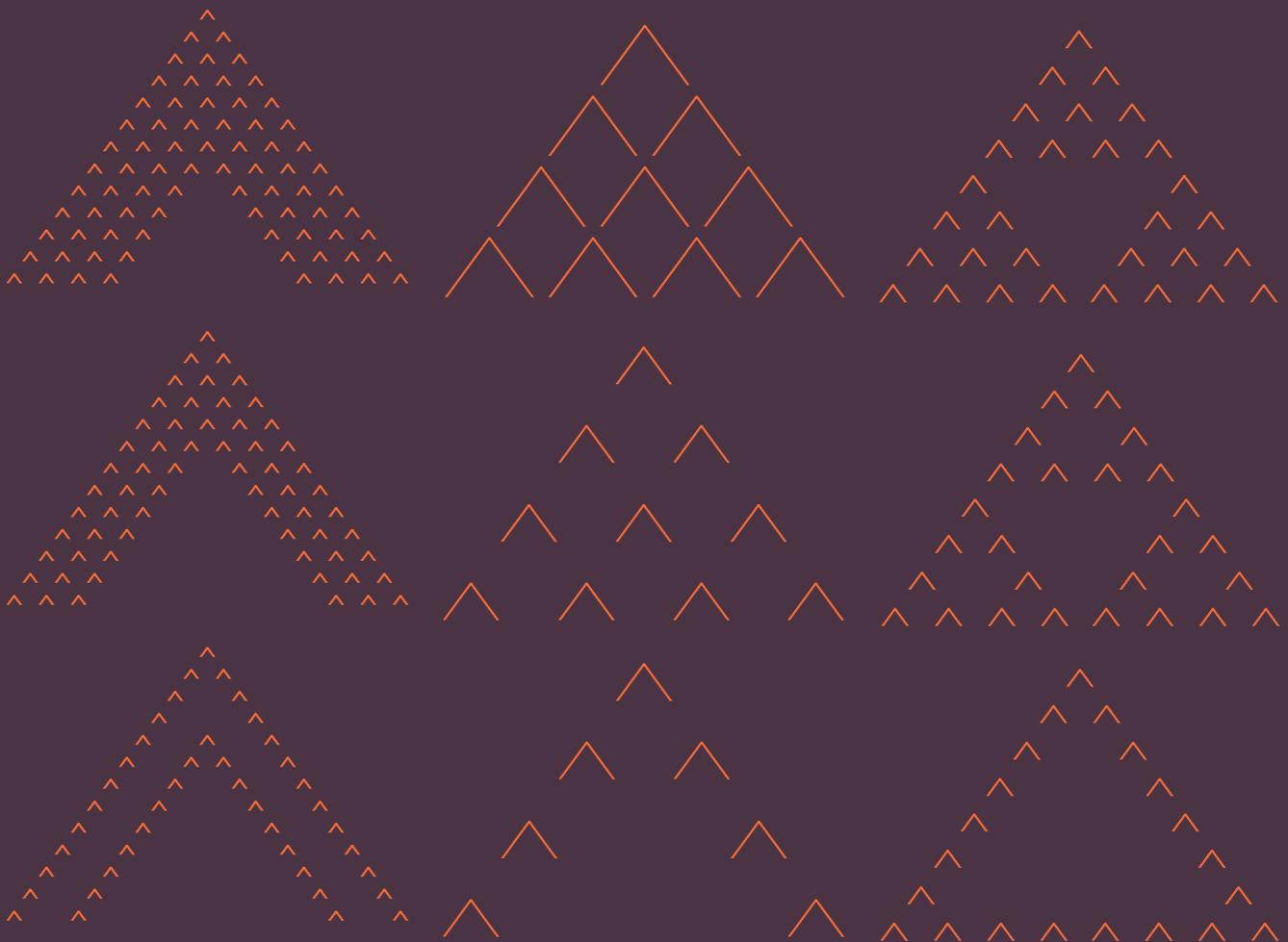




2025—2026

Statement of Performance Expectations



Minister for Māori Development Hon Tama Potaka
Nei rā te mihi kau atu ki a koe.

We are pleased to present you with the Statement of Performance Expectations of Te Taura Whiri i te Reo Māori for the year ending June 2026.

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Professor Rawinia Higgins
PFHEA FRSNZ MNZM
Board Chair



Dr Jeremy Tātere MacLeod
Board Member

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A word from the Board Chair



We live in interesting times, where nothing seems to be a constant. Change has come quickly over the past two years.

Geopolitics and social media keep shifting and challenging our fundamental understandings of humanity. Extreme views are gaining traction on platforms that amplify polarisation and reward outrage. The rise of artificial intelligence has raised valid concerns around ethics, bias, and reliability. At the cross hairs of this context, the public sector is adjusting to the government's drive for baseline savings, with rapid downsizing, shifting priorities, and greater pressure on those who remain. Consequently, the drive for savings is at the expense of any new investment in te reo.

Te Taura Whiri i te Reo Māori has responded by focusing on value: working smarter, maintaining quality and adapting where needed. While we have not suffered direct job losses, our work is not immune to the wider effects of funding constraints and shifting attention across the system.

Revitalisation has never been just about resourcing. It is driven by people. Our approach is to build support with those who share our kaupapa, not to beg for support where there is none. Many of our partners are under pressure, making hard decisions about what they can offer, even to kaupapa that are important to them. But we all remain committed to promoting and celebrating te reo and to finding ways forward together.

This year, we've updated our performance measures and introduced two new strategic foci:

- strengthening connections with rangatahi; and
- building strategic partnerships with the private sector.

Rangatahi are key to carrying te reo Māori forward. Their energy and leadership will set the conditions for the generations they shape in the future.

We want to create space for them to be heard, and we'll track our progress through their participation in our online platforms and youth-led engagement initiatives.

Strategic partnerships offer opportunities to co-design and co-invest, extending our reach through shared goals and genuine purpose. Rather than chase rapidly evolving technology without fully understanding its risks, we're choosing to invest in what endures: relationships. Whakawhanaungatanga reflects something deeply human; a reminder that we thrive in community. This is how we will continue to amplify te reo Māori – through collaboration, trust and collective action.

We look forward to the mahi ahead and on having a positive impact on Aotearoa – the home of te reo.

Professor Rawinia Higgins
PFHEA FRSNZ MNZM
Board Chair
Te Taura Whiri i te Reo Māori

Our Origins

For most of the 20th century the New Zealand government discouraged, banned and made it socially unacceptable to openly speak te reo Māori. In 1972, the Māori Language Petition was presented to Parliament, signed by more than 30,000 New Zealanders. 14 September 1972 became Māori Language Day and eventually expanded to what we now know as Te Wiki o te Reo Māori (Māori Language Week).

At the establishment of the Commission in 1987, our founding board members were Sir Timoti Karetū, Sir Kīngi Matutaera Ihaka, Dame Kāterina Te Heikōkō Mataira, Anita Moke and Dr Ray Harlow.

The board's first action was to create our name: 'Te Taura Whiri i te Reo Māori: the rope that binds the language'. The logo, a partially woven rope, was created by Dame Kāterina at the same meeting, and the new name and logo were agreed to, a karakia shared and the decision ratified.

We now have two distinct brand identities:



The triangle is the niho taniwha used in tukutuku, tāniko and whakairo; a symbol of strength, resilience and leadership.

Our corporate identity bears the original taura whiri logo designed by Dame Kāterina. This can only be used by Te Taura Whiri i te Reo Māori or with our permission.

The taura in the middle has frayed ends; the miro represents the uniqueness of iwi dialect and diversity.

The bands around the edges are strands of harakeke woven together. They represent iwi and people united together for te reo Māori.



The tongue represents the elements of revitalisation: status, critical awareness, acquisition, use and corpus.

Our heitiki brand is available for the public to use to support te reo Māori revitalisation efforts. It can be used for events and presentations but not for commercial gain.

The colours used in the arero represent the rākau (cuisenaire rods) used in teaching the Ataarangi method, familiar now to decades of learners. The colouring also recognises the diversity of people who live in Aotearoa and carries an inclusive message that te reo Māori is for everyone.

Our Statutory Functions

Te Taura Whiri i te Reo Māori was set up to promote the use of Māori as a living language and as an ordinary means of communication. As a result of Te Ture mō te Reo Māori 2016, Te Taura Whiri now has a focused role in te reo revitalisation by working with other agencies to meet Crown commitments under the Act; by promoting te reo Māori to wider New Zealand; by investing in research; and acting with a wide remit to give effect to the status of te reo Māori as an official language.



From Te Ture mō te Reo Māori 2016 Section 40 (1):

Functions and Powers of Te Taura Whiri

- (1) The functions of Te Taura Whiri are –
- (a) to take such steps as are reasonably necessary to give effect to the status of Māori as an official language of New Zealand; and
 - (b) to promote the Māori language –
 - (i) as a living language; and
 - (ii) as an ordinary means of communication
 - (c) to take the lead in co-ordinating the implementation of the Maihi Karauna strategy; and
 - (d) to consider and report to the Minister on matters relating to the Māori language; and
 - (e) to make provision for, and to grant, certificates in accordance with Schedule 6; and
 - (f) to prepare, maintain, and publish a register of persons who hold certificates granted under this Act, including any endorsement of a certificate.
- (2) Te Taura Whiri has the powers necessary to carry out its functions.

Source: Verian, Te Wiki o te Reo Māori Research Report (2024).

Our Board

We have five members on our board, with the most recent announcements being the reappointment of Professor Rawinia Higgins as Board Chair and the appointment of a new member, Te Haumihiata Mason.



◀ **Professor Rawinia Higgins**
PFHEA FRSNZ MNZM
Board Chair

Charisma Rangipunga
Deputy Board Chair

Dr Jeremy Tātere MacLeod
Board Member

Te Atamira Jennifer Ward-Lealand
CNZM
Board Member

Te Haumihiata Mason
ONZM
Board Member

Our Leadership Team



◀ **Ngahiwi Apanui-Barr**
Chief Executive

Matu Ihaka
Deputy Chief Executive
Language Planning

Ngapera Hoerara
Deputy Chief Executive
Policy and Development

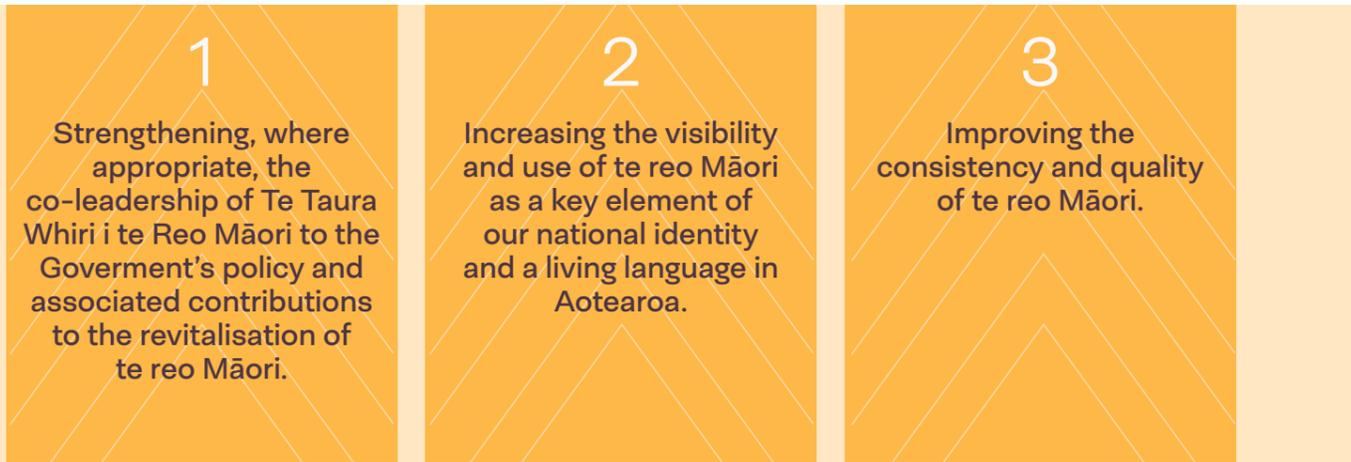
Pirimia Burger
Deputy Chief Executive
Partnerships and Promotions

Te Tumatakuru O'Connell
Deputy Chief Executive
Māori Language Services

Vacant
Deputy Chief Executive
Corporate Services

Strategic Direction

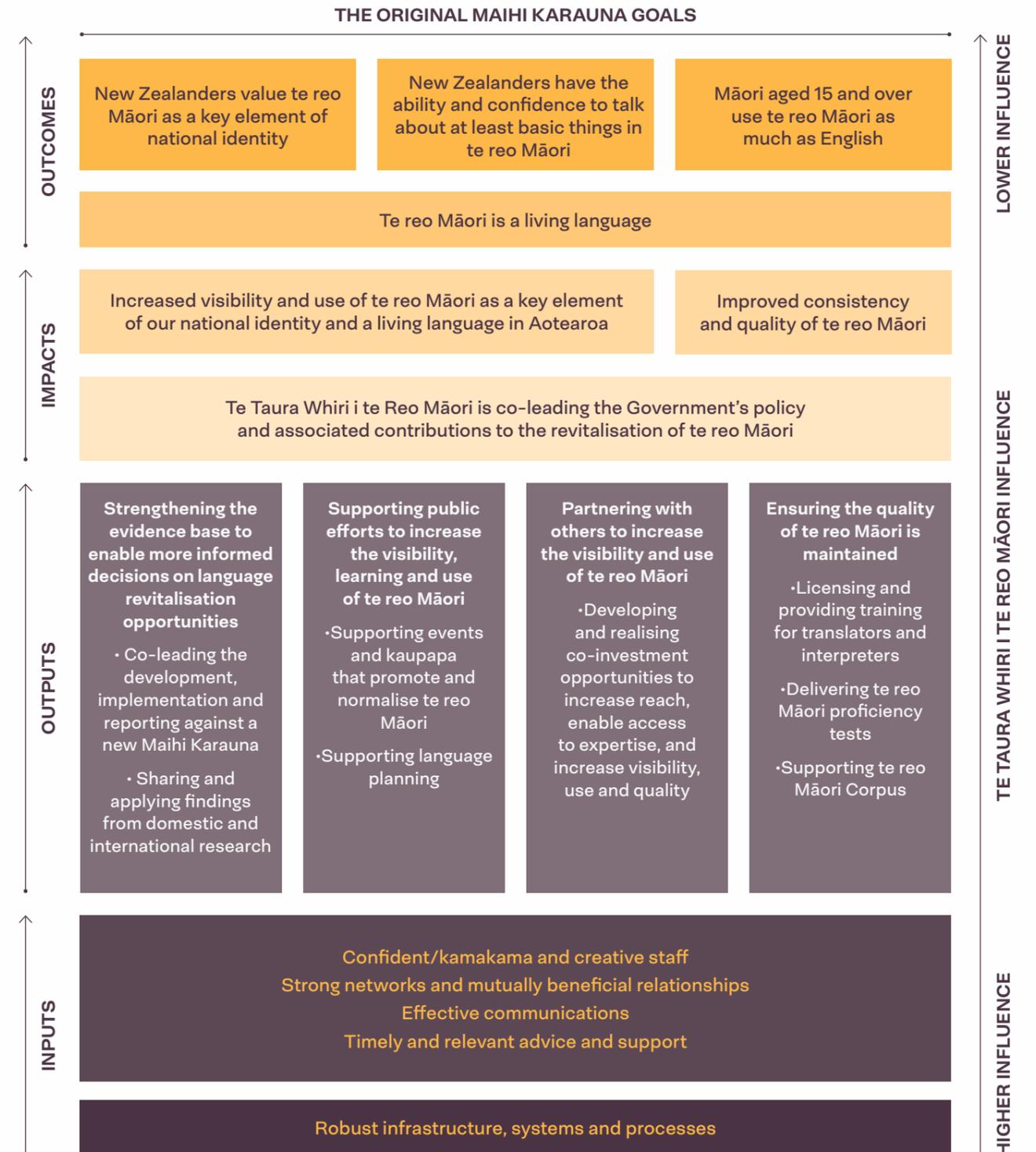
As detailed in our 2025–2029 Statement of Intent, we have three key strategic intentions:



For the year ahead, we will focus on:



Intervention logic 2025–29



Our Performance Measures

Ref	Measure	Baseline 2024/25	Target 2025/26
1.1†	Engage in research projects that evaluate and investigate language revitalisation to design better products, services and policy	4	4
2.1†	Increase in digital reach and engagement through active promotion^	*New measure	Achieved
3.1†	Number of government, corporate, and community organisations supported with te reo Māori language planning tools and/or advice	65	70
3.2†	Support kaupapa that normalise te reo Māori across diverse audiences^	40	30
4.1†	Deliver high-quality Māori language services	*New measure	Achieved
5.1	Financial statements presented by Te Taura Whiri i te Reo Māori for audit comply with generally accepted accounting practice in New Zealand and in accordance with the Public Benefit Standards Reduced Disclosure Regime	Very Good	Good (Met) rating
5.2	Performance information presented by Te Taura Whiri i te Reo Māori for audit complies with generally accepted accounting practice in New Zealand	Very Good	Good (Met) rating

† From Estimates of Appropriation: Vote Māori Development - Māori Affairs Sector - Estimates of Appropriations 2024-25.
^Aligned with our statutory role to promote te reo Māori.

Note for SPE 3.1: Baseline taken from monthly reporting figures to 31 May 2025.

Note for SPE 3.2: Aligned kaupapa are supported through sponsorship, project collaboration, partnership agreements and non-financial support such as keynote speaking events that promote language revitalisation and te reo Māori.

Our Performance Measures by Output Output 1

Strengthening the evidence base to enable more informed decisions on language revitalisation opportunities.

Why this is important

Language revitalisation efforts must continue to evolve, and research and evaluations play an important part in shaping our understanding of where we should focus efforts – and where intervention types or activities may no longer be relevant.

Research is also an important contributor to understanding if we have the right balance between top-down (primarily the government, education system and the media) and bottom-up (inter-generational transmission in whānau and hapori) language revitalisation strategies.

How this will be assessed

Ref.	Measure	Baseline 2024/25	Target 2025/26
1.1	Engage in research projects that evaluate and investigate language revitalisation to design better products, services and policy	4	4

Output 2

Supporting public efforts to increase the visibility, learning and use of te reo Māori.

Why this is important

Our 2024 Te Wiki o te Reo Māori survey identified that 74% of New Zealanders think te reo Māori is an important part of Aotearoa New Zealand culture. That same survey reported that 65% of New Zealanders felt that speaking te reo Māori is something to be proud of. These survey results indicate a growing awareness, empathy and recognition of te reo Māori as an important part of Aotearoa New Zealand culture and national identity.

As found in our 2024 Maihi Karauna Summative Evaluation report:

- Te reo Māori has become an acceptable and encouraged practice in agencies' day-to-day activities. Agencies are creating the conditions for more te reo Māori to be used by providing a supportive culture for te reo Māori to grow, develop and be used. This acceptance was not always present prior to the existence of the Maihi Karauna.
- Most agencies have made significant progress in promoting and expanding public awareness of te reo Māori through increased use of bilingual signage, more te reo Māori content in print publications, and other external-facing communications.

- More te reo Māori is also seen in services and products within local government, businesses, community groups and wider society.

Status and mana are critical elements of language revitalisation efforts, and whilst the survey results and report findings indicate widespread support and momentum, there is still significant potential to increase public support for, and use of, te reo Māori.

Language planning is one of the most deliberate ways we shape communication and culture, and refers to the deliberate efforts made by governments, institutions, or communities to influence the development, use, or acquisition of a language.¹ Whilst we have been primarily focused on supporting public sector language planning, we are increasingly being asked to provide this support for non-government organisations and groups that are interested in making their own contributions to language revitalisation efforts. In doing so, we also capture learnings and insights to enable our enhancement and improvement of the types of supports we provide.

How this will be assessed

Ref.	Measure	Baseline 2024/25	Target 2025/26
2.1	Increase in digital reach and engagement through active promotion	New measure	Achieved/ Not Achieved

1. Decressac, A. (2024, December 7). *Language planning: Shaping the future of communication*. Medium. <https://medium.com/@adecressac/language-planning-shaping-the-future-of-communication-829919ea0159>

Output 3

Partnering with others to increase the visibility and use of te reo Māori.

Why this is important

As found in our 2024 Maihi Karauna Summative Evaluation report:

- The visibility and use of te reo Māori in mainstream news media has increased significantly with more te reo Māori content seen and heard on public broadcast platforms such as TVNZ and Radio New Zealand. Presenters and journalists on these platforms are seamlessly integrating te reo Māori throughout bulletins, sports and current affairs programming.
- We've seen the growth of New Zealand businesses embracing and using more te reo Māori in everyday activities, transactions and interactions between clients, staff and customers. Many businesses are actively developing or implementing their own language plans or Māori strategies. Businesses have

embarked on their own te reo Māori journey to gain a better understanding of te ao Māori and how their businesses can commit to promoting te reo Māori in the long term. Some of these companies include Whittaker's Chocolate, Four Square, Countdown, Bank of New Zealand, Auckland Airport and Z Energy.

- More te reo Māori is also seen in services and products within local government, businesses, community groups and wider society.

As a small organisation with limited resources, Te Taura Whiri i te Reo Māori needs to actively pursue partnerships and co-investment opportunities to increase its reach, gain access to other skills, technologies and/or data, and grow more champions of te reo Māori throughout Aotearoa.

How this will be assessed

Ref.	Measure	Baseline 2024/25	Target 2025/26
3.1	Number of government, corporate, and community organisations supported with te reo Māori language planning tools and/or advice	65	70
3.2	Support kaupapa that normalise te reo Māori across diverse audiences	40	30

Output 4

Ensuring the quality of te reo Māori is maintained.

Why this is important

For people who speak or are learning te reo Māori, it's crucial to use words that reflect a Māori perspective on the world and where they fit in. This matters more than the words alone. As the only organisation with the mandate/statutory obligation² to do so, we ensure the quality of te reo is maintained by certifying translators and interpreters, and delivering te reo Māori proficiency testing.

Corpus is a critical element of language revitalisation efforts and an enabler of language to be living/ evolve. In this regard we also play an important role in responding to demands for new words, particularly within lexical domains/specialist fields such as Information & Communication Technology (ICT), science and the public sector.

How this will be assessed

Ref.	Measure	Baseline 2024/25	Target 2025/26
4.1	Deliver high-quality Māori language services	New measure	Achieved

2. Refer to s40 of Te Ture mō te Reo Māori 2016 <https://www.legislation.govt.nz/act/public/2016/0017/latest/DLM6174566.html>

Organisational Health and Capability

Why this is important

These measures are not performance related but reflect our organisational commitment to having strong processes in place for the management of our performance and financial information.

How this will be assessed

Ref.	Measure	Baseline 2024/25	Target 2025/26 ³
5.1	Financial statements presented by Te Taura Whiri i te Reo Māori for audit comply with generally accepted accounting practice in New Zealand and in accordance with the Public Benefit Standards Reduced Disclosure Regime	Exceeded	Met / Exceeded
5.2	Performance information presented by Te Taura Whiri i te Reo Māori for audit complies with generally accepted accounting practice in New Zealand	Exceeded	Met / Exceeded

Reporting to the Minister

Reports at six months (end of December) and nine months (end of March) detail progress against our performance framework and key priorities. Te Taura Whiri i te Reo Māori provides the Minister for Māori Development with reports at six (end of December) and nine-month (end of March) intervals and can

provide a verbal report for the period ending June – considered as preliminary to the annual report. Reports are provided within six weeks following the end of the period, although the end of December report has an extended date to allow for non-working days in January.

3. This reflects the results of audit on our performance information: Needs improvement rating = Not Met; Good rating = Met; Very good rating = Exceeded.

Our Budget and Financial Statements

Our funding for 2025/26

Te Taura Whiri i te Reo Māori is funded from Vote Māori Development under the following appropriation:

Whakarauora Reo mō te Motu (National Māori Language Revitalisation) – supporting the revitalisation of the Māori language at a national level and the administration of Te Taura Whiri i te Reo Māori.

The funding is intended to achieve the effective promotion, protection and revitalisation of the Māori language through:

- the ongoing operation of Te Taura Whiri i te Reo Māori
- the delivery of a research programme supporting Māori language revitalisation

- the Maihi Karauna (Crown Te Reo Māori Strategy), and
- other statutory functions that Te Taura Whiri i te Reo Māori is required to perform.

The funding is also intended to contribute to the achievement of the following impacts for Vote Māori Development:

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

The financial statements indicate how Te Taura Whiri i te Reo Māori intends to deliver its functions.

Total budget funding is shown in the table below

Table 1: 2025/26 actual and budgeted income by output class.

	2024/25 Estimated Actual \$	2025/26 Budget \$	Variance \$
Appropriation: National Māori Language Revitalisation	10,914,000	10,914,000	-
Total revenue – Crown	10,914,000	10,914,000	-
Other revenue	619,115	340,000	279,115
Total revenue	11,533,115	11,254,000	279,115
Total operating expense	12,554,979	13,702,997	1,148,018
Surplus/(Deficit)	(1,021,865)	(2,448,997)	1,427,133

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 2026.

The Minister will be provided with an annual report as required by the Crown Entities Act 2004, and regular 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 2025 and laid before the House of Representatives under section 13 of the Public Finance Act 1989.



Professor Rawinia Higgins
PFHEA FRSNZ MNZM
Board Chair
Te Taura Whiri i te Reo Māori
30 June 2025



Dr Jeremy Tātere MacLeod
Board Member
Te Taura Whiri i te Reo Māori
30 June 2025

Te Taura Whiri i te Reo Māori
Prospective Statement of Comprehensive Revenue and Expense
From the year ending 30 June 2026

2024/25 Budget (\$)		2024/25 Estimated Actual (\$)	2025/26 Budget (\$)
	Revenue		
	Operating revenue from Crown		
10,914,000	Operating appropriation	10,914,000	10,914,000
10,914,000	Total operating revenue from Crown	10,914,000	10,914,000
	Finance revenue		
120,000	Interest income	204,190	130,000
210,000	Other revenue	414,924	210,000
330,000	Total finance revenue	619,115	340,000
11,244,000	Total revenue	11,533,115	11,254,000
	Expenditure		
7,187,775	Personnel costs	7,083,887	7,404,812
915,340	Depreciation and amortisation expenses	812,827	870,316
1,326,000	Promotion Costs	480,052	1,030,000
830,000	Research & Development Costs	671,302	830,000
289,000	Language Planning Costs	251,889	280,000
698,000	Language Services Costs	402,863	430,000
2,774,310	Other TTWh Operating Costs	2,852,158	2,857,869
14,020,425	Total operating expenses	12,554,979	13,702,997
14,020,425	Total expenses	12,554,979	13,702,997
(2,776,425)	Operating surplus/deficit and total comprehensive revenue and expense	(1,021,865)	(2,448,997)

Te Taura Whiri i te Reo Māori
Prospective Statement of Financial Position
As at 30 June 2026

2024/25 Budget (\$)		2024/25 Estimated Actual (\$)	2025/26 Budget (\$)
	Assets		
	Current assets		
3,859,176	Cash & Bank	6,305,785	4,134,104
-	Receivables	20,000	-
50,000	GST receivable	150,000	50,000
100,000	Prepayments	120,000	100,000
4,009,176	Total current assets	6,595,785	4,284,104
	Non-current assets		
1,407,787	Property, plant and equipment	1,320,171	899,439
1,209,995	Intangible assets	611,848	412,264
2,617,782	Total non-current assets	1,932,019	1,311,703
6,626,958	Total assets	8,527,804	5,595,807
	Current Liabilities		
200,000	Payables	200,000	200,000
350,000	Employee entitlements	800,000	350,000
550,000	Total Current Liabilities	1,000,000	550,000
	Non-current liabilities		
5,000	Employee entitlements	38,000	5,000
5,000	Total non-current liabilities	38,000	5,000
6,071,958	Net Assets	7,489,804	5,040,807
	Equity		
6,071,958	General funds	7,489,804	5,040,807
6,071,958	Total Equity	7,489,804	5,040,807

Te Taura Whiri i te Reo Māori Prospective Statement of Changes in Equity

For the year ended 30 June 2026

2024/25 Budget (\$)		2024/25 Estimated Actual (\$)	2025/26 Budget (\$)
8,848,382	General funds	8,511,669	7,489,804
8,848,382	Total Crown equity at 1 July	8,511,669	7,489,804
(2,776,425)	Surplus/(deficit) from operations	(1,021,865)	(2,448,997)
(2,776,425)	Total operating surplus/(deficit)	(1,021,865)	(2,448,997)
6,071,957	Total Crown equity at 30 June	7,489,804	5,040,807

Te Taura Whiri i te Reo Māori Prospective Statement of Cash Flow

For the year ended 30 June 2026

2024/25 Budget (\$)		2024/25 Estimated Actual (\$)	2025/26 Budget (\$)
	CASH FLOWS FROM OPERATING ACTIVITIES Cash was provided from (applied to)		
10,914,000	Receipts from Crown revenue	10,914,000	10,914,000
120,000	Interest received	204,190	130,000
210,000	Receipt from other revenue	414,924	210,000
(6,187,416)	Payments to suppliers	(4,658,264)	(5,427,869)
(7,195,669)	Payments to employees	(7,083,887)	(7,404,812)
50,000	Payment of GST	150,000	50,000
(2,089,085)	Net cash flow from operating activities	(59,037)	(1,528,681)
	Cash flows from investing activities Cash was provided from (applied to)		
(100,000)	Purchase of property, plant and equipment	(35,000)	(100,000)
(500,000)	Purchase of intangible assets	(293,365)	(543,000)
(600,000)	NET CASH FLOWS FROM INVESTING ACTIVITIES	(328,365)	(643,000)
(2,689,085)	Net (decrease)/increase in cash and cash equivalents	(387,402)	(2,171,681)
6,548,261	Cash and cash equivalents at beginning of year	6,693,187	6,305,785
3,859,176	Cash and cash equivalents at end of year	6,305,785	4,134,104
3,859,176	Represented by: Cash & cash equivalents	6,305,785	4,134,104

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 2026 and will be approved by the Board in June 2025.

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. 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 (NZGAAP). 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 Standards Reduced Disclosure Regime.

Assumptions

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

- Promotion projects celebrating te reo Māori milestones, Māori Language Week and Māori Language Awards will be undertaken.
- Implementing Maihi Karauna initiatives.
- Undertaking research, evaluations and monitoring of Te Whare o te Reo Mauriora and the Maihi Karauna.

- Distributing Maihi Karauna Events funding that supports te reo Māori revitalisation.
- Budget full-time equivalent (FTE's) are 60 (2024/25: 60 FTE's) and vacancies are based on projected start dates.

Te Taura Whiri i te Reo Māori realises it will not be viable to continue operating at a budget deficit and is currently using forecast modelling tools to monitor this situation. The current model predicts solvency over the next four years but not beyond this point. No baseline increases are expected over this period.

Presentation currency

The financial statements are presented in New Zealand dollars.

Summary of significant accounting policies

Revenue

Te Taura Whiri i te Reo Māori is primarily funded from the Crown. The recognition of non-exchange revenue from grants depends on whether the grant comes with any stipulations imposed on the use of a transferred asset.

Stipulations that are 'conditions' specifically require the grant recipient to return the inflow of resources received if they are not used in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the grant recipient to return the inflow of resources received if they are not utilised in the way stipulated, and they therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

The funding Te Taura Whiri i te Reo Māori receives is restricted in its use for the purpose of meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

Te Taura Whiri i te Reo Māori considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

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 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 – five years, 20 percent
- furniture and fittings – five years, 20 percent
- office equipment – five years, 20 percent
- ICT equipment – four years, 25 percent
- software development – four years, 25 percent

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 is 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 and suppliers and for taxes. Investing activities are those 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 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 attributable to each output.



TE TAURA WHIRI
I TE REO MĀORI
MĀORI LANGUAGE COMMISSION

