

HE ARA WHĀĪA, HE ARA HOU

'Kia ita!'

Te Taura Whiri i te Reo Māori
MĀORI LANGUAGE COMMISSION



TE TAURA WHIRI I TE REO MĀORI
Māori Language Commission

2016/2017

He karakia

He karakia

E tau nei ki runga i a tātou te wairua o ngā mātua tīpuna,
nā rātou te ara i whakatakoto hei hīkoinga mā tātou ngā uri whakatipu nei.
I whakatōkia ō tātou ngākau ki ngā tikanga nō tuawhakarere
hei arataki i a tātou i roto i tēnei ao.
Kia ngākau nui ki te hāpai i ā tātou mahi katoa i roto i te pono,
i te tika, i te māramatanga me te aroha anō o tētahi ki tētahi.
Koia rā e Rongo e whakairihia ake ana ki runga.
Tūturu o whiti whakamaua kia tina.

Tina ... Hui e ... Tāiki e!

Tina ...

Hui e ...

Tāiki e!

Te rārangi kōrero

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Mai i te Toihau

Introduction from the Toihau

Ngā mihi uruhau

WE are excited to present our Statement of Performance Expectations for 2016/17, He Ara Whāia - pathways forward for the Māori Language Commission 2016/2017.

This is an exciting period for Te Taura Whiri i te Reo Māori as we herald the enactment of Te Ture mō te Reo Māori 2016 – the Māori Language Act 2016. This legislation enables Te Taura Whiri i te Reo Māori to work collaboratively with Te Mātāwai to help establish and support Te Whare o te Reo Mauriora and guide Government support for Māori language outcomes.

This document outlines:

- Our vision
- The four areas of focus for Te Taura Whiri i te Reo Māori
- What we intend to achieve during the 2016/2017 financial year
- Activities we will undertake
- Performance measures
- Forecast results – both financial and non-financial



Wayne Ngata
Toihau
17 November 2016



Charisma Rangipunga
Toihau Tuarua
17 November 2016



He tiro whānui

Overview

HE ARA WHĀIA sets out what Te Taura Whiri i te Reo Māori will do in 2016/2017. It outlines how we will manage our transformation and measure our success in establishing our new role under Te Ture mō te Reo Māori 2016. Our current overarching strategic framework is set out in our Statement of Intent 2014/2018. This informs both our funding and operating processes.

As a Crown entity Te Taura Whiri i te Reo Māori is charged with taking the lead in co-ordinating the implementation of Te Maihi Karauna (the Government's Māori Language Strategy). This is the most significant change in the focus of the organisation since Te Taura Whiri i te Reo Māori was established in 1987. It is an exciting opportunity to consider the role of the Government in supporting Māori language revitalisation and influencing the conditions set across the State sector to achieve positive Māori language outcomes. Consequently, Te Taura Whiri i te Reo Māori needs to transform to ensure that it is fit for purpose enduring and can take a leadership role in this area for the future.

Currently the Māori language sector is in a state of flux and transformation with the introduction of the new legislation. Te Mātāwai will focus on iwi and Māori aspirations for the development of Te Maihi Māori with a particular focus on intergenerational language transmission. Te Taura Whiri i te Reo Māori will have a pivotal role in supporting Te Mātāwai in its establishment phase and more specifically through the community funding initiatives for this financial year. This will be a transitional arrangement until Te Mātāwai operations are fully functional.

Te Ture mō te Reo Māori 2016 makes real the concept of Te Whare o te Reo Mauriora, a partnership model between the Crown and Māori/Iwi represented by Te Mātāwai. To support the partnership model, the Act also provides for the current Māori Language Strategy 2014 to be replaced by two complementary Māori Language Strategies – Te Maihi Karauna (The Government's Māori language Strategy) and Te Maihi Māori (a Māori language strategy for iwi Māori to be developed by Te Mātāwai). The new primary role of Te Taura Whiri i te Reo Māori will revolve around 'leading the coordination of the implementation of Te Maihi Karauna'. This role will include:

- Relationship management
- Strengthening the Māori Language Sector
- Language planning support for government organisations
- Support for the development of Te Maihi Karauna
- Policy advice
- Monitoring the implementation of the current Māori Language Strategy.

TE HOU, a new outlook, a new direction ...

Te Ture mō te Reo Māori 2016 also means Te Taura Whiri i te Reo Māori will work at the macro or national level and accordingly provides a new audience for the promotion of te reo Māori – wider New Zealand. This includes government agencies and wider New Zealand society. Consequently promotional initiatives will primarily target government agencies and the wider New Zealand society including Māori who are not engaged with te reo Māori.

This is also a transition year for Te Taura Whiri i te Reo Māori. We will receive new funding to support Māori language planning workshops in the community and will continue to support communities through Mā Te Reo, Community Based Learning Initiatives, He Kāinga Kōrerorero and He Kura Whānau Reo. In 2017/18, the responsibility for these funding programmes will transfer to Te Mātāwai.

Te Taura Whiri i te Reo Māori will work in partnership with Te Puni Kōkiri to develop Te Maihi Karauna. This will include regular workshops and meetings with Te Puni Kōkiri and other partners in the Māori Language Sector. To date, the Matrix of Indicators for the evaluation of the Māori Language Strategy has been completed and the government's contribution to the Māori Language Strategy outcomes is summarised in the inaugural Māori Language Strategy Report.

We will also support Te Puni Kōkiri to establish Te Mātāwai as well as develop an enduring relationship with the new entity to ensure that our work complements their work and contribute to a well-coordinated Māori Language Sector.

Parallel to the establishment of Te Mātāwai, Te Taura Whiri i te Reo Māori will undertake a transformation to ensure that there is capacity and capability in the organisation to take a leadership role in the development, implementation and coordination of Te Maihi Karauna. Fundamental to this transformation is the development and maintenance of relationships across the Government sector to enable the development of language planning and policy, resource development, promotions and support to enable the objectives of Te Maihi Karauna. Te Taura Whiri i te Reo Māori refer to this significant change as 'Te Hou', a new outlook, a new direction, a new location and more specifically a new role and function under Te Ture mō te Reo Māori 2016.

In the coming year Te Taura Whiri i te Reo Māori will move to undertake this transformation in an effective and efficient manner, and therefore the measures outlined in this Statement of Performance Expectation 2016/2017 are cognisant of the new Māori language landscape created by Te Ture mō te Reo Māori 2016 and more specifically the new role and function of Te Taura Whiri i te Reo Māori.

ISSN 2463-5510 (Print)
ISSN 2463-5529 (Online)



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Ngā aronga matua

Our main areas of focus

HE ARA WHĀIA, HE ARA HOU – *New Pathways Forward*

UNDER TE TURE MŌ TE REO MĀORI 2016 – the Māori Language Act 2016 Te Taura Whiri i te Reo Māori is an enabler to help strengthen collective efforts and contributions to the revitalisation of te reo Māori, with a particular focus on Government agencies. When using strength as our analogy, the four areas of focus for Te Taura Whiri i te Reo Māori are defined through the following outcome areas:

He kaha Te Whare o te Reo Mauriora
He kaha te mana o te reo Māori
He kaha te kete kōrero
He kaha Te Taura Whiri i te Reo Māori

*If the House of te Reo Mauriora is strong,
and the value of te reo Māori is strong,
and the basket of language resources is strong,
and the rope that weaves the strands of te reo Māori
(the Māori Language Commission) is strong,
then our efforts will add value, be mana enhancing
and exemplary.*

Te tau e heke mai nei

Our year at a glance



Building and maintaining strategic relationships (Te Whare o te Reo Mauriora) with key individual Government agencies

Develop and maintain a network for Government Māori Language stakeholders

Support the development of Te Maihi Karauna – the Government's Māori Language Strategy



Support and drive initiatives that enhance the status and visibility of te reo Māori



Multimedia resources developed to support the learning of te reo Māori, building of critical awareness and increasing the visibility of te reo Māori generally

Identify the support, learning opportunities and resourcing required to increase Government responsiveness to Te Rūnanga Reo and outcomes as per the Māori Language Act 2016 and associated strategies



The transformation of Te Taura Whiri i te Reo Māori is complete

Te anga putanga

Outcomes framework

Tā mātou matakitetanga Our vision

*Kia haruru a
Aotearoa whānui
i tō tātou reo
taketake*

the landscape of Aotearoa will
resonate with our indigenous
language



Ngā hua Our outcome areas

He kaha Te Whare o te Reo Mauriora

Relationships, research and policy, community funding, language planning policy

He kaha te mana o te reo Māori

Communications and promotions

He kaha te kete kōrero

Resource development

He kaha Te Taura Whiri i te Reo Māori

Transformation of the organisation, fit for purpose, effective and efficient processes

Ā mātou mahi Our activities

He kaha Te Whare o te Reo Mauriora

- Building and maintaining strategic relationships (Te Whare o te Reo Mauriora) with key individual Government agencies
- Develop and maintain a network for Government Māori Language stakeholders
- Support the development of Te Maihi Karauna – the Government's Māori Language Strategy

He kaha te mana o te reo Māori

- Support and drive initiatives that enhance the status and visibility of te reo Māori

He kaha te kete kōrero

- Resources developed to support the learning of te reo Māori, building of critical awareness and increasing the visibility of te reo Māori generally
- Identify the support, learning opportunities and resourcing required to increase Government responsiveness to Te Rūnanga Reo and outcomes as per the Māori Language Act 2016 and associated strategies

He kaha Te Taura Whiri i te Reo Māori

- The transformation of Te Taura Whiri i te Reo Māori is complete and we are better positioned to deliver our primary role under Te Ture mō te Reo Māori including:
 - Highly targeted and evidence-based promotional initiatives
 - A well-coordinated Māori language sector
 - Better outcomes for te reo Māori

Te whai hua rānei

Measuring our impact

WE MEASURE the strength of the impact of our activities using the following:

Reo Vibrance

Language revitalisation efforts need to be focused on a range of core areas including acquisition, status, corpus, use and critical awareness. Themes for us to measure our impact include:

Number of speakers, levels of activity, intergenerational transmission, high visibility of te reo Māori, value and status, access to quality reo Māori learning, access to strategies and research to support language revitalisation, critical awareness levels across all facets of society.

We will monitor te reo Māori in government agencies through the Māori Language Strategy 2014 (MLS), in wider society through a number of data sources including Growing Up In New Zealand, Sibley (University of Auckland), Ministry of Education and Statistics NZ.

Māori Language Sector Health

A cohesive, coordinated approach across all Government agencies that positively and meaningfully contribute to community and societal aspirations for te reo Māori. Themes for us to measure our impact include:

- Positive relationships that lead to cohesiveness and collaboration, increased capability and capacity
- Support for the establishment of Te Mātāwai; Te Maihi Māori developed with full input as needed from Te Taura Whiri i te Reo Māori; Maihi Karauna developed with full input from Te Taura Whiri i te Reo Māori, giving us a clear path forward to implementation; progress towards a well-coordinated and aware sector.

Economic Value

Te Taura Whiri i te Reo Māori delivers services that add value to the revitalisation of te reo Māori and are relevant in this sector. Themes for us to measure our impact include:

Effective and efficient operations, and financial sustainability.

Our impacts are:

Reo Vibrance

- Increased visibility and promotion of the language that changes the cultural fabric of New Zealand society

Māori Language Sector Health

- Improved relationships with key stakeholders in the Māori Language Sector
- Development and implementation of Te Maihi Karauna – Government's Māori Language Strategy
- Improved coordination within the Māori Language Sector

Economic Value

- Te Taura Whiri i te Reo Māori transformed to better support its new functions under Te Ture mō te Reo Māori 2016

He tairo, he pitomata Challenges & opportunities

Government's **REO MĀORI** Landscape

MĀORI
LANGUAGE ACT
2016

Government's
MĀORI LANGUAGE
STRATEGY



support Little SUPPORT
for Māori Language
planning

Siloed activity
THROUGHOUT
Government agencies

FEW Government
agencies have
MĀORI
LANGUAGE plans

\$225 million plus spent
EACH YEAR

Lack of genuine
CONNECTION
with iwi &
communities

iwi
communities

Ngā hua

The results of our work

PARLIAMENT allocates funds through the appropriation Vote Māori Development to contribute to the achievement of the following impacts:

- Māori are protecting, sustaining and growing their reo, taonga, Mātauranga and tikanga
- Māori are sustainably growing and developing their resources, and
- Māori are acquiring skills and knowledge.

Specific programmes funded are:

- Māori Language Research – \$2m 2016/17¹
- Whānau and Community Planning initiative – \$3m 2016/17²
- Community Based Language Initiative fund – \$2.317m 2016/17³
- Māori Language Strategy - He Kāinga Kōrerorero – \$1.5m 2016/17⁴
- Māori Language Strategy - Mā Te Reo – \$2.5m 2016/17⁵

Te Taura Whiri i te Reo Māori will contribute to these impacts by focussing on four areas of strength:

- **He Kaha Te Whare o te Reo Mauriora** – the Whare o te Reo Mauriora is strong
- **He Kaha te Mana o te Reo Maori** – the value of te reo Māori is seen as strong
- **He Kaha te Kete Kōrero** – the basket of language resources is strong
- **He Kaha Te Taura Whiri i te Reo Māori** – The Māori Language Commission is strong

¹ The Estimates of Appropriations 2016/17 - Vol.8 p155

² Note: Use of these funds is dependent on decisions that will follow the full establishment of Te Mātāwai

³ The Estimates of Appropriations 2016/17 - Vol.8 p146

⁴ Ibid

⁵ Ibid.

1.0 HE KAHA TE WHARE O TE REO MAURIORA

'Te Whare o te Reo Mauriora' is a concept that embodies the active relationship between the Crown and Māori in support of the revitalisation of the Māori language. On the one hand, iwi, hapū, Māori organisations and people use and develop their own language supported by their own time and effort and government funding. On the other, the Government itself acts through Te Taura Whiri i te Reo Māori and other agencies to create an environment in which the use of Māori language is welcomed, encouraged and promoted, and resources made available to support language planning and development.

| Supporting activity | Measure | Evidence |
|---|--|--|
| 1.1 Build and maintain strong positive working relationships with key government agencies and Te Mātāwai. | Relationship agreements are established with at least three government agencies and Te Mātāwai. | Signed relationship agreements. |
| 1.2 Participate actively in the development of Te Maihi Karauna to ensure the statutory role of Te Taura Whiri i te Reo Māori is reflected and can be put into practice. | Te Taura Whiri i te Reo Māori is able to lead in the coordination of the implementation of Te Maihi Karauna. The role of other agencies in Te Maihi Karauna is understood by all. | Existence of a plan giving effect to the statutory role of Te Taura Whiri i te Reo Māori; agreement to this plan by Te Puni Kōkiri and other sector agencies noted in minutes or other records. |
| 1.3 Development of the theory and practice of language planning in government agencies. | Language planning begins in at least three agencies. | Staff appointments; record of contacts with agencies; supporting material produced and available. Resource needs identified, staff recruited, first supporting material for agencies' language planning available. |
| 1.4 Te Taura Whiri i te Reo Māori and Te Mātāwai identify and agree best practice for the relationship between agencies, Te Mātāwai and Te Taura Whiri i te Reo Māori for inclusion in language planning. | Agreement in place. Communicated to agencies developing language plans. | Agreement documentation; copies or records of communications. |
| 1.5 Provide expert advice on the Māori language itself and revitalisation issues to the Minister, government agencies and the public. | The trend in people seeking advice from Te Taura Whiri i te Reo Māori through online resources and direct contact is maintained or increases. The Minister is satisfied with the quality of advice. | Web statistics; records of enquiries. Ministerial feedback at quarterly meetings with the Toihau and Chief Executive |
| 1.6 Increase the understanding of the Māori language itself and Māori language issues by the commissioning of research. | Research completed to the contracted standard or higher. | Research reports completed, record of standard met allowing final payment. |

2.0 HE KAHA TE MANA O TE REO MĀORI

Te Taura Whiri i te Reo Māori has the statutory responsibility 'to take such steps as are reasonably necessary in the opinion of Te Taura Whiri i te Reo Māori to give effect to the status of Māori as an official language of New Zealand;' (s40 Te Ture mō te Reo Māori 2016). The concept of 'giving effect' to the status of te reo Māori as an official language means that it is not enough to be simply declared official – the language itself must be heard and seen in the public sphere. People should also be able to identify who can interpret and translate for official purposes and be able to assess expertise of those using te reo Māori. Parliament votes funds for community language development because of the status of te reo Māori.

| Supporting activity | Measure | Evidence |
|--|--|--|
| 2.1 Lead promotional events such as Te Wiki o te Reo Māori, mobilising goodwill towards the language throughout New Zealand; promote and monitor support for te reo Māori. | <p>Increasing numbers of participant people and organisations in events as estimated by Te Taura Whiri i te Reo Māori; media coverage remains positive.</p> <p>Percentage of stakeholders who report that resources produced to support the promotion and use of te reo Māori are helpful.</p> | <p>Registrations, numbers attending events, news reports.</p> <p>Media monitoring.</p> <p>Stakeholder responses to surveys and other feedback.</p> |
| 2.2 Providing or arranging proficiency assessments for people who want to know the level of their spoken reo Māori and their aural comprehension of te reo Māori. | <p>Those seeking assessment are able to sit the Level Finder examination. Numbers seeking assessment increase.</p> <p>Percentage of Level Finder Examination sitters achieving Level 3 (moderate proficiency).</p> | <p>Records of applications, and attendance, and results.</p> <p>Recorded results show trend is maintained or improved.</p> |
| 2.3 Setting standards, examining and certifying candidates for licensing as interpreters and translators and maintaining a register of those certified. | <p>Standards are set, those seeking certification are able to be assessed and licensed if the standard is met, certification documentation is provided and the register is up to date.</p> | <p>Records of applications and certifications.</p> <p>Standards documented.</p> <p>Register available.</p> |
| 2.4 Community funding is fully allocated for the year; the use of the funds is reported on and assessed for integrity and quality of results; action is taken in cases if any where the funds are not used for the purpose intended. | <p>Funds allocated.</p> <p>Grants and contracts are made and reported on in line with policy.</p> <p>Percentage of home and community based projects or initiatives that meet or exceed expectations of their contracted programme delivery is greater than or equal to 90 per cent.</p> | <p>Documentation of grants made and accountability reports supplied by organisations; records of any action taken should funds be used inappropriately.</p> <p>Accountability documentation.</p> |

3.0 HE KAHA TE KETE KŌRERO

Māori language revitalisation depends on individual, whānau and community time and effort. The efficiency of language transmission through the generations to new native speakers, through later second-language teaching and learning and through deepening the skill level of speakers depends in part on the easy availability of good resources: everything from dictionaries and grammar books through to literature, performing arts and broadcasting.

| Supporting activity | Measure | Evidence |
|--|---|--|
| 3.1 Maintaining and extending existing dictionaries, orthographic guidelines and word lists. | Existing resources continue to be available or expanded if demand persists; necessary maintenance is carried out. | Resources available online; record of changes made or work towards major revisions. |
| 3.2 Production of new resources in response to demand or identification of gaps. | New resources developed. Percentage of stakeholders who report that resources produced to support the promotion and use of te reo Māori are helpful is greater than 85 per cent. | Record of demands identified and responses. Feedback from stakeholders and/or surveys |
| 3.3 Enquiries to Te Taura Whiri i te Reo Māori about language usage responded to. | More than 300 (annual baseline) In most cases responses are made within one week. | Record of enquiries and responses. |

| <h2>4.0</h2> <h1>HE KAHA TE TAURA WHIRI I TE REO MĀORI</h1> | <p>Te Taura Whiri i te Reo Māori has a responsibility to the Minister and to parliament to be an effective and efficient Crown entity. This enables us to better serve the New Zealand people and achieve our goal of Māori language revitalisation. With the changes in law and sector structure we have embarked on a new approach we call '<i>Te Hou</i>', ensuring that the best possible results are achieved from our new outlook, direction, location and our new role and function under Te Ture mō te Reo Māori 2016.</p> | |
|---|--|---|
| Supporting activity | Measure | Evidence |
| <p>4.1 TE HOU: CAPACITY AND CAPABILITY: Recruitment of staff with the skills and experience needed to deliver on our accountabilities for te reo Māori revitalisation to parliament, the Minister, Te Mātāwai and the people of New Zealand.</p> <p>Development of staff skill levels.</p> | <p>All positions filled or advertised by December 2016 by candidates who fully meet specifications.</p> <p>Performance plans in place. Increase in use of professional development budget per staff member.</p> | <p>Human Resources records.</p> <p>Records of performance plans. Financial records.</p> |
| <p>4.2 TE HOU: ENVIRONMENT Relocate office. Ensure fit-out supports efficient use of space and workflow. Good management practices in place. Staff aware of their rights and responsibilities in a safe workplace environment.</p> | <p>Physical environment meets relevant State sector standards.</p> <p>Procedures documented.</p> | <p>Human Resources and Property documentation Induction material.</p> |
| <p>4.3 TE HOU: FINANCIAL INFORMATION SYSTEMS AND CONTROLS are effective.</p> | <p>Reports produced on time in line with audit processes.</p> | <p>Audit report shows improvement.</p> |
| <p>4.4 TE HOU: EFFECTIVENESS AND EFFICIENCY</p> | <p>Service performance information and associated systems and controls are in place to ensure the organisation operates within budget and the Board and monitoring agency have the information they need to make decisions.</p> | <p>Audit report shows improvement.</p> |

Statement of performance expectations (financial)

Vote: Māori Development and output class

Te Taura Whiri i te Reo Māori is funded from Vote: Māori Development under two output classes:

1. Promotion of the Māori Language – for initiatives to revitalise and develop the Māori language in New Zealand, including the promotion of the Māori language
2. Māori Language Research – for research and development projects that support the revitalisation of the Māori language.

In 2016/17, we will receive funding from the Crown of:

- \$3.204 million in general operating expenses
- \$6.317 million in funding to support whānau, hapū and iwi language development¹
- \$3.000 million in new initiative funding appropriated in Budget 2016 to support Te Reo Māori Whānau & Community Planning Initiative
- \$2.000 million to support Māori language research.

The output class Māori Language Research has been granted an exemption² from end of year performance reporting under section 15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of the appropriation is less than \$5 million. Accordingly, this output class is integrated with the other activities and services performed by Te Taura Whiri i te Reo Māori.

Within our output class, we have four focus areas:

- **HE KAHA TE WHARE O TE REO MAURIORA** - Te Whare o te Reo Mauriora is strong
- **HE KAHA TE MANA O TE REO MĀORI** - The value of te reo Māori is strong
- **HE KAHA TE KETE KŌRERO** - The basket of language resources is strong
- **HE KAHA TE TAURA WHIRI I TE REO MĀORI** - The Māori Language Commission is strong

Total funding forecast for 2016/17 and 2017/18 is shown on Table 5.

Table 1: 2016/17 and 2017/18 forecast income by source

| | 2016/17 forecast | 2017/18 forecast |
|--|---------------------|---------------------|
| | \$ | \$ |
| Appropriation: Promotion of the Māori language | 12,521,000 | 3,204,000 |
| Appropriation: Māori Language research | 2,000,000 | 1,000,000 |
| Total revenue-Crown | 14,521,000 | 4,204,000 |
| Other revenue | 431,000 | 150,000 |
| Total revenue | 14,952,000 | 4,354,000 |

¹ For the Mā Te Reo, He Kāinga Kōrerorero and Community Based Language Initiatives funds.

² Vote: Māori Development, *The Estimates of Appropriations 2016/17 - Māori, other populations and cultural sector*; B.5, Vol 8, page 155.

Statement of responsibility

THE PROSPECTIVE STATEMENTS for Te Taura Whiri i te Reo Māori for the year ending 30 June 2017 contained in this report have been prepared in accordance with section 142 of the Crown Entities Act 2004. The financial projections shown as forecasts for 2016/17 on each of the following prospective financial statements have not been audited (as the column headings indicate).

The Director Corporate Services of Te Taura Whiri i te Reo Māori acknowledges that in signing this statement, he accepts responsibility for the prospective financial statements contained in this report.

The financial performance forecast to be achieved by Te Taura Whiri i te Reo Māori for the year ending 30 June 2017 that is specified in the Prospective Financial Statements is as agreed with the Minister for Māori Development who is the Minister responsible for the financial performance of Te Taura Whiri i te Reo Māori.

The performance for each class of outputs forecast to be achieved by Te Taura Whiri i te Reo Māori for the year ending 30 June 2017 that is specified in the Statement of Performance Expectations is agreed with the Minister for Māori Development who is responsible for the Vote administered by Te Taura Whiri i te Reo Māori.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates for the year ending 30 June 2017 and laid before the House of Representatives under section 13 of the Public Finance Act 1989.



Ngahiwi Apanui
Chief Executive
30 June 2016



Tuehu Harris
Director Corporate Services
30 June 2016

Statement of accounting policies

1.1 Reporting Entity

Te Taura Whiri i te Reo Māori – the Māori Language Commission is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing the operation of Te Taura Whiri i te Reo Māori includes the Crown Entities Act 2004 and Te Ture mō te Reo Māori 2016. The ultimate parent of Te Taura Whiri i te Reo Māori is the New Zealand Crown.

Our primary objective is to provide services to the New Zealand public. We do not operate to make a financial return.

Te Taura Whiri i te Reo Māori has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The prospective financial statements for Te Taura Whiri i te Reo Māori are for the year ending 30 June 2017, and were approved by the Board on 2 May 2016.

1.2 Basis of preparation

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

For the year ending 30 June 2017 Te Taura Whiri i te Reo Māori expects to receive from the Crown:

- \$12.521 million for the promotion of the Māori language in New Zealand, including
 - \$3.204 million in operating expenditure
 - \$6.317 million to support Mā Te Reo, He Kāinga Kōrerorero and CBLI. These initiatives aim to support iwi, hapū and whānau to build their capacity in te reo Māori
 - \$3.000 million in new initiative funding appropriated in Budget 2016 to support Te Reo Māori Whānau & Community Planning Initiative
- \$2.000 million for research and development projects that support the revitalisation of Māori language.

Impact of Te Ture mō te Reo Māori 2016

The Act and consequential Cabinet decisions in October 2015 have a number of significant effects on our operations.

1. The following funding will transfer from Te Taura Whiri i te Reo Māori to Te Mātāwai:
 - the full amount of \$6.317 million in funding to support whānau, hapū and iwi language development³
 - \$3.000m for Te Reo Māori Whānau & Community Planning Initiative
 - half of the \$2 million allocation to support Māori language research.

The transfer of the funds is to take place when the Minister is satisfied that Te Mātāwai is established and fully operational, which is expected to occur within 18 months of the Act passing (i.e. by October 2017).

Assumptions

The prospective financial statements have been prepared based on the following assumptions:

- Te Mātāwai will not be deemed to be established and fully operational before 30 June 2017 and that Te Taura Whiri i te Reo Māori will therefore continue to offer the full range of services in research and development and community funding over the 2016/17 financial year
- in the event that Te Mātāwai is established and operational earlier than this date, the revenue and the associated expenditure streams will be transferred at the same time as the responsibility for the associated activities and projects
- at the time of the transfer, Te Taura Whiri i te Reo Māori will provide Te Mātāwai with access to the files, systems and processes supporting the responsibilities
- staff working on the community funding processes or research may be transferred to Te Mātāwai, subject to the appropriate agreements between the parties
- at least three months' notice of the date of transfer will be able to be given to ensure a smooth transition.

³ The Mā Te Reo, He Kāinga Kōrerorero and former Community Based Language Initiatives funding

Statement of compliance

The financial statements of Te Taura Whiri i te Reo Māori have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. We are eligible to apply Tier 2 accounting standards as our expenses are less than \$30 million.

These financial statements comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars.

1.3 Summary of significant accounting policies

Revenue

Te Taura Whiri i te Reo Māori derives revenue through the provision of outputs to the Crown, for services to third parties and interest on its deposits. Such revenue is recognised when earned and is reported in the financial period to which it relates. Revenue is measured at the fair value of consideration received.

Specific accounting policies

Financial assets

Cash and cash equivalents include cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months from date of acquisition. Investments are stated at the lower of cost and net realisable value. Any write-downs are recognised in the Statement of Comprehensive Income.

A provision for impairment of receivables is established when there is objective evidence that Te Taura Whiri i te Reo Māori will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the estimated realisable value.

Physical assets

Physical Assets which consist of leasehold improvements, motor vehicles, furniture and fittings, office equipment and EDP equipment, are initially recorded at cost.

Where an asset is acquired for nil or nominal consideration the asset will be recognised initially at fair value, as at the date of acquisition.

Depreciation

Depreciation is provided on a straight line basis on all physical assets so as to allocate the cost of the assets over their useful lives with no residual value. The estimated economic useful lives and associated depreciation rates of classes of assets are:

| | | |
|------------------------|---------|-----|
| Leasehold Improvements | 5 years | 20% |
| Furniture and Fittings | 5 years | 20% |
| Office Equipment | 5 years | 20% |
| EDP Equipment | 4 years | 25% |
| Software Development | 4 years | 25% |

Intangible assets

Computer software that is not integral to the operation of the hardware is recorded as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software and amortised on a straight line basis over a period of four years. Costs associated with maintaining computer software are recognised as an expense when incurred.

Financial instruments

Te Taura Whiri i te Reo Māori is party to financial instruments in the form of bank accounts, accounts receivable, accounts payable and accruals as part of everyday operations. These are reflected in the Statement of Financial Position at their fair value. Revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

All foreign exchange transactions are translated at the rates of exchange applicable in each transaction. Te Taura Whiri i te Reo Māori does not carry any balances in foreign currencies.

Goods and services tax

The Financial Statements are recorded on a GST exclusive basis with the exception of accounts receivable and accounts payable which are stated with GST included.

Commitments

Future payments are disclosed as commitments at the point a contractual obligation arises to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Leases

Te Taura Whiri i te Reo Māori leases office premises and office equipment. As all the risks and ownership are retained by the lessor, these leases are classified as operating leases. Operating lease costs are expensed in the period in which they are incurred.

Taxation

Te Taura Whiri i te Reo Māori is exempt from income tax as a public authority.

Provision for employment entitlements

Annual leave is recorded on an actual entitlement basis at current rates of pay.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Te Taura Whiri i te Reo Māori invests as part of its day-to-day cash management.

Operating activities include all activities other than investing and financing activities. The cash inflows include all receipts from the sale of goods and services and other sources of revenue that support operating activities of Te Taura Whiri i te Reo Māori. Cash outflows include payments made to employees, suppliers and for taxes.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

Financing activities are those activities relating to changes in equity and debt capital structure of Te Taura Whiri i te Reo Māori and those activities relating to the cost of servicing the equity capital of Te Taura Whiri i te Reo Māori.

Cost allocation

Te Taura Whiri i te Reo Māori has determined the cost of outputs using the cost allocation system outlined below.

Criteria for direct costs

Direct costs are those costs that are directly attributed to an output.

Criteria for indirect costs

Indirect costs and corporate overheads are those costs that cannot be attributed in an economically feasible manner to a specific output, and are allocated to outputs on the basis of budgeted full time equivalents (FTEs) attributable to each output.

Changes in accounting policies

There are no changes in accounting policies.

Statement of prospective comprehensive revenue and expense

For the year ending 30 June 2017

| | 2015/16 Budget \$ | 2015/16 Estimated \$ | 2016/17 Forecast \$ |
|--|-------------------------|----------------------------|---------------------------|
| REVENUE | | | |
| Operating revenue from Crown | | | |
| Operating appropriation | 3,204,000 | 3,204,000 | 3,204,000 |
| Mā Te Reo Fund - monitoring and evaluation | 250,000 | 250,000 | 250,000 |
| Research and development | 2,000,000 | 2,000,000 | 2,000,000 |
| Community-Based Language Initiatives | 1,480,960 | 1,480,960 | 1,510,957 |
| Te Reo Māori Whānau and Community Planning Initiative (TRMW&CPI) | - | - | 3,000,000 |
| Total operating revenue from Crown | 6,934,960 | 6,934,960 | 9,964,957 |
| GRANTS REVENUE FROM CROWN | | | |
| Mā Te Reo Fund | 2,250,000 | 2,250,000 | 2,250,000 |
| He Kāinga Kōrerorero | 1,500,000 | 1,500,000 | 1,500,000 |
| CBLI - Te Kura Whānau Reo | 836,040 | 836,040 | 806,043 |
| Total grant revenue from Crown | 4,586,040 | 4,586,040 | 4,556,043 |
| FINANCE REVENUE | | | |
| Interest income | 350,303 | 285,134 | 265,000 |
| Other revenue | 166,764 | 178,779 | 166,000 |
| Total finance revenue | 517,067 | 463,913 | 431,000 |
| Total revenue | 12,038,067 | 11,984,913 | 14,952,000 |

| | 2015/16 Budget \$ | 2015/16 Estimated \$ | 2016/17 Forecast \$ |
|--|-------------------------|----------------------------|---------------------------|
| EXPENDITURE | | | |
| Personnel expenses | | | |
| TTWh Personnel | 2,190,816 | 2,055,906 | 1,762,400 |
| CBLI Personnel | 130,800 | 100,318 | 81,442 |
| R&D Personnel | 354,250 | 339,687 | 313,265 |
| TRMW&CPI Personnel | - | - | 250,000 |
| Total Personnel expenses | 2,675,866 | 2,495,911 | 2,407,107 |
| Operating expenses | | | |
| Amortisation | 17,744 | 24,300 | 35,964 |
| Depreciation | 63,418 | 61,026 | 246,789 |
| TTWh Operating expenses | 1,796,432 | 1,898,562 | 1,252,584 |
| CBLI Operating expenses | - | 32,762 | 100,000 |
| R&D Operating expenses | 1,574,064 | 1,414,682 | 4,017,505 |
| TRMW&CPI Operating Expenses | - | - | 350,000 |
| CBLI Contracts expenses | 3,280,095 | 1,005,433 | 3,401,705 |
| TRMW&CPI Contracts Expenses | - | - | 2,400,000 |
| Total operation expenses | 6,731,753 | 4,436,765 | 11,804,547 |
| Mā Te Reo fund | 2,250,000 | 2,810,830 | 6,580,214 |
| He Kāinga Kōrerorero | 1,500,000 | 1,500,000 | 1,500,000 |
| CBLI-Te Kura Whānau Reo | 836,040 | 836,040 | 806,043 |
| Total contract expenses | 4,586,040 | 5,146,870 | 8,886,257 |
| Total expenses | 13,993,659 | 12,079,546 | 23,097,911 |
| Operating surplus/(deficit) | (1,955,592) | 466,197 | (3,815,697) |
| Contracts surplus/(deficit) | - | (560,830) | (4,330,214) |
| Operating surplus/(deficit) and total comprehensive revenue and expense | (1,955,592) | (94,633) | (8,145,911) |

Statement of prospective financial position

For the year ending 30 June 2017

| | 2015/16 Budget \$ | 2015/16 Estimated \$ | 2016/17 Forecast \$ |
|--|-------------------------|----------------------------|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7,726,917 | 7,033,673 | 2,500,000 |
| Receivables | 75,000 | 60,000 | 60,000 |
| Mā Te Reo Agency fund investment account | 4,355,000 | 2,197,160 | - |
| GST receivable | - | - | - |
| Prepayments | - | - | - |
| Total current assets | 12,156,917 | 9,290,833 | 2,560,000 |
| Non-current assets | | | |
| Mā Te Reo agency fund | - | 150,000 | - |
| Property, plant and equipment | 345,854 | 255,510 | 167,624 |
| Intangible assets | 304,223 | 154,902 | 267,166 |
| WIP-GMS | - | - | - |
| Total non-current assets | 650,077 | 560,412 | 434,790 |
| Total assets | 12,806,994 | 9,851,245 | 2,994,790 |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | 4,770,468 | 1,500,000 | 788,172 |
| Mā Te Reo Agency fund investment account | 900,000 | - | - |
| GST payable | - | - | - |
| Employee entitlements | 240,000 | 148,770 | 159,000 |
| Total current liabilities | 5,910,468 | 1,648,770 | 947,172 |
| Non-current liabilities | | | |
| Mā Te Reo agency fund | 3,455,000 | 2,347,160 | - |
| Employee entitlements | 12,000 | 4,000 | 12,000 |
| Total non-current liabilities | 3,467,000 | 2,351,160 | 12,000 |
| Total liabilities | 9,377,468 | 3,999,930 | 959,172 |
| Net assets | 3,429,526 | 5,851,315 | 2,035,618 |
| Equity | | | |
| General funds | 1,272,701 | 3,520,545 | 2,035,618 |
| Research and Development Reserve | 2,156,825 | 2,330,770 | - |
| Total equity | 3,429,526 | 5,851,315 | 2,035,618 |

Statement of prospective changes in equity

For the year ending 30 June 2017

| | 2015/16 Budget \$ | 2015/16 Estimated \$ | 2016/17 Forecast \$ |
|---|-------------------------|----------------------------|---------------------------|
| General funds | 3,299,979 | 3,299,979 | 3,520,545 |
| Research and development reserve | 2,085,139 | 2,085,139 | 2,330,770 |
| Total Crown equity at 1 July | 5,385,118 | 5,385,118 | 5,851,315 |
| Surplus/(deficit) from operations | (2,027,278) | 220,566 | (1,484,927) |
| Surplus/(deficit) on research and development | 71,686 | 245,631 | (2,330,770) |
| Total operating surplus/(deficit) | (1,955,592) | 466,197 | (3,815,697) |
| Contracts surplus/(deficit) | - | (560,830) | (4,330,214) |
| Total contracts surplus/(deficit) for year | - | (560,830) | (4,330,214) |
| Transfer: Mā Te Reo fund liability | - | 560,830 | 4,330,214 |
| Total operating surplus/(deficit) | - | - | - |
| General funds | 1,272,701 | 3,520,545 | 2,035,618 |
| Research and development reserve | 2,156,825 | 2,330,770 | - |
| Total Crown equity at 30 June | 3,429,526 | 5,851,315 | 2,035,618 |

Statement of prospective cash flow

For the year ending 30 June 2017

| | 2015/16 Budget \$ | 2015/16 Estimated \$ | 2016/17 Forecast \$ |
|---|-------------------------|----------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash was provided from (applied to) | | | |
| Receipts from Crown revenue | 11,521,000 | 11,521,000 | 14,521,000 |
| Interest received | 350,303 | 285,134 | 265,000 |
| Receipt from other revenue | 125,231 | 152,246 | 166,000 |
| Payments to suppliers | (7,209,979) | (9,087,080) | (21,229,010) |
| Payments to employees | (2,587,454) | (2,191,403) | (2,388,877) |
| Payment of GST | - | - | - |
| Net cash flow from operating activities | 2,199,101 | 679,897 | (8,665,887) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash was provided from (applied to) | | | |
| Sale of property, plant and equipment | - | - | - |
| Purchase of property, plant and equipment | (300,000) | (184,870) | (60,000) |
| Purchase of intangible assets | (300,000) | (150,000) | (138,000) |
| Net cash flows from investing activities | (600,000) | (334,870) | (198,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash was provided from (applied to) | | | |
| Capital contributions | - | - | - |
| Mā Te Reo investment fund | - | 560,830 | 4,330,214 |
| Net cash flows from financing activities | - | 560,830 | 4,330,214 |
| Net (decrease)/ increase in cash and cash equivalents | 1,599,101 | 905,857 | (4,533,673) |
| Cash and cash equivalents at beginning of year | 6,127,816 | 6,127,816 | 7,033,673 |
| Cash and cash equivalents at end of year | 7,726,917 | 7,033,673 | 2,500,000 |
| Represented by: Cash & cash equivalents | 7,726,917 | 7,033,673 | 2,500,000 |

'Kia ita!'

Te Taura Whiri i te Reo Maori

MAORI LANGUAGE COMMISSION

