

# HE ARA WHĀĪA, *HE ARA HOU*

Statement of Performance Expectations



*'Kia ita!'*

*Te Taura Whiri i te Reo Māori*  
MĀORI LANGUAGE COMMISSION



TE TAURA WHIRI I TE REO MĀORI  
*Māori Language Commission*

2017/2018



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Presented to the House of Representatives by Te Taura Whiri i te Reo Māori pursuant to section 149 of the Crown Entities Act 2004. Te Taura Whiri i te Reo Māori is an autonomous Crown entity under the Crown Entities Act 2004, with its functions defined in the Māori Language Act 2016.

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

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This one-year *Statement of Performance Expectations 2017-2018* should be read with the four-year *Statement of Intentions 2017-2021*

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# He Kupu nā te Toihau

## From the Chair



**TE TAURA WHIRI I TE REO MĀORI** is ready to take up its role of coordinating the implementation of Maihi Karauna – the Crown’s Māori Language Strategy issued under the Māori Language Act 2016. Te Taura Whiri i te Reo Māori is now concentrating on the promotion and revitalisation of te reo Māori in the public sector and wider New Zealand, including the private sector. We are determined that this will create the conditions in which the Maihi Māori strategy, led by Te Mātāwai, can succeed.

A reorganised and refocused Te Taura Whiri i te Reo Māori will make a substantially greater contribution than has been possible under previous legislation. Our actions in support of revitalisation will have clearly identified results and will justify the confidence shown in us. We have recruited a strong team with the appropriate skills, experience and knowledge to take the organisation into the future.

This Statement of Performance Expectations enables:

- the Minister for Māori Development to participate in setting the annual performance expectations of Te Taura Whiri i te Reo Māori;
- Parliament to be informed of those expectations;
- our partner agencies to know our intended strategy; and
- our performance to be assessed.

It describes:

- our vision;
- the four areas of focus for Te Taura Whiri i te Reo Māori;
- what we intend to achieve during the 2017/18 financial year and how we will measure performance;
- our expected financial results in the year.

The Statement of Performance Expectations describes the first year of the period covered by our separate Statement of Intent (2017/18 through to 2020/21). The two documents should be read together. We are confident of a successful 2017/18, and look forward to providing a solid foundation for the years ahead.

Dr Wayne Ngata  
Toihau  
Chairperson  
30 June 2017

Charisma Rangipunga  
Toihau Tuarua  
Deputy Chairperson  
30 June 2017

# Te Anga Putanga

Outcomes framework

Te Wawata Mātāmua *Vision*

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

All New Zealand will resonate with  
our indigenous language

Kaupapa Mātāmua *Mission*

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*Promote te reo Māori  
as an ordinary means of  
communication and a  
living language.*



## Ngā Hua Results

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### NEW ZEALAND will have more:

- **domains** in which te reo Māori is used.
- **users** of te reo Māori.
- **critical awareness** of te reo Māori and its revitalisation.

### TE REO MĀORI will have:

- higher **status**.
- higher **quality of use** at all levels.
- the **ability** to deal with all modern needs.

## Ngā Kaha Focus Areas

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### He Kaha Te Whare o te Reo Mauriora

Supporting and sustaining the partnership between the Crown and Māori to revitalise the Māori language.

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### He Kaha te mana o te reo Māori

Building the status and visibility of te reo Māori to encourage its use throughout New Zealand.

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### He Kaha te kete kōrero

Generating new resources, maintaining existing resources and providing better access to support the learning, use and quality of te reo Māori.

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### He Kaha Te Taura Whiri i te Reo Māori

Ensuring the effective and efficient operation of Te Taura Whiri i te Reo Māori to deliver the best support for revitalisation.

# Te Whakahaere me te Haumi

## Organisation and Investment

### Te Whakahaere Organisation

**THE CHIEF EXECUTIVE** of Te Taura Whiri i te Reo Māori leads three teams:

- **TE AMO** | Policy and Development
- **TE TOKO REO** | Partnerships, Planning and Promotions
- **TE HĀPAI Ō** | Corporate Services.

Success for Maihi Māori and Maihi Karauna will lead to greater demand for all our services and we need to be able to demonstrate that we are delivering in an effective way.

Te Taura Whiri i te Reo Māori has committed to strengthening its financial management systems and controls. In 2017/18 we intend to build on recent improvements noted in our Audit reports to achieve better results and higher levels of assurance about effective use of public funds.

We have developed stronger performance measures and articulated more clearly the progress we intend to make towards Te Whare o te Reo Mauriora – the effective partnership between the Crown and Māori for revitalisation.

The internal reorganisation commenced in 2015 is now complete. New positions have been filled by rigorous appointment processes with excellent appointees.

Te Taura Whiri i te Reo Māori has a significant strength in our staff beyond their knowledge and skills. Every one, before joining us, had personally invested substantial time and energy in the revitalisation of te reo Māori. They have direct experience of the challenges and joys of this work as parents and grandparents, teachers, learners, performers, hapū and iwi leaders and as advocates. They are ready and eager to be leaders under Maihi Karauna and to inspire others.

### Te Haumi Investment

**THE PROPOSED OUTPUTS** described on the following pages are funded through Vote Māori Development under *Whakarauora Reo mō te Motu - National Māori Language Revitalisation*. This appropriation is limited to activities supporting the revitalisation of the Māori language at a national level, including delivery of a research programme; and the administration of Te Taura Whiri i te Reo Māori.

The financial statements beginning on page 11 indicate how Te Taura Whiri i te Reo Māori intends to deliver its functions. There are three important changes in 2017/18:

- New funding of \$1.5m for each of 2017/18 and 2018/19 has been provided to support the leadership role of Te Taura Whiri i te Reo Māori under the Māori Language Act 2016.
- Community grant funding and its associated administration has ceased (responsibility transferred to Te Mātāwai).
- Funding for research has reduced from \$2m in previous years to \$1m (responsibility for the other 50 per cent transferred to Te Mātāwai).

# Ngā Whāinga Whāiti, ngā Inenga

## Specific Objectives & Measures

<b>1</b>	<b>HE KAHA TE WHARE O TE REO MAURIORA</b> The Crown-Māori partnership is a strength	<b>Supporting and sustaining the partnership between the Crown and Māori to revitalise the Māori language.</b>	
	<b>Supporting activity</b>	<b>Present state (2016/17)</b>	<b>Target (end 2017/18)</b>
<b>1.1</b>	<b>Initiate</b> a work programme with agreement with other reo Māori agencies establishing a common approach to research, policy, monitoring, evaluation and information and data sharing. This will support the delineation of interest and lead areas.	The seven key agencies work together but have no overarching documented agreed approach.	Relationship agreements in place.
<b>1.2</b>	<b>Support</b> Government departments to be actively and systematically engaged in revitalisation.	Very few agencies have language plans that are regularly reviewed and evaluated.	8-12 agencies have completed language plans and registered them.
<b>1.3</b>	<b>Promote</b> language planning in the private sector.	Some large organisations are active in revitalisation (e.g. Air New Zealand).	At least three private firms have completed language plans.
<b>1.4</b>	<b>Manage</b> residual matters resulting from the transfer of grant responsibility to Te Mātāwai.	Approximately 170 grants will require accountability process to be completed in 2017/18.	All grants accountability work completed.
<b>1.5</b>	<b>Provide</b> expert advice on the Māori language itself and revitalisation issues to the Minister, government agencies and the public.	Provision of advice is affected by the transition between Crown Māori language strategies and uncoordinated planning for te reo Māori.	The Minister and other key stakeholders are satisfied with the quality of advice.
	Budget \$6,761,773		

2	<h2>HE KAHA TE MANA O TE REO MĀORI</h2> <p>The status and recognised value of te reo Māori is a strength</p>	<p><b>Building the status and visibility of te reo Māori to encourage its use throughout New Zealand.</b></p>	
	<p><b>Supporting activity</b></p>	<p><b>Present state (2016/17)</b></p>	<p><b>Target (end 2017/18)</b></p>
2.1	<p><b>Increase</b> participation in promotional events such as Māori Language Week.</p>	<p>More than 5,000 people took part in a Māori Language Week parade; hundreds of organisations took part in other activities.</p>	<p>Increased participation by at least 20 per cent as estimated from registrations and monitoring.</p>
2.2	<p><b>Build</b> the Māori Language Awards to attract more entries by making it easy to nominate, promoting more widely and refining categories.</p>	<p>Record number (80) of nominations in 2017.</p>	<p>More than 100 nominations.</p>
2.3	<p><b>Increase</b> the number of licensed translators and interpreters while ensuring quality standards, training and assessment are maintained.</p>	<p>At April 2016, 44 translators and interpreters had identified as being active in those roles. High standards mean that even with only fluent speakers sitting the exams, a pass rate of 20 per cent is expected. Te Taura Whiri i te Reo Māori supports applicants with training.</p>	<p>10 per cent increase in number of registered and active translators and interpreters as a base for further increases.</p> <p>Initiate benchmarking standards against international best practice.</p>
2.4	<p><b>Increase</b> interest and demand for people seeking to know their level of language ability to promote further learning and encourage use.</p>	<p>Te Taura Whiri i te Reo Māori has been actively promoting level finder examinations (LFE) in the second half of 2016/17. YTD 77 candidates have sat the exam.</p>	<p>100 candidates sit the Level Finder Exams by end 2017/18.</p>
2.5	<p><b>Increase</b> the ability of agencies and organisations to easily find licensed translators and interpreters.</p>	<p>It takes agencies time and effort to find an available interpreter or translator.</p>	<p>Easy to use contact lists published of active translators and interpreters.</p>
	<p>Budget \$1,638,665</p>		



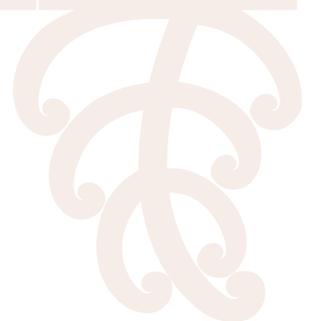
# 3 HE KAHA TE KETE KŌRERO

The resources available to support te reo Māori learning and development are a strength

Generating new resources, maintaining existing resources and providing better access to support the learning, use and quality of te reo Māori.

	Supporting activity	Present state (2016/17)	Target (end 2017/18)
3.1	<b>Establish</b> a language planning and evaluation centre within Te Taura Whiri i te Reo Māori to provide professional advice and resources to support government agencies and other organisations.	Initial resources for language planning and evaluation tested; two senior language planners appointed.	Centre established; resources in place and agencies report them to be easy to use; suite meets 80 per cent of needs identified by agencies doing language planning.
3.2	<b>Support</b> Māori Language week and other events with resources.	Resources produced annually; some become unavailable; surveys of usefulness positive.	Resources produced and made available; survey of users; existing resources made more accessible online.
3.3	<b>Develop</b> an easy-to-access pronunciation tool and trial its use in government agencies.	New activity.	Tool developed and trialled.
3.4	<b>Commission</b> research that contributes to increasing the <ul style="list-style-type: none"> <li>• acquisition</li> <li>• quality (at any level)</li> <li>• critical awareness</li> <li>• status</li> <li>• use and frequency of use of te reo Māori, with focus on the public sector and wider New Zealand.</li> </ul>	Te Taura Whiri i te Reo Māori has commissioned a large amount of helpful research but with implied, rather than specific and stated relevance to revitalisation categories and without implementation and communication plans. In 2016/17, not all research funding was allocated.	All research commissioned includes an indication for its usefulness in developing one or more target areas and all research reports include a plan for implementation and communication; all research funding allocated in line with agreed criteria.
3.5	<b>Ensure</b> te reo Māori is able to deal with modern needs.	Lexical expansion is continuing but without specific targets.	Collate 500 lexical items (words or terms) into <i>He Putunga Kupu Hou</i> .
	Budget \$1,765,610		

4	<b>HE KAHA TE TAURA WHIRI I TE REO MĀORI</b>		<b>Ensuring the effective and efficient operation of Te Taura Whiri i te Reo Māori to deliver the best support for revitalisation.</b>	
	The operational effectiveness of Te Taura Whiri i te Reo Māori is a strength			
		<b>Supporting activity</b>	<b>Present state (2016/17)</b>	<b>Target (end 2017/18)</b>
	4.1	<b>Meet</b> expected financial management standards.	Audit report shows progress on previous years but improvement still needed.	A 'good' or better rating.
	4.2	<b>Meet</b> expected management standards with a particular focus this year on document management.	Significant improvements made in 2016/17.	Positive audit findings.
4.3	<b>Lead</b> the way in the implementation of our own language plan, with staff supported in deepening their language and professional skills.	Nearly all staff in relevant areas have moderate or higher skills; not all have sat formal level finder exams.	Professional development plans for all staff in place and include reference to language skills; all staff have sat level finder exams or are scheduled to do so.	
	Budget \$2,231,125			



# Statement of Performance Expectations

## Te Tauaki Noho Haepapa

### Statement of Responsibility

**THE PROSPECTIVE** financial statements have been developed for the purpose of presenting the intentions of Te Taura Whiri i te Reo Māori in Parliament. Actual results may differ from the prospective financial statements.

We are of the opinion that the forecast financial statements fairly reflect the expected financial position and operations of Te Taura Whiri i te Reo Māori for the year ending 30 June 2018.

The Minister will be provided with an annual report as required by the Crown Entities Act 2004, and quarterly reports outlining performance against this Statement of Performance Expectations.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates for the year ending 30 June 2018 and laid before the House of Representatives under section 13 of the Public Finance Act 1989.

Te Taura Whiri i te Reo Māori receives funding under the appropriation *Whakarauora Reo mō te Motu - National Māori Language Revitalisation*.



Dr Wayne Ngata  
Toihau  
Chairperson  
30 June 2017



Charisma Rangipunga  
Toihau Tuarua  
Deputy Chairperson  
30 June 2017

# Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2018

2016/17 Budget \$		2016/17 Estimate Actual \$	2017/18 Budget \$
<b>REVENUE</b>			
<b>Operating revenue from Crown</b>			
3,204,000	Operating appropriation	3,204,000	4,704,000
250,000	Mā Te Reo Fund - monitoring and evaluation	250,000	-
2,000,000	Research and development	1,000,000	1,000,000
1,510,957	Community-Based Language Initiatives	1,510,957	-
3,000,000	Te Reo Māori Whānau & Community Planning Initiative	3,000,000	-
<b>9,964,957</b>	<b>Total operating revenue from Crown</b>	<b>8,964,957</b>	<b>5,704,000</b>
<b>Grants revenue from Crown</b>			
2,250,000	Mā Te Reo Fund	2,250,000	-
1,500,000	He Kāinga Kōrerorero	1,500,000	-
806,043	CBLI - Te Kura Whānau Reo	806,043	678,401
<b>4,556,043</b>	<b>Total grant revenue from Crown</b>	<b>4,556,043</b>	<b>678,401</b>
<b>Finance revenue</b>			
265,000	Interest income	95,777	100,000
166,000	Other revenue	163,673	150,000
<b>431,000</b>	<b>Total finance revenue</b>	<b>259,450</b>	<b>250,000</b>
<b>14,952,000</b>	<b>Total revenue</b>	<b>13,780,450</b>	<b>6,632,401</b>
<b>EXPENDITURE</b>			
<b>Operating expenses</b>			
2,407,107	Personnel costs	2,565,586	3,263,660
282,75	Depreciation and amortisation expense	122,629	184,420
11,521,794	TTWh operating expenses	6,731,216	7,556,677
<b>14,211,654</b>	<b>Total operating expenses</b>	<b>9,419,431</b>	<b>11,004,757</b>
<b>Contract expenses</b>			
6,580,214	Mā Te Reo fund	4,161,772	714,014
1,500,000	He Kāinga Kōrerorero	1,500,000	-
806,043	CBLI-Te Kura Whānau Reo	806,043	678,401
<b>8,886,257</b>	<b>Total contract expenses</b>	<b>6,467,815</b>	<b>1,392,415</b>
<b>23,097,911</b>	<b>Total expenses</b>	<b>15,887,246</b>	<b>12,397,172</b>
(3,815,697)	Operating surplus/(deficit)	(240,024)	(5,100,757)
(4,330,214)	Contracts surplus/(deficit)	(1,866,772)	(664,014)
<b>(8,145,911)</b>	<b>Operating surplus/(deficit) and total comprehensive revenue and expense</b>	<b>(2,106,796)</b>	<b>(5,764,771)</b>

# Prospective Statement of Financial Position

As at 30 June 2018

2016/17 Budget \$		2016/17 Estimate Actual \$	2017/18 Budget \$
	<b>Assets</b>		
	<b>Current assets</b>		
2,500,000	Cash and cash equivalents	7,651,207	1,672,462
60,000	Receivables	-	-
	- Mā Te Reo Agency fund	2,564,946	1,900,932
	- GST receivable	246,755	94,425
	- Prepayments	-	-
<b>2,560,000</b>	<b>Total current assets</b>	<b>10,462,908</b>	<b>3,667,819</b>
	<b>Non-current assets</b>		
	- Mā Te Reo Agency fund	-	-
167,624	Property, plant and equipment	306,356	326,356
267,166	Intangible assets	266,595	322,175
<b>434,790</b>	<b>Total non-current assets</b>	<b>572,951</b>	<b>648,531</b>
<b>2,994,790</b>	<b>Total assets</b>	<b>11,035,859</b>	<b>4,316,350</b>
	<b>Liabilities</b>		
	<b>Current liabilities</b>		
788,172	Payables	1,700,000	800,000
	- Mā Te Reo Agency fund	2,564,946	1,900,932
159,000	Employee entitlements	159,000	200,000
	- Provision for restructure	95,738	-
<b>947,172</b>	<b>Total current liabilities</b>	<b>4,519,684</b>	<b>2,900,932</b>
	<b>Non-current liabilities</b>		
	- Mā Te Reo Agency fund	-	-
12,000	Employee entitlements	12,000	12,000
<b>12,000</b>	<b>Total non-current liabilities</b>	<b>12,000</b>	<b>12,000</b>
<b>959,172</b>	<b>Total liabilities</b>	<b>4,531,684</b>	<b>2,912,932</b>
<b>2,035,618</b>	<b>Net assets</b>	<b>6,504,175</b>	<b>1,403,418</b>
	<b>Equity</b>		
2,035,618	General funds	4,406,502	930,645
	Research and development reserve	2,097,673	472,773
<b>2,035,618</b>	<b>Total equity</b>	<b>6,504,175</b>	<b>1,403,418</b>

# Prospective Statement of Changes in Equity

For the year ending 30 June 2018

2016/17 Budget \$		2016/17 Estimate Actual \$	2017/18 Budget \$
3,520,545	General funds	3,806,359	4,406,502
2,330,770	Research and development reserve	2,937,840	2,097,673
<b>5,851,315</b>	<b>Total Crown equity at 1 July</b>	<b>6,744,199</b>	<b>6,504,175</b>
(1,484,927)	Surplus/(deficit) from operations	600,143	(3,475,857)
(2,330,770)	Surplus/(deficit) on research and development	(840,167)	(1,624,900)
<b>(3,815,697)</b>	<b>Total operating surplus/(deficit)</b>	<b>(240,024)</b>	<b>(5,100,757)</b>
(4,330,214)	Contracts surplus/(deficit)	(1,866,772)	(664,014)
<b>(4,330,214)</b>	<b>Total surplus/(deficit) for year</b>	<b>(1,866,772)</b>	<b>(664,014)</b>
4,330,214	Transfer: Mā Te Reo fund liability	1,866,772	664,014
-	<b>Total operating surplus/(deficit)</b>	<b>1,866,772</b>	<b>664,014</b>
2,035,618	General funds	4,406,502	930,645
-	Research and development reserve	2,097,673	472,773
<b>2,035,618</b>	<b>Total Crown equity at 30 June</b>	<b>6,504,175</b>	<b>1,403,418</b>

# Prospective Statement of Cash Flow

For the year ending 30 June 2018

2016/17 Budget \$		2016/17 Estimate Actual \$	2017/18 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from (applied to)</b>			
14,521,000	Receipts from Crown revenue	13,521,000	6,382,401
265,000	Interest received	95,777	100,000
166,000	Receipt from other revenue	182,537	182,537
(21,229,010)	Payments to suppliers	(12,910,482)	(9,891,629)
(2,388,877)	Payments to employees	(2,578,871)	(3,318,398)
-	- Payment of GST	(83,740)	152,330
<b>(8,665,887)</b>	<b>Net cash flow from operating activities</b>	<b>(1,773,779)</b>	<b>(6,392,759)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from (applied to)</b>			
(60,000)	Purchase of property, plant and equipment(	(101,119)	(96,119)
(138,000)	Purchase of intangible assets	(153,881)	(153,881)
<b>(198,000)</b>	<b>Net cash flows from investing activities</b>	<b>(255,000)</b>	<b>(250,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was provided from (applied to)</b>			
4,330,214	Mā Te Reo investment fund	1,866,772	664,014
<b>4,330,214</b>	<b>Net cash flows from financing activities</b>	<b>1,866,772</b>	<b>664,014</b>
(4,533,673)	Net (decrease)/ increase in cash and cash equivalent	(162,007)	(5,978,745)
7,033,673	Cash and cash equivalents at beginning of year	7,813,214	7,651,207
2,500,000	Cash and cash equivalents at end of year	7,651,207	1,672,462
<b>2,500,000</b>	<b>Represented by: Cash &amp; cash equivalents</b>	<b>7,651,207</b>	<b>1,672,462</b>

# Statement of Accounting Policies

## 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 2018, and were approved by the Board on 30 May 2017.

## 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.

## Assumptions

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

- surpluses which built up during the period of uncertainty of the development of the new Māori Language Act 2016 will be managed down.
- commitments for Te Reo Māori Whānau & Community Planning Initiative grants funding that commenced in 2016/17 will be completed.
- there will be a full complement of staff.
- \$3m for 2017/18 and 2018/19 (\$1.5m/year) for the implementation of the Maihi Karauna was allocated.
- responsibility for residual grants funding of community based programmes ends at the end of 2017/18.
- Interest income includes revenue for both Operating and Grants workstream.

## Presentation currency

The financial statements are presented in New Zealand dollars.

## 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.

### 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 ICT 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%
ICT 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

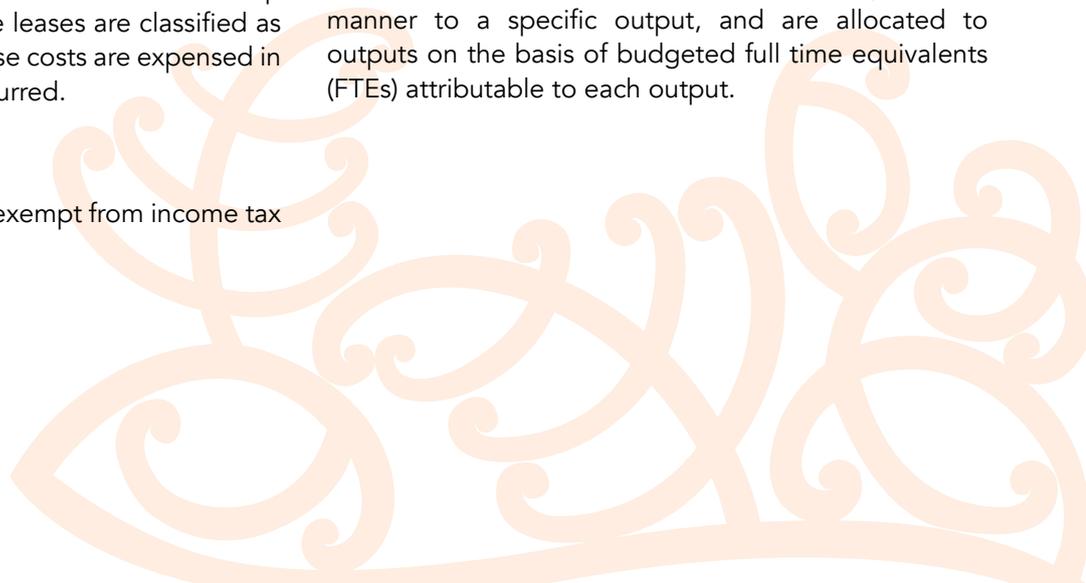
Te Taura Whiri i te Reo Māori has determined the cost of outputs using the cost allocation system outlined below.

### 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.





'Kia ita!'

*Te Taura Whiri i te Reo Māori*

MĀORI LANGUAGE COMMISSION

