heuheu QSO
Chairman
Part 1
Contextual Framework
1. Purpose of Statement of Intent

1.1 Purpose of Statement of Intent
As set out in Section 27 of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, the purpose of this Statement of Intent is to promote the accountability of Māori Television to the New Zealand House of Representatives by providing contextual information about Māori Television, and the medium term intentions and commitments set by the board for Māori Television.

In addition, the Statement of Intent will identify the key strategic issues facing Māori Television, identify how the board will respond to these key strategic issues and fulfil the statutory functions of the Māori Television Service.

It will also provide a baseline against which Māori Television’s performance can be assessed in subsequent years.

Period
The period of this Statement of Intent applies from July 2016 to June 2019.

1.2 Establishment of Māori Television
Māori Television is a statutory corporation and was formally established by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003. This Act defines Māori Television’s functions. An amendment bill was passed into law on 27 November 2013.

1.3 Principal Statutory Functions
The principal function of the Māori Television Service, Te Aratuku Whakaata Irirangi Māori, is to contribute to the protection and promotion of te reo Māori me ngā tikanga through the provision, in te reo Māori and English, of a high-quality, cost-effective television service that informs, educates and entertains viewers, and enriches New Zealand’s society, culture and heritage.

Under Section 8 of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 Māori Television is required to:

• Broadcast mainly in te reo Māori during prime time and a substantial proportion at other times.

• Ensure that programme content has regard to the needs and preferences of young people; children participating in te reo Māori immersion education; people learning te reo Māori; people whose first language is te reo Māori; and people with a high level of proficiency in te reo Māori.

• Provide broadcast services that are technically available throughout New Zealand and practically accessible to as many people as is reasonably possible.

• Māori Television may also provide a range of content and services on a range of delivery platforms that contribute to the promotion and protection of te reo Māori.
Wawata, Whakataakanga, Uara

Vision, Mission and Values

Wawata Vision
Kia kaingākautia, kia kōrerotia, kia tautokona anō te reo Māori e ngā tāngata katoa o Aotearoa

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

Whakataakanga Mission
Ko te uaratanga o Whakaata Māori he tākoha ki te angitu-ā-Māori mā roto i te reo me ngā tikanga Māori.

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

Uara Values

KIA TIKA
Kia ngaio, kia mau ki ngā taumata tiketike
Be professional and maintain high standards.

KIA PONO
Kia pono, kia tika, kia ngākau tapatahi.
Be truthful, honest and act with integrity.

KIA AROHA
Kia mataaara, kia whakaaro nui ki tētahi atu.
Be respectful and demonstrate empathy.

KIA MĀORI
Kia mau kia ū ki te hōhonutanga o ngā tikanga Māori.
Maintain and uphold core Māori values.
2. Major Outcomes and Strategic Direction 2016-2019

Māori Television is refocusing its strategic direction for the next three years. Following on from an organisational realignment and completion of audience segmentation research, a robust outcomes framework is to be developed later in 2016 as an effectiveness benchmark for future years.

Māori Television is committed to playing its part in building a strong Māori language sector that will work together to increase the number of Māori speakers and to improve the attitudes of all New Zealanders towards te reo Māori. To achieve this our efforts will be focussed on two major outcomes:

- Increasing the number of speakers of te reo Māori
- Improving the attitudes of all New Zealanders towards te reo Māori

2.1 Measures

According to the Te Kupenga Report online and Te Māngai Pāho TNS Audience Survey September 2014, Television broadcasting and specifically Māori Television, continues to remain an effective medium for growing the use of te reo Māori and helping to promote an understanding and appreciation of tikanga. However, there is currently no framework with which to measure Māori Television’s overall impact on increasing the number of Māori language speakers.

We know from the Te Kupenga Report online and the TNS Māori Audience Survey September 2014 that television is an important tool in people’s language learning and Māori cultural lives. Māori Television will undertake a major research project in the later part of 2016 to provide both qualitative and quantitative measures of our effectiveness.
3. Major Impacts

3.1 Audience growth normalisation of te reo

Māori Television’s vision is for te reo Māori to be valued, embraced and spoken by all New Zealanders, this is manifested in the goal of reaching and engaging with one million people per week. Māori Television must draw more people in to watch its content. The old adage that “content is king” will always apply and audiences will largely tune in and watch shows that are entertaining and engaging and accessible across multiple viewing platforms. The look, feel and entertainment factor of programmes remain fundamental to growing the number and regularity of Māori Television viewers.

3.2 Content Strategy

In Television terms, as stated above content is king, and delivering content that connects with the viewing audience is imperative. After an extensive segmentation research project between June and September 2015 Māori Television now has a refreshed Content Strategy that it will use as a roadmap for the next three years. The strategy has motivated a number of projects that will require major investment in time and resources into the 2017 financial year. The Content Strategy has four key cornerstones: drama, news, kapa haka and language acquisition.

DRAMA

Drama is high cost, high risk but is also a high return strategy to gain high-level engagement and grow our audience. A number of strands including comedy and a digital-first youth drama with a language acquisition angle are being worked on. It is an ideal opportunity to present innovative content that has a language dividend.

NEWS

A path has been laid to be a digital-first newsroom. This has permutations for operational and editorial priorities as we move to solidify a single workflow that places less emphasis on the traditional linear bulletins and more on getting our news out as soon as possible on digital platforms.

KAPA HAKA

Māori Television as the ‘Home of the Haka’ is aiming to make strides in initiating our own kapa haka properties to allow us more autonomy and to mitigate risk of exponential growth in rights fees.

LANGUAGE ACQUISITION

After curating an inventory of our language acquisition material we understand our need to invest in strengthening the bridge between beginners and fluent speakers. There will be more investment in learning content for intermediate speakers to ease the transition to fluency in te reo Māori.
4. Key Strategic Priorities

In order for us to achieve our outcomes we will concentrate our effort on attracting, engaging and growing our audience and developing and acquiring content that is relevant and accessible to our audience on whatever device they choose to watch it.

4.1 Audience

4.1.1 Core Statutory Groups

Under the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 Māori Television is required to ensure its programming has regard to the needs of the following groups:

Fluent Speakers: We will continue to produce the majority of our content in te reo Māori and providing shows with a high level of fluency and technical excellence. There will be more focus on fluent entertainment shows.

Rangatahi: This group is particularly important as we know half the Māori population is under 23 years old. They are a strong component in our growth personas as outlined below.

Tamariki: We want to concentrate on entertaining, fluent content for tamariki and have developed a non-commercial zone in peak time viewing for tamariki.

Language Learners: We will continue to provide language acquisition opportunities on traditional television. There is also a strong move towards learning on digital platforms with the enhanced value of interactivity. We have made an inventory check on our archive and will move to create more content for intermediate levels.

4.1.2 Growth Personas

As a result of the Audience Segmentation research and Content Strategy completed at the end of 2015 we have overlaid five growth personas that will help us grow our audience and increase our ability to grow, protect and enhance te reo me ngā tikanga Māori.

Rangatahi Viewers: Predominantly Māori 15-29 years old, strong in te reo and regular viewers of Whakaata Māori. Our challenge is to increase their engagement with highly entertaining content on their platforms of choice.

Youth Potentials: A mix of 15-29 year old Māori non-viewers and 15-29 year old non-Māori who are open to learning te reo Māori. They are typically light traditional television viewers so we are bolstering our non-linear content to appeal to these viewers.

Loyals: 30+ year old viewers who watch us regularly with a female/provincial skew. This group is the most culturally connected segment. It provides a strong support base for us together with their friends and families, and our aim is to have them help us to promote the channel.

Lapsed: 30+ year olds who no longer watch Māori Television with a female/urban skew. They have moved to other platforms and content options and tired of our content. We have refreshed our content with the aim of attracting them back (and we need to attract them back).

Urban Professionals: 30+ year old largely non-Māori but over 50 per cent of them are very open to learning te reo. They tune in for our documentaries and festival movies. We want to introduce them to simple words and phrases and encourage them to actively learn the language.
4.2 Content

4.2.1 Relevance and Accessibility

The television industry has changed significantly, with the ever evolving expansion of new technologies, and new devices, influencing social behaviours which, in turn, has changed the ways in which viewers can access and engage with our content.

As well as maintaining our traditional television operations, for the short to medium term future, we must also keep pace with these new developments both from a technical perspective and from a content perspective. To do this requires significant investment to ensure we keep abreast of new trends and are not left behind.

Māori Television recognises the need to deliver engaging and relevant content to viewers across the full range of new and evolving technology. To meet the demands of our viewers, significant investment will be needed to make our programmes accessible via all technically and affordable free-to-air platforms, supported by the development of new revenue streams.

4.3 Technology

4.3.1 Investment in multi-platform

Māori Television’s government funding streams will enable Māori Television to invest in multi-platform development. Investment in the following initiatives will be explored:

- Personalisation
- Improving Search and Discovery of Māori Television content on digital platforms
- Improving addition of high quality and user friendly photo-galleries as a content type
- On-line language support material
- Enabling and publishing User Generated Content
- Expansion of Social Media presence.
4.3.2 Strategic pillars

The operating environment of Māori Television is shaped by a number of factors including the public sector, the broadcasting industry, the Māori language sector, society and a wide range of internal and statutory commitments. These factors will have a direct effect on the priorities and performance of Māori Television. They also directly influence the outcomes that we will continue to pursue. Māori Television has developed five key strategic pillars to support realisation of its vision, these are Partnerships and Alliances, People, Communications and Brand, Multi-platform and Content.

### Māori Television Strategic Pillars

#### Promotion and Protection of te Reo me ngā Tikanga

<table>
<thead>
<tr>
<th>Partnerships and Alliances</th>
<th>People</th>
<th>Communications and brand</th>
<th>Multi-platform</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5m in annual revenue from commercial partners and crown agencies, driven by advertising, sponsorship, product placement and content delivery. Increase in crown funding support. Extended audience reach for clients.</td>
<td>Performance-based culture. Improved staff engagement and collaboration. Role outcomes connected to the vision. Employment brand of choice.</td>
<td>Audience growth. Corporate reputation protected and enforced. Favourable media coverage. Third party endorsement.</td>
<td>Connecting with target audience(s), where they live and how they live.</td>
<td>Growth and protection of te reo me ngā tikanga Māori. 1 million engagements per week. Meeting place of Māori youth.</td>
</tr>
</tbody>
</table>
5. Outputs

5.1 Broadcast Hours:
Across both channels we will broadcast 7,900 hours of television on both channels.
Māori Television will achieve a minimum of 5,700 hours of broadcast with at least 70 per cent Māori language programming.
Te Reo channel will achieve a minimum of 2,200 hours of broadcast with at least 95 per cent Māori language programming.

Prime Time: Māori Television’s prime time hours for the general audience align with the industry prime time hours of 5.00pm to 11.30pm daily.

Transmission platforms: Our transmission platforms include Freeview terrestrial, Freeview satellite, Sky and via broadband services.

5.2 Te Reo Māori:
Māori Television channel will broadcast at least 70 per cent Māori language programming across its entire schedule.
Te Reo channel will endeavour to broadcast 95 per cent Māori language across its entire schedule.

Online www.maoritelevision.com is our dual-language website and on demand channel available for visitors to read, listen and watch entirely in te reo Māori and/or English.

Māori Television channel will broadcast at least 51 percent Māori language programming during prime time.

5.3 Language Quality Assurance
Māori Television works closely with Te Māngai Pāho on quality assurance of the te reo Māori language broadcast.
Māori Television has a full-time Te Reo Commissioner reviewing language quality for productions and programmes. The Commissioner also monitors for language quality and quantity requirements. Each programme funded internally and by Te Māngai Pāho has rigorous language plans attached to them. Each external production has a te reo consultant attached to the production who monitors language quality and quantity.

The Te Reo department contracts an independent language expert to review news and current affairs language quality on pronunciation, vocabulary, grammar, euphony and the quality of subtitling.

An independent review is conducted every month on a selection of programmes against Te Taura Whiri i te Reo Māori quality-indicator framework, and an average rating of 4.0 is achieved. (1 = Very poor; 2 = Poor; 3 = Good; 4 = Very good; 5 = Excellent).
### 5.4 Key Outputs

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Māori Television channel</th>
<th>Te Reo channel</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast Hours</td>
<td>7,900</td>
<td>5,700</td>
<td>2,200</td>
<td>Occasional live streaming of special events</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,400 hours of programme content available at any time for on demand viewing</td>
</tr>
<tr>
<td>Māori language content - across all broadcast hours (% of spoken content)</td>
<td>70%</td>
<td>51%</td>
<td>95%</td>
<td>Bi-lingual website</td>
</tr>
<tr>
<td>Māori language content - Prime Time hours 17:00-23:30 (% of spoken content)</td>
<td>70%</td>
<td>51%</td>
<td>95%</td>
<td>N/A</td>
</tr>
<tr>
<td>Language Learning Hours (Programme hours)</td>
<td>1,600</td>
<td>1,300</td>
<td></td>
<td>300 hours of programme content available at any time for on demand viewing</td>
</tr>
<tr>
<td>Programmes for young people (Programme hours)</td>
<td>1,350</td>
<td>1,050</td>
<td></td>
<td>300 hours of programme content available at any time for on demand viewing</td>
</tr>
<tr>
<td>Transmission platforms</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Freeview terrestrial</td>
<td>Freeview terrestrial</td>
<td></td>
<td>Available via online and broadband services</td>
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<tr>
<td></td>
<td>Freeview satellite</td>
<td>Freeview satellite</td>
<td></td>
<td>Available by connected mobile devices</td>
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<tr>
<td></td>
<td>Sky</td>
<td>Sky</td>
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</tbody>
</table>

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.
6. Organisational Priorities

6.1 Māori Language Strategy

Māori Television is a key Māori language entity and has a unique role to play in achieving the Government’s Māori language revitalisation goals through working to increase Māori language use and improving the attitudes of all New Zealanders towards te reo Māori. Māori Television looks forward to working alongside other crown entities to develop the Maihi Karauna Strategy which will replace the Māori Language Strategy 2014.

As a Māori language broadcaster in Aotearoa New Zealand, Māori Television provides an advanced level of access, multiple platforms and channels through which it broadcasts programming.

Māori Television is committed to working in partnership with Māori language sector agencies, and in particular, Te Punī Kōkiri, Te Taura Whiri i te Reo Māori and Te Māngai Pāho to ensure that it contributes to the achievement of the Māori Language Strategy and the development of the Maihi Karauna Strategy.

6.2 Accessibility to Māori language programmes

Accessibility through broadcast television, digital channels and mobile devices enables Māori Television to contribute to strengthening the use, acquisition, status, awareness and corpus of the language in the home. This is key to intergenerational transmission of te reo me ngā tikanga.

Te reo programming is broadcast daily to the nation, and into the homes of whānau, hapū and iwi. It is aimed at reaching the widest possible range of viewers from those who are learning te reo to those who are fluent speakers.

Supporting our television channel platforms, Māori Television’s online digital and mobile platforms, which can also be linked to our social media platforms, allows viewers of all ages and language proficiency to view programmes on demand online.

6.3 Internal Māori Language Strategy

Māori Television has set an aspirational goal to become a dual language (Reo Rua) organisation by 2020. This goal supports our vision, “Kia kaingākaunuitia, kia kōrerohia, kia tautokona anō te reo Māori e ngā tāngata katoa o Aotearoa” and our values “Kia Tika, Kia Pono, Kia Aroha, Kia Māori”.

The development of a Te Reo Māori Strategy for staff, encompasses te reo and tikanga, te ao tawhito (ancient knowledge), and te ao tūroa, (the future). Māori Television has approximately 55 speakers of te reo Māori with varying levels of ability and understanding. A further 123 staff have no or low levels of understanding of te reo Māori.

The strategy will focus on the implementation of training methods to suit the full range of learning levels through multiple mediums of delivery, and with the aid of te reo resources. We have augmented our Human Resources department to include a new Head of People, Language and Culture and also recently a new Kaihautū Reo position has been filled. This expertise will support the development and implementation of strategies with the ultimate aim of the organisation not only being bilingual but also the organisational culture having a Māori ethos at its core, “Kia wairua Māori ai a Whakaata Māori”.

Statement of Intent 2016 - 2019

15
6.4 Operating Context
Māori Television is a statutory corporation and was formally established by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003. Māori Television has an unusual status in that it is a stand-alone agency within the State sector and is not a Crown entity. Māori Television is however accountable in much the same way as Crown entities.

6.5 Reporting Stakeholders
Māori Television has two distinct reporting stakeholders, Government and Māori who exercise both independent and joint powers. The principal reason for this approach is that the Māori Television Service is a partnership between the Crown and Māori.

Government
These interests are represented by the responsible Ministers namely, the Minister for Māori Development and the Minister of Finance.

Māori
These interests are represented by Te Pūtahi Paoho (the Māori Television Service Electoral College), an entity given statutory recognition by the Māori Television Service Act (Te Aratuku Whakaata Irirangi Māori) 2003 to provide a partnership with the Crown.

By March 2017 functions previously undertaken by Te Pūtahi Paoho as they relate to Māori Television will transfer to Te Mātāwai. Te Mātāwai will be an independent statutory entity set up as the agent of Māori and iwi with regard to the health and wellbeing of te reo Māori.

6.6 Governance
The Māori Television Board comprises seven directors who hold responsibility for governance. Te Pūtahi Paoho appoints four directors and the Government appoints three directors.

Te Mātāwai will be an independent statutory entity set up as the agent of Māori and iwi with regard to the health and wellbeing of te reo Māori.

With the passing of Te Ture mō Te Reo Māori 2016, the Māori Language Act 1987 and Part 4A of the Broadcasting Act 1989 will be repealed. The functions and powers of Te Pūtahi Paoho will transfer to Te Mātāwai once it has been established.

6.7 Management
The Chief Executive has responsibility for Māori Television’s operations and reports to the board. Supporting the Chief Executive in managing operations are six head of departments with overall responsibility for designated work areas, namely Content, Corporate Affairs, Finance and Administration, Multi-platform, Operations and Technology and People, Language and Culture.
7. Māori Television Service Channels

Māori Television has three channels, the Māori Television Service launched on 28 March 2004 and Te Reo went to air on 28 March 2008. The website was launched on 25 March 2013. Since then Māori Television has added to and enhanced its online and mobile service offerings.

Additional funding received in Budget 2016 will enable Māori Television to upgrade its broadcast to High Definition (HD) by 2017. This will give our viewers a crisper and sharper picture on a par with other New Zealand broadcasters. Our linear platforms will be reviewed in 2016/2017.

7.1 Māori Television Channel

Our bilingual channel broadcasts programmes in Māori and English languages for all New Zealanders. It is targeted at Māori language speakers of all fluency levels as well as non-speakers to encourage as many people as possible to value Māori language and culture, and increase their own language fluency.

7.2 Te Reo Channel

The aim of this channel is to broadcast informative, educative and entertaining programming exclusively in te reo Māori. This channel is for viewers with higher levels of Māori language fluency, including advanced learners of the language, and those whose needs include access to fluent Māori language television or the opportunity for uninterrupted viewing of programmes during prime time in te reo Māori. Delivery options for content on the Te Reo channel are currently being considered.

7.3 Digital Multi-Media Platforms

Māori Television has invested in a range of digital services and platforms alongside its linear offering. This multi-platform strategy ensures that Māori Television is delivering to the needs of all New Zealanders, whenever they want, wherever they may be, and by whatever connected device at their disposal.

7.4 www.maoritelevision.com

Māori Television’s website www.maoritelevision.com is a dual-language website for visitors to read, listen and watch entirely in te reo Māori and/or English. The website provides an important platform with multiple digital tools for te reo language learning online in New Zealand and from overseas. As a digital platform that complements Māori Television’s broadcast content on traditional television, the website provides multiple and repeat opportunities to engage with our programmes.

The majority of our programmes online are accessible by international audiences allowing Māori Television to provide access to te reo Māori me ngā tikanga to the world.

7.5 Māori TV Connect smartphone App

Launched in September 2015 to respond to the high demand and growth of smart phone enabled content users the App is available free on smartphones in the Apple iTunes store and Google Play store. Increases measurable audience engagement with Māori Television
content and events. The App increases the number of people engaging with Māori Television content on their mobile device.

7.6 Social Media Channels
Māori Television has active strategies to pursue brand and content value creation supported by social media channels. Māori Television has a strong social media presence within key social media channels such as Facebook, Instagram and Twitter. The use of social media channels utilised by Māori Television will grow significantly over time and is particularly important in reaching rangatahi audiences.

7.7 Audio Podcasting
Audio podcasting is scheduled to launch to a global audience in 2016. Māori Television has the technical means to produce and publish Te Reo audio versions of selected Māori Television programmes. Additional funding received will determine what we will make available on both the maoritelevision.com website and in the iTunes store (and other similar outlets over time), as audio podcasts.

7.8 Syndication and distribution of content on kaupapa aligned platforms
There is an increasing interest in the content commissioned and produced by Māori Television, and a number of opportunities have been identified to share digital forms of our content with other kaupapa aligned platforms. Māori Television will explore the use of “iframe” (used to insert content into a website from another source, in this case from Māori Television), which can select and provide news articles of interest/relevance to a specific region, iwi, event or topic.

7.9 Live streaming
Māori Television has increased the volume and frequency of content delivered live over the Internet and regularly simulcasts shows over the internet including Native Affairs and the internet-only daily show “Rereātea - Midday News Bytes” on the Māori Television website. A significant commitment to live stream coverage of events of importance to Māori has included our growth audiences such as the multi-day, full day coverage of the recent tangihanga of Dr Ranginui Walker, Polyfest and regional kapa haka competitions.

7.10 FreeviewPlus
Māori Television alongside the other Freeview shareholders Television New Zealand, Radio New Zealand and Mediaworks launched a hybrid platform on 1 July 2015. FreeviewPlus allows the television viewer and the on demand viewer to switch between live and on demand content. This platform requires a new television or set-top box, but has become the default across the major television manufacturers in New Zealand. It is available to viewers within the existing Freeview|HD coverage area and requires a broadband connection for on demand content. FreeviewPlus was extended to Satellite viewers this year.
8. Initiatives, challenges, constraints and opportunities

As an indigenous broadcaster in Aotearoa New Zealand, Māori Television has unique challenges and constraints in that in addition to its need to attract and grow audiences it also has a language revitalisation imperative. To counteract the challenges it faces Māori Television has identified several initiatives it will pursue in the coming year.

8.1 Initiatives

Business Performance Reporting
Reporting is a necessary prerequisite of analysis and as such, it should be viewed in light of the goal of making data understandable and ready for easy, efficient and accurate analysis. Māori Television collates a lot of data from different sources and it is important that this data is readily able to be analysed so that it empowers end-users to make decisions. To this end Māori Television is investigating the use of technology tools to make further improvements to its business performance reporting framework.

Marketing strategy
A new marketing strategy will see Māori Television take on a ‘challenger brand’ approach to the marketing and promotion of programmes. Our marketing budget is very small when compared to those of other networks so we have to be creative and find new ways to reach audiences.

Marketing and publicity initiatives will be aimed at delivering on the key objectives of generating awareness, excitement and “talkability” with the new content among media, influencers, commercial partners and key stakeholders. In this way Māori TV will develop a brand offering that drives sustainable audience growth and supports reputational objectives.

Revenue
Māori Television remains focused on delivering sustainable revenue streams from commercial partners and crown agencies driven by advertising, sponsorship, product placement and content delivery. Sales success will be driven by the following contributors:

- Strong sales leadership with clear strategic direction;
- More productive relationships with media agencies;
- Development of productive relationships with crown agency partners;
- Focused efforts on growing our audience share to attract new business partners.

8.2 Challenges

Premises Review
Māori Television’s lease for its current premises in Newmarket expires in May 2017. The Board has made a decision for Māori Television to remain in the greater Auckland region. A final decision about where Māori Television will ultimately be based will be made by the board in 2016.
The three-year financial forecast in this Statement of Intent has assumed no move from Māori Television’s current premises. If a decision to move premises is subsequently made then the financial statements will be re-forecasted and the Statement of Intent updated.

8.3 Constraints

Operational funding

New funding received in Budget 2016 will enable Māori Television to relieve some of the challenges experienced in maintaining our current service level. The new funding will also enable Māori Television to better keep pace with technological developments and provide entertaining and engaging content.

Māori Television is committed to developing new sustainable revenue streams and alliances in order to become more self-sufficient as part of a suite of new initiatives to deliver our statutory mandate. Māori Television has a target of delivering third party revenue of $5 million per annum by the end of the 2019 financial year.

The operations of Māori Television are funded by the Government in acknowledgement of the Crown’s commitment to promoting and protecting te reo Māori me ēngā tikanga.

Television broadcasting, and specifically Māori Television, continues to remain an effective medium for growing the use of te reo Māori and helping to promote an understanding and appreciation of tikanga. Māori Television remains a key enabler in the delivery of the Māori Language Strategy with a particular focus on taking the language into the home, via television and multi-platform devices, thereby increasing the use of te reo Māori among whānau. A successful budget bid to the Minister for Māori Development requesting additional funds, to support investment in infrastructure to increase the quality of our broadcast to High Definition will enable content to be viewed in Aotearoa and overseas in the same way as content of other competitor providers. New funds received include an amount for a Consumer Price Index adjustment that will help to negate the effect of inflation on our funding.

8.4 Opportunities

Programme Funding

Māori Television receives direct and indirect funding from Te Māngai Pāho, the Government’s Māori Broadcasting Funding Agency, which is the major provider of funding for programmes produced by, or for, our channels.

Te Māngai Pāho also provides direct funding for internally produced programmes and indirect funding for commissioned programmes on a contestable basis. Māori Television’s ability to achieve its programme-related outcomes is dependent on continued access to agreed programmes and sufficient levels of funding administered by Te Māngai Pāho.

To optimise the overall Government funding available for Māori programming through Te Māngai Pāho, Māori Television is taking a partnership approach with Te Māngai Pāho to ensure that the statutory objectives of both parties are more effectively met. This would include investigating rationalisation opportunities across the industry.

For the next three years Māori Television is committed to working more closely with Te Māngai Pāho to ensure quality programming is produced to support and grow the number of Māori language speakers and to normalise te reo Māori.
Broadcast and production upgrade

A $3.0 million capital expenditure programme is scheduled to take place over the next three years. A significant portion is aimed at the replacement and upgrade of our key broadcast and production equipment.

The wider capital programme will ensure Māori Television has higher performing equipment and long term secure storage. It will also provide a higher level of availability to our content and an improved website offering. Overall the capital programme will improve broadcast quality, accessibility of content and ultimately increased audience growth.

Some key capital expenditure projects that will be carried out over the next 12 months include:

Archiving

Māori Television has completed phase one of its archiving project to implement new systems and equipment including file-based workflows, quality control, automation of tasks, and middleware development to archive all new and replayed content to a remote location in its highest quality (supporting HD). Focus has now moved to the second phase which will see the migration of the previous 12 years of content.

Playout

Māori Television’s current playout environment requires replacement and upgrading. This will support the future delivery of HD content and will ensure a robust system with up-to-date features.

Business Tools

The next 12 months will see planning and implementation across the company to identify the required tools for staff and operators to complete their tasks, with a focus on being mobile and having the right tools for required tasks. This will cover desktops, laptops, monitors, smart devices and mobile data plans.
9. Organisational Realignment

9.1 Organisational Structure

Māori Television’s organisational structure was developed to enable it to better meet the needs of its audience and also the broadcasting and Māori language sectors.

Māori Television now has a full complement of executive leaders in place to continue the implementation of the multi-media operating model introduced last year. Promotion and protection of te reo Māori me āngā tikanga are at the apex of the model, alongside the need to broadcast engaging and entertaining content and growing our audience share.
9.2 Multi-media operating model

Māori Television’s multi-media operating model remains focused on the promotion and protection of te reo Māori me āngā tikanga. The company-wide strategic realignment last year was designed to ensure a whole of company focus on operating in a multi-platform environment, including television, digital, mobile, tablet, radio, games, and apps, to engage stakeholders. The strategy is underpinned by research, insights and planning. A major goal is to use strategic content selection, content creation, marketing and distribution to reach one million viewers per week.

PROMOTION AND PROTECTION OF TE REO ME ĀNGĀ TIKANGA

Stakeholder engagement to shape the MLS, including statutory and stakeholder requirements

COMPANY-WIDE MULTI-PLATFORM* FOCUS

<table>
<thead>
<tr>
<th>Multi-platform*</th>
<th>Funding (Government) and commercial and sales (i.e. Partnering, Advertising)</th>
<th>Multi-platform*</th>
<th>Multi-platform*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content</td>
<td></td>
<td>Content Selection and Creation</td>
<td>Content Packaging and Preparation</td>
</tr>
<tr>
<td>Language</td>
<td></td>
<td>Commissioning</td>
<td></td>
</tr>
<tr>
<td>and Audience</td>
<td></td>
<td>Production Teams</td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
<td>Studio Ops</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td></td>
<td>Acquisitions</td>
<td></td>
</tr>
<tr>
<td>Measures</td>
<td></td>
<td>NCA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Research / Insights / Planning

Support Services - Finance / HR / Legal / IT

Engage with 1,000,000 people per week

Multi-platform*

Māori Television Service will broaden its reach through increasing its platforms to include TV, Digital, Mobile, Tablets, Radio, Games, Apps, etc.
Part 2
Forecast Financial Statements
10. Statement of Forecast Service Performance

10.1 Non-Departmental Output Class

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

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

- Enable Māori Television to meet its statutory functions, including to contribute to the promotion and protection of te reo Māori me ōna tikanga through the provision, in te reo Māori and English, of a high-quality, cost-effective television service that informs, educates, and entertains viewers, and enriches New Zealand’s society, culture, and heritage;
- Pursue the outcomes in its 2016-2017 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 $19.264 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:

<table>
<thead>
<tr>
<th>OUTPUT 1 - TELEVISION SERVICE OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>COST</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUTPUT 2 - TRANSMISSION COVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>COST</strong></td>
</tr>
</tbody>
</table>
10.2 Funding

(a) Projected Operational Funding from Vote Māori Development:

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incl GST</td>
<td>22.154</td>
<td>22.154</td>
<td>22.154</td>
</tr>
<tr>
<td>Excl GST</td>
<td>19.264</td>
<td>19.264</td>
<td>19.264</td>
</tr>
</tbody>
</table>

This is funding received directly from Te Māngai Pāho under its Direct Programme Funding agreement. Occasionally, New Zealand on Air and others (including Te Māngai Pāho) contribute additional funding to the cost of producing specific programmes broadcast by Māori Television. However, it is not possible to estimate an amount with any certainty, and any such additional income is usually matched by additional expenditure of a matching amount.

(b) Projected Direct Programme Funding:

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incl GST</td>
<td>18.538</td>
<td>18.538</td>
<td>18.538</td>
</tr>
<tr>
<td>Excl GST</td>
<td>16.120</td>
<td>16.120</td>
<td>16.120</td>
</tr>
</tbody>
</table>

(c) Projected Indirect Programme Funding:

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incl GST</td>
<td>18.400</td>
<td>18.400</td>
<td>18.400</td>
</tr>
<tr>
<td>Excl GST</td>
<td>16.000</td>
<td>16.000</td>
<td>16.000</td>
</tr>
</tbody>
</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 Revenue (including advertising and sponsorship):

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising &amp; Production Income</td>
<td>1.450</td>
<td>2.676</td>
<td>3.867</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.370</td>
<td>0.370</td>
<td>0.370</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1.820</td>
<td>3.046</td>
<td>4.237</td>
</tr>
</tbody>
</table>
### 10.3 Statement of Projected Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($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>19.940</td>
<td>19.941</td>
<td>20.527</td>
</tr>
<tr>
<td>Add Surplus/Deficit</td>
<td>0.001</td>
<td>0.586</td>
<td>1.520</td>
</tr>
<tr>
<td><strong>Closing Equity 30 June</strong></td>
<td>19.941</td>
<td>20.527</td>
<td>22.047</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>13.246</td>
<td>11.442</td>
<td>9.867</td>
</tr>
<tr>
<td>Programme Rights</td>
<td>4.816</td>
<td>8.348</td>
<td>11.955</td>
</tr>
<tr>
<td>Receivables &amp; Other Current Assets</td>
<td>0.870</td>
<td>0.984</td>
<td>1.083</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>18.932</td>
<td>20.774</td>
<td>22.905</td>
</tr>
<tr>
<td><strong>PROPERTY PLANT &amp; EQUIPMENT (at Book Value)</strong></td>
<td>5.379</td>
<td>3.965</td>
<td>3.413</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>24.311</td>
<td>24.739</td>
<td>26.318</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td>4.370</td>
<td>4.212</td>
<td>4.271</td>
</tr>
<tr>
<td><strong>TERM LIABILITIES</strong></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>NET ASSETS EMPLOYED</strong></td>
<td>19.941</td>
<td>20.527</td>
<td>22.047</td>
</tr>
</tbody>
</table>

The above figures are GST exclusive.
### 10.4 Statement of Projected Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($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>Advertising Revenue</td>
<td>1.450</td>
<td>2.676</td>
<td>3.867</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>0.370</td>
<td>0.370</td>
<td>0.370</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>37.204</strong></td>
<td><strong>38.430</strong></td>
<td><strong>39.621</strong></td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Costs</td>
<td>15.129</td>
<td>15.258</td>
<td>15.412</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation Expense</td>
<td>2.003</td>
<td>1.939</td>
<td>1.667</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>10.787</td>
<td>10.677</td>
<td>10.896</td>
</tr>
<tr>
<td>Other Operating Costs</td>
<td>9.284</td>
<td>9.970</td>
<td>10.126</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>37.203</strong></td>
<td><strong>37.844</strong></td>
<td><strong>38.101</strong></td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>0.001</td>
<td>0.586</td>
<td>1.520</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td><strong>0.001</strong></td>
<td><strong>0.586</strong></td>
<td><strong>1.520</strong></td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Māori Television Service</td>
<td>0.001</td>
<td>0.586</td>
<td>1.520</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Māori Television Service</td>
<td>0.001</td>
<td>0.586</td>
<td>1.520</td>
</tr>
</tbody>
</table>

The above figures are GST exclusive.
### 10.5 Statement of Projected Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>2016/2017 ($m)</th>
<th>2017/2018 ($m)</th>
<th>2018/2019 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was provided from -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>1.430</td>
<td>2.562</td>
<td>3.768</td>
</tr>
<tr>
<td>Production Funding</td>
<td>16.120</td>
<td>16.120</td>
<td>16.120</td>
</tr>
<tr>
<td>Cash was disbursed to -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(37.651)</td>
<td>(39.225)</td>
<td>(39.613)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>(0.837)</td>
<td>(1.279)</td>
<td>(0.461)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was disbursed to -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Property Plant &amp; Equipment</td>
<td>(2.241)</td>
<td>(0.525)</td>
<td>(1.114)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td>(2.241)</td>
<td>(0.525)</td>
<td>(1.114)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING 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>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET INCREASE/(DECREASE) IN CASH HELD</strong></td>
<td>(3.078)</td>
<td>(1.804)</td>
<td>(1.575)</td>
</tr>
<tr>
<td>Opening cash</td>
<td>16.324</td>
<td>13.246</td>
<td>11.442</td>
</tr>
<tr>
<td><strong>CLOSING CASH AT 30 JUNE</strong></td>
<td>13.246</td>
<td>11.442</td>
<td>9.867</td>
</tr>
</tbody>
</table>

The above figures are GST exclusive.
Statement of Accounting Policies

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

The projected financial statements are for the 3 years ending 30 June 2019.

(a) Reporting Entity
The Māori Television Service is a statutory corporation incorporated in New Zealand under the Māori Television Service Act 2003 and is domiciled in New Zealand.

The purpose of Māori Television is to contribute to the protection and to promote te reo Māori and as such the objective is to provide a service to the public of New Zealand as opposed to that of making a financial return. Accordingly Māori Television has designated itself as a Tier 1 public benefit entity (PBE) for financial reporting purposes.

(b) Statement of Compliance
These financial statements have been prepared in accordance with section 41 of the Māori Television Service Act 2003 which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

The financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

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

(d) Changes in Accounting Policy
There have been no changes in accounting policies during the financial year.

(e) Functional and Presentation Currency
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000). The functional currency of Māori Television is New Zealand dollars.

(f) Forecast Financial Statements
Budget Figures
The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with PBE accounting standards, using accounting policies that are consistent with those adopted by Māori Television for the preparation of the financial statements.

(g) 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 surplus or deficit.

**(h) Revenue**

Revenue is measured at the fair value of consideration received or receivable.

**Vote Māori Development Funding**

Māori Television is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Māori Television meeting its objectives as specified in the Statement of Intent and Output Plan. Maori Television considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

**Te Māngai Pāho Production Funding**

Māori Television receives funding from Te Māngai Pāho, which is restricted in its use for the purpose of the Māori Television meeting its objectives as specified in the Agreement for Television Production Funding. Maori Television considers there are conditions attached to the funding and this funding is recognised as revenue when the conditions are satisfied.

**Other Production Funding**

Production funding from Te Māngai Pāho and others (e.g. NZ On Air) is recognised when earned.

**Advertising revenue**

The sale of advertising spots provided to third parties on commercial terms are exchange transactions. Advertising revenue is recognised when advertising spots have gone to air.

**Interest revenue**

Interest revenue is recognised when earned.

**(i) Leases**

**Operating Leases**

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Māori Television are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the surplus or deficit.

**(j) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments, with original maturities of three months or less.

**(k) Investments**

At balance date Māori Television assesses whether there is any objective evidence that an investment is impaired.

**Bank deposits**

Investments in bank deposits are initially measured at fair value plus transaction costs.
After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method.

For bank deposits, impairment is established when there is objective evidence that Māori Television will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered indicators that the deposit is impaired.

**(l) Trade and Other Receivables**

Trade and other receivables are measured at fair value.

Impairment of a receivable is established when there is objective evidence that Māori Television will not be able to collect amounts due according to the original terms of the receivable.

The amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

**(m) Financial Instruments**

Māori Television is party to financial instrument arrangements including cash and bank, 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 surplus or deficit. Except for those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

**(n) Intangibles**

**Software:**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with the development of the Māori Television website are capitalised. Costs associated with the maintenance of the Māori Television website are recognised as an expense when incurred.

**Programme Rights:**

All programmes are valued at their cost to Māori Television. Cost being defined as total cost paid by Māori Television not including any Māori Television overheads. Third party contributions for individual programmes are recorded in the Statement of Comprehensive Income as revenue.

Under PBE IPSAS 31, Māori Television recognises the following types of programmes at cost and amortises each programme over its economic useful life:

- Internally produced programmes;
- Commissioned programmes; and
• Acquired programmes produced by third party producers.

An annual impairment assessment is carried out on all intangibles recognised by Māori Television.

(o) Amortisation
The carrying value of an intangible with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

<table>
<thead>
<tr>
<th>Intangible</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>2 years</td>
</tr>
<tr>
<td>Acquired computer software</td>
<td>3 years</td>
</tr>
</tbody>
</table>

Programme Rights
Programmes which primarily deal with current events, and/or transmitted within a very short-time of their production, and/or are unlikely to be replayed at any future time (e.g. genres such as current affairs, sport, live events) are fully amortised at the time of their first transmission.

Programmes with longer shelf lives, that are intended to be transmitted several times over a number of months or years, are amortised as they are broadcast. The amortisation formula may be varied depending on the specifics of the programme but the default amortisation policy is based on 60% first play, 20% second play and 20% third play.

(p) Property, Plant and Equipment and Depreciation
Property, plant and equipment are stated at historical cost less accumulated depreciation or impairment losses. 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 Category</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer 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 Fit-out</td>
<td>10 - 20 years</td>
</tr>
<tr>
<td>Building Soft Fit-out and Office Equipment</td>
<td>5 - 12 years</td>
</tr>
<tr>
<td>Artworks</td>
<td>9 years</td>
</tr>
</tbody>
</table>

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Estimates in respect of Studio Fitout and Artworks were
During the 2014 year, Māori Television tested the carrying value of the Studio Fitout assets with respect to its lease arrangements for impairment. The useful life of Studio Fitout being limited to the term of the lease, 31 May 2022.

(q) Impairment of non-financial assets
Property, plant and equipment and intangibles that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset’s ability to generate net cash inflows and where Māori Television would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset’s carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

(r) Trade and Other Payables
Trade and other payables are measured at fair value.

(s) 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 employment contracts for long service leave or retirement leave.

(t) Goods and Services Tax (GST)
All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

(u) Statement of Cash Flows
Cash and cash equivalents means cash balances on hand, held in bank accounts, on-demand deposits and term deposits with original maturities of less than three months.
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 property plant and equipment, intangibles and bank deposits greater than three months.

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

(v) Liquidity Risk - Management of Liquidity Risk
Liquidity risk is the risk that Māori Television will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through and an adequate amount of committed credit facilities. Māori Television aims to maintain flexibility in funding by keeping committed credit lines available.

(w) Capital Management
Māori Television's capital is its equity, which comprise retained earnings and is represented by net assets.

(x) Interest in Jointly Controlled Entity
The interest in a joint venture entity (Freeview) is accounted for in the financial statements using the equity method of accounting. Under the equity method, Māori Television's share of the results of the joint venture is recognised in the Statement of Comprehensive Income and the share of movements in reserves is recognised in the Statement of Financial Position.

(y) Critical accounting estimates and assumptions
In preparing these financial statements Māori Television has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Property, plant and equipment useful lives and residual value
At each balance date Māori Television reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires Māori Television to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Māori Television, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. Māori Television minimise the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.
Estimates in respect of certain items of studio fitout were revised in 2015. The useful lives for these assets were decreased to 10 – 20 years.

**Programme rights useful lives and residual value**

At each balance date Māori Television reviews the values of its programme rights. Assessing the appropriateness of the useful life and residual value estimates of programme rights is based on historical experience and the expected period of use of the programme right. Adjustments to useful lives are made when considered necessary.

**Programme Values**

Māori Television has exercised its judgement when determining that programmes with value in terms of te reo Māori (Māori language) me ngā tikanga Māori (Māori culture) are retained in the programme library.

When assessing whether the programme should be derecognized from intangible assets, Māori Television considers the following factors:

- The cost price has been fully amortised.
- The broadcast rights period has expired.
- The number of authorised plays has been reached.
- Māori Television has no rights to any future exploitation of the programme for non-broadcast uses.
- Māori Television does not have the right to add the programme to its archive.
- Māori Television had no role in its conception or production, and therefore no intellectual property rights.
- The programme has no future usage in regard to the promotion te reo Māori (Māori language) me ngā tikanga Māori (Māori culture).

When these criteria are satisfied, Māori Television adjusts the cost and accumulated amortisation of the programmes. In these instances, there is no impact on the surplus or deficit, or net book value of intangible assets.