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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

BUDGET 2014

Te Puni Kōkiri Four-year Plan

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New Zealand Government

CONTENTS

1.	STRATEGIC DIRECTION	4
1.1.	Operating Environment	4
1.2.	The importance of Māori Success to New Zealand's Future	5
1.3.	Strategic Objectives	5
1.4.	Operating Model	6
1.5.	Future State for Te Puni Kōkiri	8
2.	Strategic Delivery	8
2.1.	Overview	9
2.2.	Context for Change	10
2.3.	Delivery of Government Priorities: Key Policy Initiatives and Activities	11
2.3.1.	Whānau Ora	12
2.3.2.	Crown-lwi, hapū and whānau Māori relationships	12
2.3.3.	Ensuring State Sector Effectiveness for Māori	13
2.3.4.	Strengthening Māori Cultural Wealth	14
2.3.5.	Strengthening Māori Economic Wealth	14
2.3.6.	Strengthening Skills, Learning and Education	15
3.	Risks to Implementation	16
4.	Organisational Capability and Workforce	17
4.1.	Four Year Objectives	17
4.2.	Change Leadership	18
4.3.	Organisational Culture	18
4.3.1.	Strategic prioritisation	18
4.3.2.	Continuous improvement	18
4.3.3.	Innovation and risk	19
4.3.4.	Working with others	19
4.4.	Workforce Capability	19
4.4.1.	Policy	19
4.4.2.	Facilitation and information brokerage	19
4.4.3.	Mātauranga Māori	19
4.4.4.	Workforce strategy	19
4.5.	Systems Capability	20
4.5.1.	Demonstrating effectiveness and efficiency	20
4.5.2.	Information flow	20
4.5.3.	Costs	20
5.	Financial Summary	21
5.1.	Operating – Departmental	21
5.2.	Operating – Non Departmental	22
5.3.	Capital - Departmental	23
5.4.	Capital – Non Departmental	24
	Annex One: Workforce Capability, Capacity and Costs Information	25
1.1	People Capability	25

1.2	Supporting financial information	29
Annex Two Budget Initiatives		35
2.1	Whānau Ora Navigators	35
2.2	Māori ICT Development Fund	39
2.3	Te Māngai Pāho: Archiving	41
2.4	Iwi Radio Operational Funding	43
2.5	Te Māngai Pāho: New Media	45
2.6	Māori Bank/Fund	47
2.7	Māori Innovation Fund	49
2.8	Māori Trade and Export Desk	51
2.9	Māori Tourism	53
2.10	Te Taura Whiri i te Reo Māori: Te Panekiretanga	56
Annex Three: Anticipated out-year Funding Requests		58
3.1:	Review of Te Ture Whenua Māori Act 1993	58
3.2	Review of the Māori Community Development Act 1962	58
Annex Four: Capital Intentions		60
Annex Five: Government ICT Strategy and Action Plan to 2017 -		63
Annex Six: Risks		66
Annex Seven: Government Priorities		72

1. STRATEGIC DIRECTION

Strategic direction

The purpose of this section is to provide guidance on the content that should be included in the overarching narrative section of your 4YP.

The narrative should describe your high level strategy to achieve your agencies' strategic direction and government priorities. This will include your environmental scan (and be drawn from sources such as the PIF Four-year Excellence Horizon); the strategic objectives to achieve the strategy; the resource trade-offs required to achieve the objectives; and a general scheme of the operating model required to achieve it.

This needs to link with the other sections of the 4YP, such as delivery, resources required (workforce, financial, capital, ICT) and known risks. The description of your strategic direction should include:

- The external factors influencing your operating environment
 - This should be drawn from other sources, such as the PIF Four-year Excellence Horizon, Ministerial priorities
- The high level strategic objectives to achieve your strategy
 - this should cover why the strategic objectives will achieve your strategy
- Key decision points and resource trade-offs made in determining your Strategic Direction
- How your operating model(s) supports achievement of your strategic direction and purpose:
 - Your organisation's readiness to deliver on the operating model
 - Any key enabling strategies for your organisation (such as the ICT strategy)
 - Consideration of strategic relationships, interagency/inter-sector work
- For the Budget 2014 4YP, information about your agency's commitment (in terms of what strategies relate to each programme, resources required, including resources reallocated across agencies, trade-offs) in the following specific programmes:
 - The Canterbury rebuild
 - Delivering Better Public Services (BPS), including BPS results and functional leadership
 - Building a more productive and competitive economy/the Business Growth Agenda
 - Responsibly managing the Government's finances.

In Annex 5.8 we ask for specific detail on your agency's contribution to delivery of Government priorities.

Te Puni Kōkiri's purpose is to support Government to strengthen Treaty of Waitangi partnerships and facilitate Iwi, hapū and whānau Māori to succeed at home and globally. This is consistent with our long term vision of *Iwi, hapū and whānau Māori succeeding as Māori*.

1.1. Operating Environment

As we look at the way we work in the future, we will need to think about what is happening outside of Te Puni Kōkiri and the impact this has on our ability to do our job well. In order for us to deliver on our outcomes and achieve better results, we will need to work within the changing environment around us.

The nature of Crown - Iwi, hapū and whānau Māori relationships continues to change. As a key partner and broker of these relationships, we need to change with them. As Iwi, hapū and whānau Māori seek more direct and stronger relationships with government, we need to be a part of this. We need to make sure the relationships are productive and mutually beneficial. We need to demonstrate that we are a trusted advisor to all levels of government, with high quality advice to enable the best decisions to be made that support Iwi, hapū and whānau Māori to realise their potential at the right time in a way that is safe, fair and productive.

The landscape of Iwi and hapū representative entities and Māori organisations is diverse. There are more groups active in Iwi development, industry and business, and social service provision. We need to take a sophisticated and innovative approach to understanding and making the most of the opportunities these changes create, to deliver better and more innovative services to whānau Māori.

The public sector is also changing. There is an ongoing need to focus resources on the most strategic areas to achieve significant results. A greater focus is being placed on collaboration between agencies and sector efforts across Government. Government has a broad set of strategic priorities, through Better Public Services and the Business Growth Agenda. Whānau Ora is an example of where the existing model for service delivery has evolved to operate across sectors and whānau groupings.

As we move forward, we will need to stimulate innovation. We need to support our colleagues across government to drive for better results for whānau Māori. We need to recognise at the same time that we are working in a climate of resource constraint, where the focus must be on the wise use of time, effort and money.

Over the next four years, it is likely that New Zealand will continue to face a challenging economic environment, and that successive governments will continue to demand more efficient public services that achieve better results.

1.2. The importance of Māori Success to New Zealand's Future

Māori Affairs presents the state sector with a series of opportunities and risks that are of strategic importance to New Zealand's future of which two are worth noting in more detail. First, the Māori population is relatively young and Māori will comprise an increasing proportion of the working age population over the next decade. Furthermore, in 2006, Māori children comprised 24.2 percent of all children and this is projected to increase to 27.8 percent by 2026. It is important to New Zealand's economic prosperity and social wellbeing to ensure that these children grow up as educated, skilled, well connected and innovative citizens. This is in contrast to New Zealand's ageing population profile, and the expected pressures this will place on governments in considering what this means for society, for individuals and for government finances.

Second, successive governments have recognised the need to protect Māori interests under the Treaty of Waitangi. The biggest challenges for government occur when Māori articulate rights and interests that are perceived to conflict with other public interests. This occurred historically with the Foreshore and Seabed legislation, and more recently with Māori asserting interests in fresh water.

Our future depends on our relationships: with our public sector colleagues, with our communities, and between ourselves. This will help us to harness the collective strengths of Iwi, hapū and whānau Māori to produce a stronger New Zealand.

1.3. Strategic Objectives

In setting its direction for the future, Te Puni Kōkiri intends to focus on three long term and complementary outcomes:

Achieving the governments confirmed objectives for Te Puni Kōkiri will require a significant shift in the way the Ministry engages, including with its colleague agencies across the state sector. Te Puni Kōkiri intends to sharpen its policy focus:

- to a discrete set of issues that present the greatest opportunity for gains;
- across other sectors, to provide early support in the design stage of policy development; and
- to promote system-based changes that enhance the ability of the state sector to be effective for Māori.

In implementing this sharpened focus, the Chief Executive has confirmed six priority areas identified by the Leadership Team to underpin our policy work and ensure this continues to make a meaningful contribution to supporting Māori collective success both here, at home and globally. These priority areas, along with our outcome focus and functional approach are brought together in the following table:

<p>Role and function</p>	<ul style="list-style-type: none"> • <i>Ārahitanga</i> - Provision of strategic leadership and guidance to Ministers and the state sector on the Crown's ongoing and evolving partnerships and relationships with Iwi, hapū and whānau Māori. • <i>Whakamaherehere</i> - Provision of advice to Ministers and agencies on achieving better results for whānau Māori. • <i>Auahatanga</i> - Development and implementation of innovative trials and investments to test policy and programme models that promote better results for whānau Māori.
<p>Medium to long-term Outcomes and Strategic Direction (our <i>Mua</i>)</p>	<ul style="list-style-type: none"> • <i>Partnership: Te Ara Rangapu</i> – the Crown, Iwi and Māori collectives enjoy relationships that support their shared and respective duties, interests and aspirations and foster the economic interests of Iwi and Māori collectives. • <i>Protection: Te Tū Rangatira</i> – Māori are more secure, confident, and expert in their own language and culture. • <i>Participation: Te Ara Whakamua</i> – Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.
<p>Inter-related priorities</p>	<ul style="list-style-type: none"> • Whānau Ora approach; • Crown - Iwi, hapū and whānau Māori relationships; • State Sector effectiveness for Māori; • Strengthening Māori cultural wealth; • Strengthening skills, learning and education; and • Strengthening economic wealth.

1.4. Operating Model

Cabinet's decision to refocus Te Puni Kōkiri's role and approach has meant that the Ministry is currently transforming its operating model to give effect to the change, to lift its overall performance and to drive efficiency. This section describes the proposed operating model.

During the past year, Te Puni Kōkiri has worked together to refine or reconfirm its vision, purpose, long term outcomes and set six areas of focus (as discussed above). It has reflected on where we make the greatest impact and what things hold us back, and defined what success looks like for Te Puni Kōkiri and for Iwi, hapū and whānau Māori.

To deliver better results we need to work in new ways to support and enable these focus areas and related outcomes. The proposed operating model is designed to ensure we:

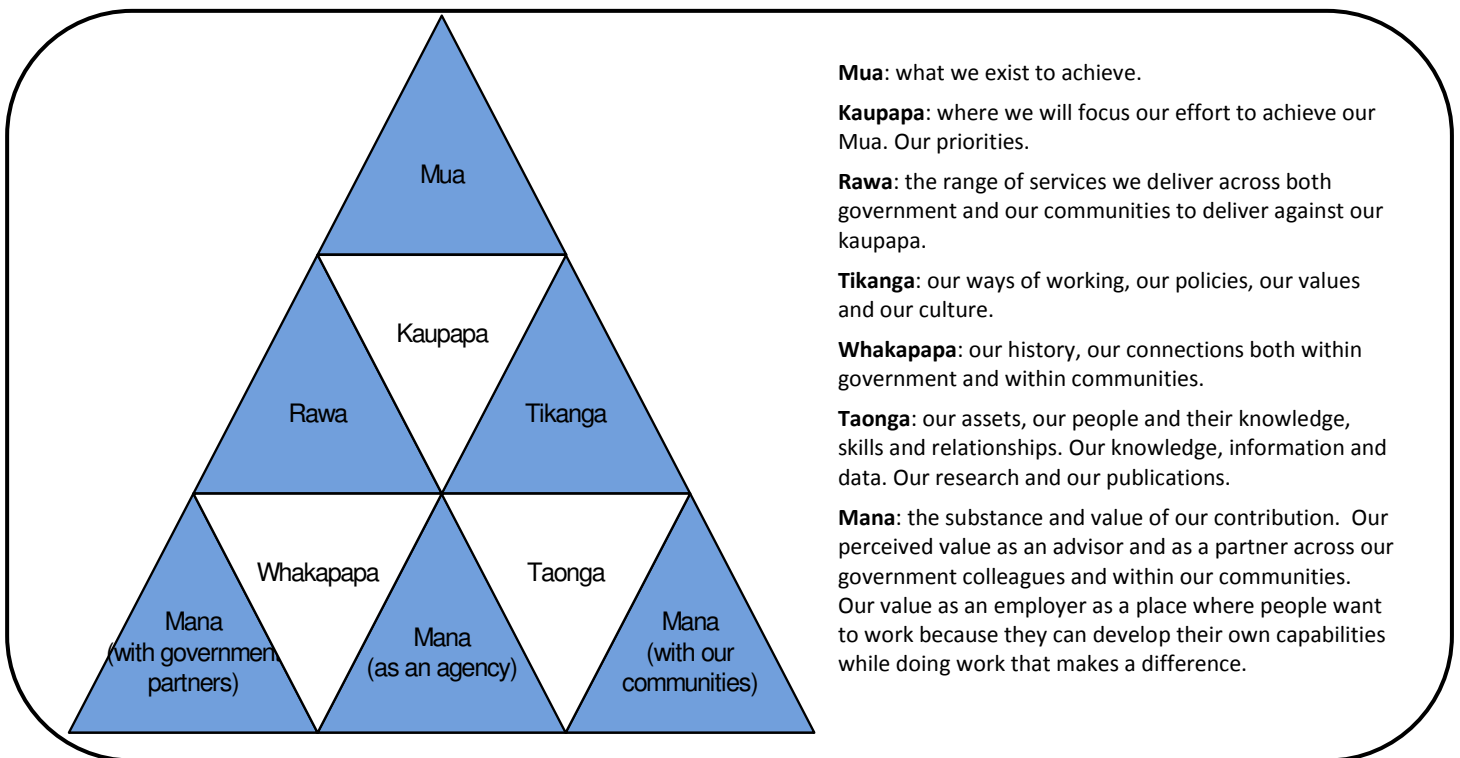
- develop ways of working together in a more interconnected and integrated way;
- be more deliberate about what we focus on;
- create improved processes that support clear decision making and prioritisation; and
- build a learning and development culture to deepen our skills and knowledge on a multiplicity of kaupapa.

In addition we need to make sure our structures and processes are fit for purpose to achieve the above, enhancing our strengths and helping to make doing our jobs easier.

The framework below contains the seven elements that Te Puni Kōkiri need to consider within its operating model – mua (strategy), kaupapa (core drivers), rawa (services), tikanga (policies), whakapapa (our past), taonga (our assets) and mana (the platforms on which we stand with confidence, dignity and authority).

The framework also shows that the elements are interdependent and build on one another, so a change in one element means a change in others, too.

Te Puni Kōkiri’s operating model framework



To ensure the operating model is fit for purpose, four ways of working are embedded in the model:

1. Being results focused;
2. Working proactively with others to achieve results;
3. Pooling our talent to work together on specific kaupapa; and
4. Building a learning culture.

In some cases this will mean improving the capability of the organisation and removing obstacles to these ways of working. And in other cases it will mean changing accountabilities and structures.

1.5. Future State for Te Puni Kōkiri

The operating model provides the platform for Te Puni Kōkiri in giving effect to its strategic direction. To achieve better results for Māori we expect the following conditions to be in place over the coming years:

- Te Puni Kōkiri will be respected as the agency that others look to for thought leadership on key policy issues affecting Iwi, hapū and whānau Māori, and its influence will be evident in high priority policy areas;
- Te Puni Kōkiri will be recognised as a valued partner both across the state sector and with communities;
- Other agencies will look to Te Puni Kōkiri for guidance, leadership, facilitation, and brokerage in managing relationships between the Crown and Iwi, hapū and whānau Māori;
- Te Puni Kōkiri will balance its focus between managing immediate issues and achieving long-term results;
- Te Puni Kōkiri will be an innovator that has tested and promoted new ideas that advance Māori success;
- Te Puni Kōkiri's role and value it adds will be clearly understood by all stakeholders;
- Te Puni Kōkiri activities will be joined to a clear business strategy, and its functions will accordingly function in a joined-up manner;
- Te Puni Kōkiri's policy advice will be appreciated by Ministers and near the top of the NZIER rankings; and
- Te Puni Kōkiri will be seen as an exciting and innovative place to work, both for experienced public servants and the brightest graduates with an interest in Te Ao Māori.

2. Strategic Delivery

This section describes how you intend to deliver on your Strategic direction and should include:

- A broad overview of the outputs, services and delivery activity ('business as usual') where no major change is intended. Include commentary on any service where the operational delivery remains unchanged but there is a changing demand for the service
- Any new activity that will be funded from within current baselines. Further detail on the financial impact of this new activity is requested in the supporting financial information annex
- Significant changes that will generate savings. This section will identify:
 - Operational efficiencies that your agency is making
 - Activities that your agency will stop or reduce due to operational changes (reprioritisation)
 - The lowest value activity that you would need to stop or reduce to present a balanced financial 4YP. If your agency wishes to maintain these activities despite the funding shortfall they should be treated as new funding requests and included in the Budget Initiatives Annex (5.3)

- Further detail on the financial impact of these changes that will generate savings is requested in the supporting financial information (Annex 5.2)
- Significant other change that has no baseline financial impact, including any activity undertaken in partnership with another agency that is managing the costs through their Votes.

4YP should traverse the workforce, financial, ICT, capital and other resource implications of the intended changes, and the expected impact of the change on your agency's performance.

We recognise that you may still be working through the design and costs for some intended changes. Where this is the case, please include your **best estimate** of the costs/savings, workforce implications and performance impacts, and outline your key assumptions.

2.1. Overview

Te Puni Kōkiri is currently configured into four discrete Wāhanga: Policy; Whānau and Social Policy, including Whānau Ora service delivery; our Relationships and Information regional network; and our Support Services functions. The four Wāhanga work closely together to deliver a mix of policy advice, facilitation and brokerage of relationships, and operations that contribute to the Ministry's outcome objective.

At the time of writing, the Ministry is in the process of change. Given this initiative, the sequencing for which is outlined below, the information sought by central agencies as a part of the Four Year Plan assessment must be read as headline, and iterative only, the substance of which will continue to be updated over the coming months as more information, including details related to any proposed structural changes, becomes more widely known and confirmed.

A subsequent edition of this Plan will be developed in the months leading to April 2014, by which time we would anticipate being in a better position to provide the additional information sought by central agencies, including context in terms of the detailed outputs, services and delivery activities we expect to progress under each of our key strategic areas.

As well, we will be some way further down the track in terms of implementing the recommendations of the refocus of Te Puni Kōkiri and Cabinet's decisions in respect of this initiative. These include a greater level of collaboration with our colleague agencies across the state sector, including in support of those agencies' efforts both to achieve the government's Better Public Services targets, and to deliver effective results for Māori. As we work to refine our detailed outputs, services and delivery activities for the future, we look forward to elaborating further on these proposed engagements in our updated Four Year Plan in April 2014.

The steps below have been timetabled, (as far as is possible), to enable the outcome of the review and refocus of Te Puni Kōkiri to inform the development of the Ministry's formal planning and accountability documents. In addition to providing more specificity on detailed resourcing implications for our future work programmes we will, following the March Baseline Update, also be in a position to provide further information on any proposed changes to our appropriations structure by the time this Four Year Plan is updated in April 2014.

The sequence and overall timeframe for our current change process is set out below:

- a. Confirmation of future role: *completed early November*;
- b. Operating model and structural arrangements: release of proposals for operating model and structural arrangements for staff consultation early November 2013, with decisions taken by the Chief Executive in December 2013;
- c. Capability assessment and action plan: update report to the Minister of Māori Affairs on capability and capability development requirements by March 2014;
- d. Full costing and work programme: full costing of final operating model, structural arrangements and change process, and establishment of 2014/15 work programme

to be reflected in Te Puni Kōkiri's next step 2014/15 planning and accountability documents; and

- e. Implementation: commence transition to revised roles, operating model, structural arrangements and capability development requirements in train by 30 June 2014.

2.2. Context for Change

There are a number of contextual factors impacting on Māori development generally, and Crown-Māori relationships more specifically, all of which have contributed to the refocus of Te Puni Kōkiri and will continue to inform how the Ministry will work into the future. These include:

- a. *The maturing of Crown-Māori relationships:* The shift in focus of Māori intellectual leadership, versed in the workings of government, and with expectations regarding the accessibility, quality and effectiveness of services provided by the social sector; and future investment and growth opportunities, will continue to have a significant impact on iwi and Māori expectations of government, and post settlement relationships. Further dimensions influencing the changing nature of Crown-Māori and Crown-iwi relationships also include iwi rights and interests in, and shared governance and management arrangements over, natural resources all of which will continue to add to the complexities and challenges faced by government in the coming period.
- b. *Representational landscape:* The changing landscape of iwi and hapū representative entities and Māori organisations, along with the emerging expectations iwi and Māori have of government, requires a correspondingly sophisticated approach to managing government's interface with and between these various entities and groups beyond settlements related dialogue.
- c. *Economic opportunity:* The growth of the Māori asset base, most recently quantified at \$36.9 billion¹, has been significant, with real growth between 2006 and 2010 calculated at 4.3% per annum. This asset base contributes 5.9% of production GDP.
- d. *Social and economic wellbeing:* Despite these changes, Māori as a population group, continue to experience adverse disparities across key social and economic indices, and as a result are over-represented as consumers of publicly funded services.
- e. *Demographic profile:* The Māori population is growing, at a faster rate than the rest of New Zealand. Failure to address the social and economic wellbeing of Māori will have an increasing and lasting cost to Māori, other taxpayers, and the economy.
- f. *Better Public Services:* The drive for Government to achieve better results for all New Zealanders has had significant implications for the way agencies work, with much greater cross-agency and cross-sector effort being applied to entrenched issues, and a greater emphasis on functional leadership and co-ordination across government.

¹ The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy, BERL and Te Puni Kōkiri, 2010.

The broad social and economic interests Māori have as individuals and whānau, and the distinctive constitutional interests Māori hold, as hapū and iwi, necessitates whole-of-government recognition, effectiveness and, to those ends, strong and collaborative leadership, co-ordination and advice from the centre.

When it confirmed Te Puni Kōkiri's role and future focus, Cabinet noted that in giving effect to its three substantive roles - strategic leadership and guidance; advice to Ministers and agencies; and innovative investments, Te Puni Kōkiri's principal approach would be to provide a mix of advice and investment focused on supporting positive Crown-iwi, hapū and whānau Māori partnerships and relationships, and state sector effectiveness for Māori. Cabinet further noted that all departments would consider and support Te Puni Kōkiri's in giving effect to these roles. [CAB Min (13) 8/7 refers].

Supporting positive relationships and partnerships between the Crown and iwi, hapū and whānau Māori, involves understanding and advising on the rights, interests and expectations of both parties to the Treaty of Waitangi - which Te Puni Kōkiri remains uniquely placed to do, and actively supporting the sharing of information and views to engender healthy relationships.

As noted previously, although policy advice is a core element of Te Puni Kōkiri's business and Te Puni Kōkiri currently leads some significant policy projects (these are discussed in more detail below) most policy and services that affect Māori are produced by other agencies. To this end, Te Puni Kōkiri has a critical role in supporting the efforts of the state sector to deliver effective results for Māori. This involves addressing issues for Māori both as a population group and in the context of the whānau in which they are members to address the over representation of Māori in negative social and economic indices.

The Ministry's national and regional network will continue to facilitate and broker effective relationships between Māori communities and stakeholders. This is an important point of difference for Te Puni Kōkiri, and provides a significant means to assist government in understanding and responding to the needs of Māori.

The third part of the Ministry's core business - smart and accountable investments to test new policy and programme approaches that can support Māori-led development and better outcomes - will also support the effectiveness of the state sector in delivering results for Māori.

2.3. Delivery of Government Priorities: Key Policy Initiatives and Activities

Te Puni Kōkiri has historically provided extensive interdepartmental comment and participated in numerous interagency officials groups, from Chief Executive down to analyst level. Our input has traversed a wide range of policy issues and initiatives.

Rather than focus on *new* activities in the coming period, the operating model and framework set out in this document instead sees the Ministry focus on a sharpened set of core functions, including leadership, advice and innovation in key strategic areas. These key areas have been identified for the heightened scope they provide Te Puni Kōkiri to maximise the benefits to Māori and to government of its contributions.

2.3.1. Whānau Ora

Whānau Ora is an inclusive approach to providing family and whānau-centred services and opportunities to all New Zealanders. It empowers whānau as a whole – rather than focusing separately on individual family members. Assisting families and whānau to achieve their goals and aspirations requires a dual pathway including:

- effective service provision; and
- an up-lift in whānau capability.

With the Whānau Ora approach now increasingly embedded in the practice of its service delivery providers, Cabinet has agreed to broaden the scope and future focus of Whānau Ora, including changes to the current governance arrangements, and the establishment of three non-government commissioning agencies.

In a shift towards enhanced opportunities for a broader range of local-level organisations beyond the current provider collective service delivery model, the new approach will see a heightened focus on enabling non-government agencies to:

- work with family and whānau to lift their capability to in turn become self-managing; and
- play a role in supporting whānau to achieve their goals and aspirations.

As arrangements with existing provider collectives draw to a close, service delivery will continue to remain a core element of Whānau Ora over the next two years. Future investment in the Whānau Ora approach, however, will be focused on enhancing whānau capability across a series of key domains including, for example:

- Income generation and financial literacy;
- Employment;
- Lifelong Learning; and
- Effective Parenting.

Throughout the coming period, Te Puni Kōkiri will work to realign its Whānau Ora capacity to support the new commissioning model. Under the new approach Te Puni Kōkiri Whānau Ora activity will include a mix of existing and new functions. We will:

- continue to provide policy and related support to the Minister for Whānau Ora;
- continue to work with and monitor the performance of the existing provider collectives as the Whānau Ora approach is transitioned to the new commissioning environment;
- administer and monitor the performance of new Whānau Ora commissioning agencies; and
- provide Secretariat support for the new Whānau Ora Partnership Group.

2.3.2. Crown-iwi, hapū and whānau Māori relationships

Leadership and Guidance in Crown-iwi, hapū and whānau Māori relationships

Te Puni Kōkiri will provide leadership and co-ordination across government to support current and emerging Crown-iwi, hapū and whānau Māori relationship opportunities and to manage potential risks – both to the relationship and to the parties.

In addition to our contribution to the Treaty settlements work programme; supporting the development of state sector capability to establish and maintain direct relationships with iwi, hapū and whānau Māori; and convening and reporting to Ministers on a quarterly regional Crown-Māori forum; the Ministry's activities in this area will also include co-chairing (with the Secretary of Justice) the Chief Executives Forum, and working closely with the recently established Post Settlement Commitments Unit.

Te Puni Kōkiri will report jointly to the Minister of Māori Affairs and relevant portfolio Ministers as appropriate on emerging issues of importance to Māori, including risks where these may arise. To further support the capability of the state sector in respect of Treaty and iwi, hapū and whānau Māori issues, Te Puni Kōkiri will publish and update on a two yearly basis a Treaty-based framework, guidance and tools to support the provision of advice on Treaty of Waitangi relationship matters.

2.3.3. Ensuring State Sector Effectiveness for Māori

Contributing to Better Public Services and improved Māori population outcomes: Advice on better results for Maori

Of the ten Better Public Services (BPS) Results, numbers 1-8 are concerned with social policy areas in which Māori are disproportionately affected - Māori are more than 20 times more likely than non-Māori to be affected by rheumatic fever for example. Te Puni Kōkiri also has an interest in results 9-10, which are about making it easier for business to interact with government.

In supporting a systems-approach to state sector effectiveness for Māori, including the development of guidance and tools to support state sector capability, Te Puni Kōkiri anticipates that expertise and ownership across the state sector for delivering effective results for Māori will increase. To further the efforts of the state sector in its efforts to improve outcomes for Māori, Te Puni Kōkiri will produce, on a four yearly basis, a long-term report forecasting trends for Māori.

In addition to the BPS, there are many other social policy areas including for example: housing, suicide prevention, and the Prime Minister's project on youth mental health in which improvement is desperately needed for Māori and in which Te Puni Kōkiri will continue to play a role by working alongside public sector agencies to lift their capability on these issues.

Te Puni Kōkiri also has the scope to address a broad range of policy issues on a number of fronts:

- *Policy advice and influence* - Te Puni Kōkiri seeks to ensure that decision-making on key social and economic policy issues has been informed by its advice across a wide range of areas, from early childhood to the drivers of crime work.
- *Regional facilitation and brokerage*, in which regional offices are involved in cross-agency work on a local level to address the BPS goals, in order to ensure government is well-informed at regional level and to link Māori communities with relevant programmes. In some areas, work towards better social outcomes is tied up with the implementation of social accords through Treaty settlements.
- *Targeted investments with policy wrap-around*, such as the cadetships and LENS Science programmes. These are programmes that are NDOE funded and are targeted to address an identified policy problem, usually in the skills/education area. Te Puni Kōkiri seeks to capture policy lessons from the implementation of the programmes and build a case for successful programmes to be expanded through mainstream agencies.

2.3.4. Strengthening Māori Cultural Wealth

Māori culture is a defining characteristic of whānau, hapū and iwi Māori. It is a significant driver of Māori development in and of itself, and Māori continue to be invested in developing their lands and other taonga, including language and mātauranga / knowledge in ways which support them as culturally distinct peoples. Equally significant, is the extent to which Māori culture has also proven to be a key catalyst in supporting Māori participation in pre-school education, improving outcomes for Māori learners, in turn supporting strong and diverse participation in the economy. There is a growing body of evidence that Māori who are secure in their cultural identity, and active in the practice of their culture tend to achieve better social and economic outcomes.

Our proposed activities in this priority area will be focused on maximising the mandate and resources Te Puni Kōkiri currently has to support Māori in the protection, maintenance and development of their culture. On a departmental front, we intend to lead policy development to support Māori cultural outcomes, administer and promote legislation to this end and support and guide the contributions of our three Māori language entities: Te Taura Whiri i te Reo Māori, Te Māngai Pāho and the Māori Television Service.

Active Protection of Taonga Māori

The Minister of Māori Affairs has placed importance on te reo Māori and whenua Māori as specific priorities for the rest of this term of government. These aspects are always likely to be important considerations for Te Puni Kōkiri, with both lands and taonga (including intangibles such as language) protected under Article Two of the Treaty.

Te Puni Kōkiri's role in these priorities is threefold: it leads some policy work (including the review of the Māori Language Strategy, and the review of Te Ture Whenua Māori Act, referred to below); it provides advice and support to enable Māori leadership in the retention and development of cultural heritage; and it oversees investments in Māori language events and programmes.

Te Reo Māori

Te Puni Kōkiri's role in the Māori language area is one of policy leadership and advisory input, with the immediate delivery of services and programmes in the Māori language sector being undertaken by the Ministry's Māori language entities with up to \$80m funding appropriated through Vote Māori Affairs for the promotion of Māori language and culture. The development of a new Māori language strategy is also a priority for the Minister of Māori Affairs, and work is underway to support this focus.

Whenua, Wai Māori, Te Taiao

As signalled above, Te Puni Kōkiri is leading a process to review the Te Ture Whenua Māori Act on behalf of the Associate Minister of Māori Affairs. We also collaborate with agencies in the natural resources sector on a number of corporate initiatives and provide advice on Resource Management and related policy issues, including for example changes to fresh water policy and local government. We expect to continue providing strong policy advice on these issues as they relate to Māori interests.

2.3.5. Strengthening Māori Economic Wealth

The majority of Māori contribution to the economy continues to come from wages and consumption as opposed to ownership, entrepreneurship and management and the social and economic gains experienced by wider New Zealand over the last two decades have not

been enjoyed to the same extent by many Māori families. Despite this, there remain opportunities however, for Māori assets holders to add economic value and achieve returns of their investments, including through the better utilisation of skills and workforce development, innovation, management, governance and other key drivers of economic growth. Our focus in the coming period will be on enhancing the contribution that Māori make to the economy at all levels. Increased growth in the Māori asset base, increased Māori employment and increases in Māori household income, home ownership and life expectancy will have correspondingly positive impacts on the overall New Zealand economy.

Māori Business Growth and a More Productive Economy

Te Puni Kōkiri will continue to work with the Ministry of Business, Innovation and Employment (MBIE) to progress the implementation of *He Kai Kei Āku Ringa* – the Māori Economic Development Panel’s strategy and action plan. *He Kai Kei Āku Ringa* sets out a pathway to a productive, innovative and export oriented Māori economy. The strategy, which is based upon a collaboration between both Government and Māori working to drive Māori economic growth, has six goals and a series of corresponding priority actions aimed at building relationships and managing logistics in export markets, and making the most of the value proposition Māori bring to export markets.

In support of Māori export development, both the Minister of Māori Affairs and the Chief Executive have accompanied Māori business leaders on trade missions to China, establishing links and opening new opportunities for Māori businesses. Support for these initiatives will also continue in the years ahead.

Additional areas of particular emphasis in the coming period will also include opportunities to promote the utilisation of Māori land, financial literacy and Māori business development. The Māori Business Facilitation Service (MBFS) also contributes to this priority area, supporting Māori individuals, small and medium-sized enterprises, and Māori collective organisations to build their business skills and management capabilities.

2.3.6. Strengthening Skills, Learning and Education

Targeted investment and innovation

The range of initiatives being trialled under this category: “*Targeted investments with policy wrap-around*” is significant, from support for young mothers, through to cadetships in growth industries, and interactive careers information, inspiration and advice for young Māori.²

Te Puni Kōkiri has enjoyed a high profile for its investment in Māori cadetships, which contribute to the BPS results on welfare and skills. Following a positive independent evaluation, including evidence of sustainable employment outcomes and excellent feedback from cadets and employers, Te Puni Kōkiri intends to continue this investment going forward with a further 350 young Māori supported into career based employment. The cadetships provide a subsidy to assist employers in growth areas to take on Māori workers, and are supported by a kaupapa Māori approach to training and induction. Te Puni Kōkiri has calculated that a cadet gaining employment will contribute to tax revenue at such a rate as to repay the investment in his or her subsidy within 22 months. (This calculation does not count potential savings in welfare payments.)

Te Puni Kōkiri has used the findings from the evaluation of the cadetships investment to provide advice to the Ministry of Social Development on the design of similar programmes.

² <http://www.Māorifuturemakers.com/> .

In the education sector, Te Puni Kōkiri is joining with the Ministry of Education to support the Achievement Initiative.

Another example of Te Puni Kōkiri working closely with colleague agencies is its investment in *He Toki ki te Rika*, a collaborative initiative to realise training and employment opportunities for Māori in the Christchurch rebuild. In 2012, the Tertiary Education Commission and Ministry of Social Development joined this initiative. The experiences of *He Toki ki te Rika* have helped shape the design of the Māori and Pacific Trades initiative, which is led by the Tertiary Education Commission and MBIE, and the investment model is one through which Te Puni Kōkiri intends to team up with other agencies to attempt some still bolder and more creative initiatives in the future.

We intend also to progress work on labour market settings, and identifying opportunities to stimulate whānau aspirations to further enhance their skills and education profile.

3. Risks to Implementation

Risks to Implementation

We are interested in significant risks to the delivery of the Plan and the sustainability of your strategy beyond the four-year period. You should outline the key operational risks to the delivery of the Plan and provide a strategic assessment of the resilience of your agency in overcoming risks to the achievement of your strategic direction.

In Annex 5.7 we ask for specific detail on the risks you have outlined here.

The Chief Executive has been clear in her appraisal that, if Te Puni Kōkiri is to achieve its purpose of influencing for transformational improvements in outcomes for Māori, the Ministry will need to be at the top of its game over the next four years. A preliminary capability assessment has been undertaken, including a recent workforce review, and incorporating elements of the Ministry's Performance Improvement Framework (PIF) Self Review, with further detail and assessment of the Ministry's specific strengths and its potential capability shortcomings being a key workstream in early 2014.

In addition to our focus in the coming months on aligning our workforce to our new functions and operating model, it is possible that the new operating approach envisaged as a consequence of the refocus, which will see Te Puni Kōkiri deploying a mix of collaborative, proactive, strategic and relationship based approaches to its work, will also need to be firmly socialised among our staff, as will a focus on building our strategic and policy development capabilities. As a consequence, and in order to meet the requirements of our new strategic direction, it is likely that the Ministry will need to place a heightened level of emphasis in building our capability across all levels of the organisation.

As well, and as Cabinet noted [CAB Min (13) 8/7 refers], the change arrangements generally, are expected to have implications for some current Te Puni Kōkiri staff, and the extent of those implications will not be known until the first quarter of 2014. Although the Minister of Māori Affairs has been clear in his commitment that the change implementation will be completed within existing appropriations, the full financial cost of these arrangements, and the extent that these may have implications for the Ministry's ability to fulfil its work programme intentions in the short term, is yet to be determined.

Similarly, the extent to which our proposed (intensive) focus on capability building may have implications on our capacity to progress our contemplated work programme (in the first year at least) are still to be determined. Once the next stage of capability assessment and the corresponding Workforce Strategy, (discussed in more detail in section 4.4 below), have been completed however, we will be in a position to report on these.

In addition to developing the capability of our current staff, Te Puni Kōkiri will also need to attract key people from across both the public and private sector to assist in achieving our objectives. A failure to recruit and retain staff with the skills and capabilities we will require will compromise our ability to deliver on the government's objectives for the Ministry and our own strategic goals of influencing improved outcomes for Māori.

Our success in delivering on the Ministry's confirmed role and the government's priorities for it, will also depend for a large part on our ability to progress policy and operational initiatives that have the greatest potential for cross-sector impact. This will involve both maintaining a rigorous approach to our own work programme prioritisation, but will also rely on recognition across the state sector generally, that Te Puni Kōkiri has a role to play in the early stage design and development of government policy provision for Māori, and that to give effect to this function, it must receive timely advice on emerging issues across government.

At an operational level, Te Puni Kōkiri remains ready to respond to any risks arising in terms of the procurement arrangements to establish the new Whānau Ora Commissioning Agencies. With these processes currently still underway, we do not intend to report on the detail or the implications of them in this context, however the Ministry will continue to receive appropriate professional advice to ensure that any potential risks are identified and that appropriate mitigation strategies are applied should these risks be realised.

4. Organisational Capability and Workforce

4YP should show that you have a coherent organisational development plan, and workforce strategy, that is integrated with - and will support delivery - on your wider business and financial strategy.

You may prefer not to have a separate workforce section in your 4YP and decide instead to weave your organisational capability and workforce strategy into your overall strategic narrative. Alternatively, you may want to include a short overview of your workforce strategy as a separate section if this works better for the flow of the document, or if you want to show a focus on particular aspects of your workforce strategy.

However you choose to cover the workforce component of your 4YP, the overall 4YP should include a description of your response to the organisational capability and workforce implications arising from your strategic direction and medium-term intentions. This should cover at a high level your agency's strategy and intentions around change leadership, organisational culture and workforce capacity, capability and costs. You are encouraged to append your full workforce strategy to your 4YP, as supporting information, where this is available.

Guidance is available on the SSC website, including the SSC Workforce Strategy Framework, which is designed to assist you to work through the key elements of organisational capability and workforce that need to be addressed. We recommend that you take the opportunity to use the website information.

Please provide all information requested in Annex 5.1. That information does not need to be repeated in the main narrative, although you could refer to the information to highlight particular issues if you wish.

4.1. Four Year Objectives

Te Puni Kōkiri's Four Year Excellence Horizon sets out the need to transform its capability over the next four years. Te Puni Kōkiri seeks to be respected as the agency that others look to for thought leadership on key issues affecting iwi, hapū and whānau Māori. It sees itself as the agency to provide guidance and leadership in managing relationships between these Māori communities and the Crown.

In keeping with the Government's intentions under the Better Public Services programme, Te Puni Kōkiri will take a strong focus on achieving and demonstrating results. In the next four years, it will need to develop the appropriate measures to show progress towards its long-term outcomes, outlined above.

A key strand of Te Puni Kōkiri's work will continue to be the provision of advice to Ministers and the rest of the state sector. Te Puni Kōkiri aims to raise the overall quality of its advice,

and to be amongst the highest-ranked agencies in how it scores in benchmarked assessments of policy advice, such as that done by the NZIER.

Te Puni Kōkiri will place a greater emphasis on innovation in future. This will involve the development of trials and investments to test policy and programme models, which can then be picked up by the wider sector if proven to be effective and efficient.

4.2. Change Leadership

Te Puni Kōkiri is poised to emerge from a prolonged period of change, with a series of reviews affecting the Ministry, or parts of its operations, for more than two years. This has inevitably had an effect on the Ministry and its people, with staff at all levels having moved to other positions within the state sector. The change process has necessitated a cautious approach to the recruitment of permanent staff, resulting in a number of roles being filled by fixed-term employees or staff acting up.

Te Puni Kōkiri is planning for elements of the change process to be visible by mid-2014 and anticipates that embedding the change will occupy the remainder of the calendar year.

The change process provides an opportunity for Te Puni Kōkiri to rebuild the capability required to deliver its four year objectives. To this end, a refreshed business strategy is being developed and as signalled previously, the Ministry's proposed new operating model has also been released. The business strategy will identify a set of activities that will best deliver Te Puni Kōkiri's objectives and contribute to the Government's priorities and the proposed operating model clarifies how Te Puni Kōkiri needs to work in order to achieve this.

Structural change is now underway to give effect to these matters, and has begun with a review of the senior management structure. Staff are being consulted throughout this process. The Chief Executive has met with staff and has incorporated their views in the new strategic direction and is currently leading workshops with all staff to discuss the proposed operating model.

4.3. Organisational Culture

The new operating model and tier two appointments are intended to help cement key facets of the workplace culture that Te Puni Kōkiri will require in order to meet its four year objectives.

4.3.1. Strategic prioritisation

Te Puni Kōkiri's roles and responsibilities have evolved and increased in breadth over time. This has resulted in a work programme that is spread too thinly and compromised the effectiveness of Te Puni Kōkiri's input in some areas. The organisation intends to prioritise its efforts carefully and cover high-priority policy issues in depth.

4.3.2. Continuous improvement

The organisation will be one that is driven by results and is prepared to be accountable for the results it produces. The attitude shift required of the organisation is towards review and reflection, so that robust performance reporting takes place and the data is used for learning

and improvement. This will require the courage to disinvest in programmes that are not producing the required results.

4.3.3. Innovation and risk

Coupled to this is Te Puni Kōkiri's stated intention to trial innovative policy and service delivery approaches. This suggests that a more mature attitude to risk is needed, complemented by better systems for identifying and managing risk. Robust risk management needs to be practiced at all levels of the organisation, while headline risks need to be owned and monitored by senior management.

4.3.4. Working with others

As Te Puni Kōkiri participates in a lot of work for which it is not the lead agency, it is essential to develop a workplace culture that supports collaboration with other agencies and stakeholders outside government. It needs to work with these others for richer partnerships and stronger influence. When working with other agencies, Te Puni Kōkiri will not tell them how to do their jobs; rather, it will seek to add value through the evidence, know-how and connections with the Māori world that it is able to bring.

4.4. Workforce Capability

4.4.1. Policy

Te Puni Kōkiri will need to retain and develop both generalist policy capability, supplemented by specialist capability in particular areas such as: economic analysis, skills and education, quantitative analysis, and machinery of government. Strategic capability will also be necessary, so that Te Puni Kōkiri is able to understand the whole policy landscape and find the most effective areas of intervention.

4.4.2. Facilitation and information brokerage

Te Puni Kōkiri will need a regional presence that is able to manage the increasingly sophisticated relationships between the Crown and Māori communities. It will need to develop the systems and capability to maintain a timely information flow between regions and policy groups in Head Office.

4.4.3. Mātauranga Māori

Te Puni Kōkiri's ability to connect with the Māori world is an essential part of its value to government. It will integrate mātauranga Māori more into its everyday practices, and will accordingly provide opportunities and incentives for staff to receive training, coaching and mentoring. The core sets of knowledge include te reo Māori, tikanga Māori and an understanding of contemporary Māori society and culture.

4.4.4. Workforce strategy

A fuller understanding of the required skill mix will be determined at the conclusion of the refocus of Te Puni Kōkiri in June 2014. At that time, a full workforce strategy will be developed, outlining how Te Puni Kōkiri will attract, retain and develop a workforce that is

highly skilled in the right areas. It will be essential for Te Puni Kōkiri to be highly competitive in the recruitment of experienced and skilled public servants. A proactive effort to attract the brightest graduates with an interest in te ao Māori will also be considered.

4.5. Systems Capability

4.5.1. Demonstrating effectiveness and efficiency

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Better information is needed to support our focus on results. This will enable better decisions about programmes and investments, and will improve the standard of performance reporting to parliament and the wider public.

4.5.2. Information flow

We intend to enhance our systems for to enable more effective information flow between the Ministry's national office and our regions. This will be of particular benefit in terms of for emerging policy issues.

4.5.3. Costs

Recruitment is envisaged both as a result of restructuring, and to fill positions currently occupied by temporary staff. Although it is not anticipated that recruitment will significantly exceed current establishment, additional staff costs in out-years, if any, will be determined after the development of a Workforce Strategy, and will be signalled in a future Four Year Plan.

5. Financial Summary

This section of the Plan provides assurance that you can deliver on your strategic intentions within the financial basis of Plans as described earlier. The following tables provide a high level summary and will be populated from the detailed financial information requested in Annex 5.2. The Plan must balance. If your agency needs to stop or reduce its lowest value activity in order to present a balanced Plan, and if your agency wishes to maintain these activities you should request funding to do this as a new funding request in Annex 5.3.

It may also be appropriate to include in this section a narrative that supports the information in the tables or to provide an overview of any anticipated changes to third party charges or the impact on any memorandum accounts that you presently operate.

5.1. Operating – Departmental

	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Current operating expenditure baseline	60.699	56.973	56.073	56.073	56.073
Add any indicative allocation advised of	0.000	0.000	0.000	0.000	0.000
Equals Total funding level for planning	60.699	56.973	56.073	56.073	56.073
Financial movements					
Add cost of new activity to be funded from current baselines	0.000	0.000	0.000	0.000	0.000
[11,13]					
Add or Subtract vote transfers	0.000	0.000	0.000	0.000	0.000
Subtract any indicative allocation advised of (as above)	0.000	0.000	0.000	0.000	0.000
Equals Total funding level for planning	60.699	56.973	56.073	56.073	56.073

In the 2013/14 financial year, Whānau Ora expenditure has comprised two work streams. These include our business as usual activity: (management of the existing Service Delivery Capability contracts and Whānau Integration, Innovation and Engagement fund); and work to progress the requirements of Cabinet decisions transitioning Whānau Ora to the Commissioning Model (transition expenditure).

***As we noted in the July 2013 Whānau Ora Cabinet paper, we [will be] unable to finalise total funding requirements for the one-off transition expenditure until the completion of the procurement process, but it is likely that that additional departmental funding will be required.

Mechanisms to fund transition costs, including the option to front-load departmental expenditure are being developed for confirmation through the 2014 March Baseline Update.

5.2. Operating – Non Departmental

	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Current operating expenditure baseline	154.323	156.119	144.979	144.979	144.979
Add any indicative allocation advised of	0.000	0.000	0.000	0.000	0.000
Equals total funding level for planning	154.323	156.119	144.979	144.979	144.979
Financial Movements					
Add cost of new activity to be funded from current baselines	0.000	0.000	0.000	0.000	0.000
Add total cost pressures	0.000	0.000	0.000	0.000	0.000
Subtract significant changes that will generate savings	0.000	0.000	0.000	0.000	0.000
Add or Subtract vote transfers	0.000	0.000	0.000	0.000	0.000
Subtract any indicative allocation advised of (as above)	0.000	0.000	0.000	0.000	0.000
Equals Total Funding level for Planning	154.323	156.119	144.979	144.979	144.979

In terms of the profile of non-departmental spending, the table on the following page provides a breakdown for each key Non-Departmental appropriation within Vote Māori Affairs. In percentage terms, more than 52% of the total Non-Departmental appropriation is allocated directly to the three Māori language entities (including two Crown entities and the Māori Television Service) the Crown purchase interest in which is monitored by Te Puni Kōkiri directly. Full and transparent accountability for these monies is achieved through the presentation before the House, and subsequent publication by these entities, of their respective Statements of Intent and corresponding Annual Reports.

Of the remaining Non-Departmental appropriations, some 7% is allocated to Te Tumu Paeroa, formerly the Māori Trustee, an entity subject to Schedule Four of the Public Finance Act 1989. A further 25% is directly appropriated in support of the Whānau Ora Approach.

Expenditure in terms of both the Whānau Ora approach and the Ministry's Māori Potential Investment Programmes is reported annually in a report tabled by the Minister of Finance, under Section 32(a) Public Finance Act 1989, on behalf of the two responsible Ministers. Funding appropriated in support of the Ministry's Māori Potential Investment Programmes comprises some 13% of the total Non-Departmental Vote. Future (2014/15) expenditure of this funding will be subject to an investment strategy currently being developed as a consequence of the refocus of Te Puni Kōkiri.

Summary of Service Providers for Non-Departmental Outputs	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Crown Entities					
– Te Māngai Pāho	52.884	52.884	52.884	52.884	52.884
– Te Taura Whiri i Te Reo Māori (the Māori Language Commission)	10.850	11.501	11.521	11.521	11.521
Statutory Entity					
– The Māori Television Service	16.611	16.611	16.611	16.611	16.611
Schedule Four Entity					
– The Māori Trustee/Te Tumu Paeroa	10.347	10.347	10.347	10.347	10.347
Other (Non-Government Organisations)					
– Whānau Ora	38.700	40.880	29.700	29.700	29.700
– Māori Potential Funds Investment Programmes	18.210	18.210	18.230	18.230	18.230
– Māori Potential Approach - Other Programmes (including Māori Wardens, Māori Women's Development Fund, NZ Māori Council, Strengthening and Promoting Māori Tourism, Iwi Housing Support and Rangatiratanga Grants)	5.337	4.337	4.337	4.337	4.337
– Māori Registration Service	0.626	0.626	0.626	0.626	0.626
– Post Settlement entities – Capacity Building	0.500	0.500	0.500	0.500	0.500
– Legislative Payments	0.043	0.043	0.043	0.043	0.043
– Other	0.215	0.180	0.180	0.180	0.180
Total	154.323	156.119	144.979	144.979	144.979

5.3. Capital - Departmental

	Increase (Decrease)				
	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating balance funding available	2.723	2.264	2.192	2.076	1.432
Add depreciation funding received	0.676	0.871	0.878	0.870	0.859
Add receipts from sale of assets	0.000	0.020	0.165	0.840	0.000
Add other (please specify)	0.000	0.000	0.000	0.000	0.000
Equals total baseline funding available	3.399	3.155	3.235	3.786	2.291
Subtract capital investments funded from baselines	1.135	0.963	1.159	2.354	0.588
Equals closing baseline funding available	2.264	2.192	2.076	1.432	1.703

5.4. Capital – Non Departmental

	Increase (Decrease)				
	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Baseline funding available for the purchase or development of Crown capital assets	0.000	0.000	0.000	0.000	0.000
Add capital investments in organisations other than departments	0.000	0.000	0.000	0.000	0.000
Equals total	0.000	0.000	0.000	0.000	0.000

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1.2 Supporting financial information

This information is being requested for two reasons:

1. It will inform the high level financial summary in the front part of the 4YP
2. It will allow for a Vote-wide view of financial pressures and movements that will support budget related decision-making and other analysis.

This information is in line with what was requested in last year's 4YP but there are some structural adjustments to help improve the flow and fit of the information.

This section will help inform the financial summary in the front part of the 4YP which gives assurance that the delivery of an agency's strategic intention is achievable within baselines. This section should also, however, consider materiality when providing this information. This section should therefore only include that information which would materially affect the financial balance of the 4YP if it were not included. If there are a number of small values that on their own, are immaterial, but when added together constitute a material amount, then we recommend including them as an 'other' line. Materiality is ultimately a judgement call for agencies to make but Central agencies are happy to discuss this further with agencies.

The financial story is split into the following sections:

- Information on increased costs that agencies will have to manage within their baseline (new activity and cost pressures)
- Information on what agencies are doing within their baselines in order to fund the increased costs (changes to generate savings – reprioritisation, increased operational efficiency, etc
- Inclusion of vote transfers, either in or out, that affect the agency's funding

New Activity that will be funded within current baselines

Please complete these tables, summarising the new activity to be funded from current baselines that was described in Section 4.2.2 (plan for delivering on the Strategy). Some new activity may require a mixture of capital and operating funding. In these instances please include each aspect of the new activity funding requirement in the appropriate table.

Increased demand for an existing service is not considered new activity for the purpose of the 4YP. This will be included as a cost pressure further on in this Annex.

Departmental - Operating

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
	0.000	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000

Non Departmental - Operating

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
	0.000	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000

Departmental - Capital

Purchase of Assets	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
IT/EDP Hardware	0.370	0.320	0.320	0.320	0.320
Furniture and Fittings	0.000	0.165	0.165	0.000	0.000

Motor Vehicles (replacement)	0.000	0.048	0.454	1.814	0.048
Leasehold Improvements	0.265	0.330	0.120	0.120	0.120
Intangible Assets/Software	0.500	0.100	0.100	0.100	0.100
Total	1.135	0.963	1.159	2.354	0.588

Non Departmental - Capital

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
	0.000	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000

Cost Pressures

Please identify operational cost pressures on your business as usual activity. This is the activity, as described in Section 4.2.1 of the 4YP that is not planned for major change.

Please note that for the purpose of the 4YP cost pressures are the additional costs incurred in providing the same activity, not the total cost of the activity.

Please ensure that where cost pressures accumulate year on year (eg wage adjustments) this is reflected as such.

Cost pressures can be either increased costs due to increasing demand for a service or an increase of the costs to provide the same level of service.

Cost pressures are not the costs incurred to provide new activities or the costs incurred from operational changes that will generate future savings. If there is a net cost in the early years of operational change to generate future savings this should be included as a negative number in the 'significant change that will generate savings' section, further on in this Annex.

We have split cost pressures into four main areas: Cost Pressures from increased service demand; Direct Employment Costs Pressures; Operational cost pressures arising from Capital, and Other Cost Pressures.

Please complete the tables for each section. This will allow for a consistent system-wide view to be formed. The tables immediately below are a summary of the totals of the cost pressures identified in each of the following sections. It will show the total cost pressures that will then inform the financial summaries in section 4.5.

Departmental

Summary Table of Total Operational Cost Pressures	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
From Increased Service Demand	0.000	0.000	0.000	0.000	0.000
[11,13]					
From Capital Planning	0.000	0.195	0.202	0.194	0.183
From Other	0.000	0.213	0.697	1.004	1.270
[11,13]					

**Mechanisms to fund transition costs, including the option to front-load departmental expenditure are being developed for confirmation through the 2014 March Baseline Update.

Non Departmental

Summary Table of Total Operational Cost Pressures	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
From Increased Service Demand	0.000	0.000	0.000	0.000	0.000
From Direct Employment Costs	0.000	0.000	0.000	0.000	0.000

From Capital Planning	0.000	0.000	0.000	0.000	0.000
From Other	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000

Cost pressures arising from increased service demand

These are cost pressures that arise due to an increased demand for a service that you fund from within baselines and plan to continue providing. Please describe the service for the purposes of this section, not the specific costs incurred. If you do not plan to meet the additional service demand for this service without increased funding then do not include this here. In those cases, include it as a new initiative request.

As an example: you provide a service to 1,000 people, the total cost of which is \$10.000m annually, you expect the demand for that service to increase to 1,500 people over the four year horizon and you plan to continue providing the service. The costs will increase to \$12.000m annually as you need to employ additional workers and will also incur additional accommodation costs for them. In this case please describe the cost pressure as "increased demand for service XXX from 1,000 to 1,500 people" and show the accumulating cost pressures.

Please complete one table for Departmental Cost Pressures and one table for Non Departmental Cost Pressures

Departmental

Cost Pressures arising from increased demand on service delivery	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
	0.000	0.000	0.000	0.000	0.000
Total**	0.000	0.000	0.000	0.000	0.000

** Mechanisms to fund transition costs, including the option to front-load departmental expenditure are being developed for confirmation through the 2014 March Baseline Update

Non Departmental

Cost Pressures arising from increased demand on service delivery and short description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000

Cost pressures arising from direct employment costs

These are cost pressures that arise from any payments made to employees. This includes those arising from collective employment agreements (including new negotiated settlements) and/or agencies' remuneration policy/framework. Include the cost of increments - competency/service/performance based - as well as material changes to other costs such as allowances, professional fees, etc. Superannuation adjustments and ACC levies should also be included.

These cost pressures do not include those increased costs that arise from increased FTE numbers. If these FTE increases are material they will be discussed as part of section 4.2.2, new or increased activity that will be funded from within baseline. If the increased FTE plan is dependent on new funding this will be included in the new funding initiative.

Cost Pressures arising from Direct Employment Costs	2013/14 \$0.000m %	2014/15 \$0.000m %	2015/16 \$0.000m %	2016/17 \$0.000m %	2017/18 \$0.000m %
[11,13]					

[13,11]					
Non- Departmental cost pressures	0.000	0.000	0.000	0.000	0.000
Anticipated % change	-	-	-	-	-
[13,11]					

Although the 3.5% increase in staffing costs for the 2014/15 year is higher than the cost of settlement for the recently settled Collective Employment Agreement, this figure (which was similarly forecast in the Ministry's previous Four Year Plan) allows for any additional costs that a potential change in the skill mix required by the current organisational refocus may necessitate, and reflects current Treasury guidance stipulating a long term salary inflation assumption of 3.5%. We understand this rate is based on using a 2.5% long term inflation assumption along with 1% for long term labour productivity growth for the public sector.

Operational cost pressures arising from capital planning

These are cost pressures that may arise from planned changes to an agency's asset portfolio. They will relate to Depreciation and Capital Charge costs. If the changes result in a reduction of these costs do not include them here, include them in section 5.2.3 below as a reprioritisation. Cost pressures in this section do not include costs associated with the assets, e.g. maintenance, insurance, rates, etc. These will be included in the following 'Other' cost pressures section.

Cost Pressures arising from Capital Planning	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Depreciation	0.000	0.195	0.202	0.194	0.183
Total	0.000	0.195	0.202	0.194	0.183

Other cost pressures

In this section identify all other material cost pressures on your business as usual activity. This may include cost pressures relating to Asset Maintenance, Insurance, Rent, Rates, Power, Petrol, etc.

Cost Pressures arising from Other	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Inflationary pressures	0.000	0.213	0.697	1.004	1.270
Whānau Ora transition/Change Management		0.000	0.000	0.000	0.000
Total***		0.213	0.697	1.004	1.270

***As signalled previously, there will be additional cost pressures in 2013/14 as a result of transition costs relating to the establishment of the commissioning approach for Whānau Ora. As additional funding will be required in 2013/14, mechanisms to fund transition costs, including front-loading departmental expenditure, are being developed for confirmation through the 2014 March Baseline Update.

Further changes including the more fundamental proposal to refocus and align Te Puni Kōkiri to a strategic medium-to-long term role are envisaged. As signalled previously, a forecast

financial impact of the implications of this change will be developed as these are scoped in more detail.

Changes that will generate savings

Please complete this table summarising the changes that will generate savings that was described in Section 4.2.3. These savings will likely be used to fund new activities that will be funded from within baselines (5.2.1) and Cost Pressures (5.2.2).

Departmental

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
[11]					
Rolling Expenditure reviews/All of Government contracts savings – target of 4% of all direct operating expenditure.		0.994	0.975	0.985	0.993
Other reprioritised funding **		0.293	1.808	3.188	4.566
Whānau Ora transition	***	-	-	-	-
[11]					

** Further changes including the more fundamental proposal to refocus and align Te Puni Kōkiri to a strategic medium-to-long term role are also envisaged. A forecast financial impact of the implications of this change will be developed. Addressing these cost pressures will form part of the decisions in implementing the recommendations of the Ministry’s Refocus Review, as will any potential savings identified as a consequence of this work.

***As signalled previously, there will also be additional cost pressures in 2013/14 as a result of transition costs relating to the establishment of the commissioning approach for Whānau Ora. As additional funding will be required in 2013/14, mechanisms to fund transition costs, including front-loading departmental expenditure, are being developed for confirmation through the 2014 March Baseline Update.

Vote transfers

To present a balanced 4YP please include any Vote transfers ‘In or Out’. If they are a Vote Transfer ‘In’ make them a positive number. If they are a transfer ‘Out’ make them a negative number. Please ensure that the agency on the other side of the transfer also includes the transfer in their 4YP.

‘From’ or ‘to’ and name of agency on other side of transfer	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
“NZ Story” (to New Zealand Trade and Enterprises: Vote Economic Development)	(0.250)	(0.383)	(0.383)	(0.383)	(0.383)
Whanganui River Settlement (to Office of Treaty Settlements: Vote Treaty)	(1.000)	(1.000)	-	-	-

Negotiations)					
Total	(1.250)	(1.383)	(0.383)	(0.383)	(0.383)

Annex Two Budget Initiatives

The Government is yet to consider its priorities for Budget 2014. However Ministers have signalled previously that there should be no bids for additional funding outside of the areas where indicative allocations have been advised (Health, Education).

An indicative allocation is a signal to some agencies that they can undertake their strategic planning on the premise that it's likely a certain level of new funding will be made available to them. This new funding is not guaranteed and these agencies are still required to demonstrate, by way of completing the following template, how the additional funding supports both their Strategic Direction, as outlined in their 4YP and the Government's priorities.

This template should be used for budget bids for 2014 only. Any anticipated out-year funding requests should be signalled in the following Annex. Your 4YP must not rely on these requests to present a balanced 4YP or to achieve your strategic objectives.

For each new funding request please complete the following template:

2.1 Whānau Ora Navigators

Initiative Name	Vote	Department	Contact Person
Whānau Ora Navigators	Māori Affairs	Te Puni Kōkiri	[3]
<p>Describe what this funding request is for and what the expected results from this spending are.</p> <p>[7]</p> <p>The Whānau Navigator new initiative is proposed to be assigned to and administered by the Whānau Ora NGO commissioning agencies. The commissioning agencies will engage navigators to support their work with whānau and families to increase capability in a range of areas such as income generation, employability, technological literacy, healthy lifestyles and health literacy, engagement in lifelong learning, communication, effective parenting, and cultural (language, customs and literacy) engagement.</p>			
<p>Describe how the expected results will be measured.</p> <p>The new commissioning agencies will be contracted to develop and support initiatives that will deliver measurable results for whānau and families which align with the Government's Whānau Ora outcome goals that whānau and families are:</p> <ul style="list-style-type: none"> • self-managing and empowered • living healthy lifestyles • participating fully in society • confidently participating in te ao Māori (the Māori world) • economically secure and successfully involved in wealth creation • cohesive, resilient and nurturing. <p>The expected Whānau Ora Navigator results will form part of the commissioning agencies contracts with Te Puni Kōkiri.</p>			

Funding Sought at Budget 2014	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating				
[7]				
Capital				
Capital funding sought				0
<p>Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:</p> <p>[7]</p>				
<p>Describe if this initiative might require additional funding in future years:</p> <p>[7]</p> <p>[7]</p>				
<p>Describe how this new funding request supports the Governments priorities:</p> <p>Since 2011 Whānau Navigators have been trialled as part of the Whānau Ora service transformation investments across 34 Whānau Ora collectives and other NGO providers. [7]</p> <p>Through this, Whānau Ora has a growing body of evidence to indicate that Whānau Ora Navigators are key change agents for vulnerable whānau and families engaged with NGO service providers; and for providers and their frontline practice approaches. A broad picture of the Whānau Ora Navigators indicates they are:</p> <ul style="list-style-type: none"> • supporting whānau through crises through better matching needs with appropriate and available services; • assisting whānau to develop and implement practicable and aspirational goals, and doing so in ways which enable the whānau to take greater ownership and responsibility for action; • brokering services and negotiating with organisations and agencies to ensure the most appropriate response to meet the broader needs of whānau; and • reinforcing the need for organisations to work together to address whānau needs in an inter-sectoral and more holistic way rather than separately responding to each issue in isolation. <p>Whānau transformation reporting, which includes the work of Whānau Navigators, shows that whānau are more aware of, and satisfied with, the delivery of service and support to them; and that they are achieving a mix of desired gains including their levels of connectedness and cultural affinity; their focus on improving their members health, skills and qualifications; and a resultant commitment to improve their members' income and housing circumstances.</p> <p>The quality of engagement and impact that Whānau Navigators are achieving with whānau and families aligns positively with the Government's focus on Better Public Services, with scope to directly support the successful implementation of related initiatives such as the Government's <i>Social Sector Trials</i> and <i>Vulnerable Children's Teams</i>.</p>				
<p>Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:</p> <p>In July 2013 Cabinet approved the reform of Whānau Ora implementation and a shift from:</p>				

- Ministry-administered investments in providers to become more whānau-centred in their service and delivery approaches; to
- NGO-based commissioning of initiatives and services to help whānau and families to achieve greater economic, social and cultural capability and self-reliance.

Te Puni Kōkiri will administer the new NGO commissioning agency relationships, risks and performance accountabilities on the Government's behalf.

The RFP process to select the NGO commissioning agencies is at the point where Te Puni Kōkiri will soon recommend to ministers the NGO candidates that should progress to contract negotiations. The feedback from the NGOs concerned highlights the importance they are each placing on a responsive and capable provider sector to their respective commissioning approaches.

This approach will achieve two objectives. First, it will create scope to further recognise, and support, Whānau Ora provider collectives to continue to work holistically and effectively with local whānau and families. Second, it will set a strong and incentivised basis for collaboration and collective impact between the commissioning agencies and provider collectives, and other organisations which the agencies might allocate Navigator FTEs to.

Describe why this new initiative cannot be funded within baselines:

[7]

Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:

There are examples across the state sector of navigator-typed approaches used to support sector or issue-specific objectives. We understand that, in FY10/11, the Ministry of Social Development emulated the Whānau Navigator model, and an additional complement of 10 Rūwhenua (Earthquake) Navigators were placed with a subsidiary of Te Rūnanga o Ngai Tahu, to deploy similarly scoped earthquake recovery navigator/facilitator roles to Christchurch.

Some district health boards fund Kaiāwhina (navigator type) positions as part of Māori health services in their region. While their tasks include a mixture of advice and guidance for patients their focus is understandably specifically geared towards the social determinants of health.

However, we are not aware of any navigation or brokerage initiatives that focus, in the first instance, on whānau and families – from a demand side perspective – as opposed to sector or service line focused navigation.

Describe the implication if this funding is not approved:

No essential public services or functions within the Ministry will be compromised if this funding is not approved.

However, the growing evidence developed over the last two years of Whānau Ora investment shows that Whānau-focused navigation makes a real difference to the families being worked with; and supports a positive change culture across local level providers and agencies.

[11]

If partial funding of this initiative is an option, please describe how partial funding might work:

[7]

We expect that the current FTEs allocations will be maintained by the NGO commissioning agencies, with the balance of FTEs deployed to additional priority locations and hosts. The intent is to ensure that the commissioning and collaborative reach of Whānau Ora is extended into more community settings and support for whānau and families is broadened and diversified.

2.2 Māori ICT Development Fund

Initiative Name	Vote	Department	Contact Person
Māori ICT Development Fund	Māori Affairs	Te Puni Kōkiri	[3]
<p>Describe what this funding request is for and what the expected results from this spending are.</p> <p>The Māori ICT Development Fund will support Māori language and Māori economic development through ICT by providing contracts, grants, sponsorships, etc for the delivery of programmes and services.</p> <p>It will support Māori language development by: increasing access for Māori language learners to digital devices; increasing digital literacy among Māori language learners; and increasing the availability of Māori language content on digital devices.</p> <p>It will support Māori economic development by: increasing Māori training and employment in the ICT sector; improving use of existing and emerging ICT services among Māori enterprises; supporting ICT research and development among Māori enterprises; and building relationship between Māori and the ICT sector.</p>			
<p>Describe how the expected results will be measured.</p> <p>The expected Māori language results will be measured through: administrative data collected by the Ministry of Education about Māori language education; the Māori Social Survey and Māori language participation and impact surveys to be undertaken by Te Puni Kōkiri and Te Taura Whiri i te Reo maori.</p> <p>The expected Māori economic results will be measured through: administrative data collected by the Tertiary Education Commission; the Household Labour Force Survey; and Māori economic research to be undertaken by Te Puni Kōkiri and the Ministry of Business, Innovation and Employment.</p>			

Budget 2014

Funding Sought at Budget 2014	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating				
[7]				
Capital				
Capital funding sought				
<p>Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:</p> <p>[7,11]</p>				
<p>Describe if this initiative might require additional funding in future years:</p> <p>It is not envisaged that this initiative will require additional funding in future years.</p>				
<p>Describe how this new funding request supports the Governments priorities:</p> <p>The Government has a long-standing commitment to take all reasonable steps to support the revitalisation</p>				

of the Māori language [CAB (97) M34/5b refers].

In addition, this initiative will support the Business Growth Agenda and He Kai kei aku Ringa (the Māori Economic Development Strategy and Action [EGI Min (12) 25/2 refers]). Māori economic development has been identified as a cross-cutting focus within the Business Growth Agenda.

Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:

The Māori ICT Development Fund will support our enduring focus on Te Tū Rangatira: Māori are more secure, confident and expert in their own language and culture; and Te Ara Whakamua: Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.

The delivery of this initiative will be managed as part of our overall work programme to support Māori Language and ICT Development, and the implementation of *He Kai kei aku Ringa*.

Describe why this new initiative cannot be funded within baselines:

It is not possible to absorb \$30m within existing baselines within Vote: Māori Affairs.

Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:

Te Puni Kōkiri is not aware of any equivalent initiatives in other portfolios that are focused on promoting Māori language and Māori economic development through ICT

Describe the implication if this funding is not approved:

[11]

If partial funding of this initiative is an option, please describe how partial funding might work:

[11]

2.3 Te Māngai Pāho: Archiving

Initiative Name	Vote	Department	Contact Person
Te Māngai Pāho: Archiving	Māori Affairs	Te Puni Kōkiri	[3]
<p>Describe what this funding request is for and what the expected results from this spending are:</p> <p>In 2008, the functions of Te Māngai Pāho were expanded to enable it to ‘make funds available [for] ... archiving content [s10 of the Broadcasting Amendment Act 2008 refers]. At that time, it received a small baseline increase to enable it to undertake this function (\$520,000 in 2009/10 and 2010/11, and \$200,000 in out-years). In practice, this funding has been insufficient to enable Te Māngai Pāho to archive the combined backlog of Māori language radio and television content that has accumulated since the mid-1980s.</p> <p>This funding will enable Te Māngai Pāho to commission the New Zealand Film Archive (NZFA) to archive the backlog, and to manage future archiving requirements on an ongoing basis. This proposal should result in:</p> <ul style="list-style-type: none"> a) more Māori language content being archived in line with accepted archival practice; and b) increased use of Māori language content by programme makers and other users. 			
<p>Describe how the expected results will be measured:</p> <p>The results will be measured by:</p> <ul style="list-style-type: none"> a) the number of hours of Māori language content archived by the NZFA in line with accepted archival practice; and b) the number of hours of archived Māori language content used by programme makers and other users. 			

Budget 2014

Funding Sought at Budget 2014	2014/15	2015/16	2016/17	2017/18
	<i>\$0.000m</i>	<i>\$0.000m</i>	<i>\$0.000m</i>	<i>\$0.000m</i>
Operating				
[7]				
Capital				
Capital funding sought				
<p>Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:</p> <p>Currently, Te Māngai Pāho provides \$200,000 for archiving from within existing baselines. This will continue to be applied to support this function.</p>				
<p>Describe if this initiative might require additional funding in future years:</p> <p>[7]</p>				
<p>Describe how this new funding request supports the Government’s priorities:</p> <p>This initiative will better enable Te Māngai Pāho to give effect to its statutory functions. It will also reflect the enduring Crown commitment to take all reasonable steps to support the revitalisation of the Māori language and culture [CAB (97) M34/5b refers].</p>				

Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:

This initiative supports the focus across Vote: Māori Affairs on 'strengthening cultural wealth'.

Describe why this new initiative cannot be funded within baselines:

The major Te Māngai Pāho appropriations are specifically tagged to the funding of radio and television broadcasting. This initiative cannot be funded within baselines because it would erode the amount of funding available for these purposes.

Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:

Te Māngai Pāho currently provides \$200,000 to support Māori language archiving. In practice, this funding has been insufficient to enable Te Māngai Pāho to archive the combined backlog of Māori language radio and television content that has accumulated since the mid-1980s.

Describe the implication if this funding is not approved:

It is likely that historic Māori language audio and visual content will deteriorate rapidly, and that rare and unique content will be lost to future generations.

If partial funding of this initiative is an option, please describe how partial funding might work:

If this initiative was partially funded, it would be possible to increase the volume of historic content that could be archived. This would require Te Māngai Pāho to work with the NZFA to determine the priority collections for archiving.

2.4 Iwi Radio Operational Funding

Initiative Name	Vote	Department	Contact Person
Iwi Radio Operational Funding	Māori Affairs	Te Puni Kōkiri	[3]
<p>Describe what this funding request is for and what the expected results from this spending are:</p> <p>[7]</p> <p>This will result in (a) maintenance of quantity and quality of Māori language programming among existing iwi radio stations and (b) increased provision of Māori language content through new iwi radio stations.</p>			
<p>Describe how the expected results will be measured:</p> <p>Uptake of Māori language content will be measured via the current quantitative and qualitative audience surveys undertaken by Te Māngai Pāho, and the Māori Social Survey and Māori language participation and impact surveys to be undertaken by Te Puni Kōkiri and Te Taura Whiri i te reo Māori.</p>			

Budget 2014

Funding Sought at Budget 2014	2014/15	2015/16	2016/17	2017/18
	<i>\$0.000m</i>	<i>\$0.000m</i>	<i>\$0.000m</i>	<i>\$0.000m</i>
Operating				
[7]				
Capital				
Capital funding sought				
<p>Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:</p> <p>Currently, Te Māngai Pāho provides \$10,700,000 for iwi radio from within existing baselines. This will continue to be applied to support this function.</p>				
<p>Describe if this initiative might require additional funding in future years:</p> <p>[7]</p>				
<p>Describe how this new funding request supports the Governments priorities:</p> <p>This initiative will better enable Te Māngai Pāho to give effect to its statutory functions. It will also reflect the enduring Crown commitment to take all reasonable steps to support the revitalisation of the Māori language and culture [CAB (97) M34/5b refers].</p>				
<p>Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:</p> <p>This initiative supports the focus across Vote: Māori Affairs on 'strengthening cultural wealth'.</p>				
<p>Describe why this new initiative cannot be funded within baselines:</p>				

Existing baselines are already fully committed.

Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:

Te Māngai Pāho is the only funder of iwi radio.

Describe the implication if this funding is not approved:

It is likely iwi radio will struggle to maintain the quality of their programming and other services, leading to decreases in listenership and uptake of Māori language and culture content. [11]

If partial funding of this initiative is an option, please describe how partial funding might work:

Each radio station would receive a smaller increase in funding.

[7]

[7]

[7]

[7]

2.7 Māori Innovation Fund

Initiative Name	Vote	Department	Contact Person
Māori innovation Fund	Māori Affairs	Te Puni Kōkiri	[3]
<p>Describe what this funding request is for and what the expected results from this spending are:</p> <p>This funding request is for establishing a Māori innovation fund and an investment readiness programme (pastoral care).</p> <p>The investment fund would provide grants to Māori businesses to support innovation, strengthening Māori identity, strengthening economic independence, and positive social and economic impact.</p> <p>The pastoral care aspect would support Māori businesses that receive innovation funding to develop their governance and management structures and arrangements.</p> <p>Mainstream financial institutions are not meeting the needs of Māori businesses. The reasons for this include a disinclination of financial institutions to offer loans given concerns about multiple ownership and governance arrangements, and a lack of knowledge and experience and knowledge about accessing finance amongst Māori businesses.</p> <p>[7]</p>			
<p>Describe how the expected results will be measured:</p> <p>The impact of specific funding arrangements will be evaluated.</p>			

Budget 2014

Funding Sought at Budget 2014	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating				
[7]				
Capital				
Capital funding sought				
<p>Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:</p> <p>The funding sought is the total amount required.</p>				
<p>Describe if this initiative might require additional funding in future years:</p> <p>Any future funding beyond 2017/18 would depend on an evaluation of the effectiveness of the fund and a further case for funding if that further funding is justified.</p>				
<p>Describe how this new funding request supports the Governments priorities:</p> <p>This initiative aligns closely with a number of Government priorities and frameworks. For example, growing the value of the Māori exports will contribute to delivering one of the Government's four key priorities: to build a more competitive and productive economy.</p> <p>This initiative supports <i>He kai kei aku ringa: the Crown-Māori Economic Growth Partnership</i> and in particular the following goals and recommendations:</p>				

- Goal 4 (Government, in partnership with Māori, enables growth).
- Goal 6 (Māori Inc as a driver of economic growth), and in particular Rec 12 “Review linkages between innovation system and Māori enterprises and collectives”

This proposal also aligns with the Government’s focus on economic development and employment in the regions; most Māori businesses are in the regions and run by iwi, Māori incorporations and Māori individuals. Creating the potential for greater exports offers excellent opportunity for direct employment and economic benefit to whānau and communities in our regions.

Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:

This initiative will strengthen Māori economic wealth – a key strategic priority area within Vote: Māori Affairs.

Describe why this new initiative cannot be funded within baselines:

Baseline funding is fully committed.

Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:

Other potential sources of funding do not appropriately target Māori economic development initiatives.

Describe the implication if this funding is not approved:

More Māori businesses will continue to experience difficulties in accessing finance to develop their businesses.

If partial funding of this initiative is an option, please describe how partial funding might work:

[7]

[7]

[7]

2.9 Māori Tourism

Initiative Name	Vote	Department	Contact Person
Māori Tourism	Māori Affairs	Te Puni Kōkiri	[3]
<p>Describe what this funding request is for and what the expected results from this spending are:</p> <p>In Budget 2010 Cabinet set aside funding of \$4.5 m over three years 2010/11 to 2012/13 to strengthen and promote Māori tourism. This funding has been focussed on developing and implementing the Māori Tourism Action Plan (the Action Plan). However, the funding is time limited and will cease on 30 June 2014.</p> <p>Excellent progress towards the goals of the Action Plan has been made over the last three years. However, there is still considerable work to be done to continue to realise the economic potential of the Māori tourism sector. This funding request seeks an ongoing appropriation within Vote: Māori Affairs to continue to strengthen and promote Māori tourism. In the short to medium term, this will be progressed through continued implementation of the Action Plan. It is proposed that this funding would be provided to New Zealand Māori Tourism (NZMT) via a contract with Te Puni Kōkiri.</p> <p>[11]</p> <p>These activities aim to contribute to intermediate outcomes that will bring economic benefit to businesses, whānau and communities, as well as wider outcomes that will see economic benefits to the wider tourism sector and to New Zealand's economy as a whole.</p>			
<p>Describe how the expected results will be measured:</p> <p>Gathering data relating to the Māori tourism sector can be challenging. However, NZMT and Te Puni Kōkiri have developed an evaluation framework to measure and report on NZMT's achievements. Work to date has included identifying appropriate indicators (such as visitor satisfaction, profile of Māori tourism, value of domestic tourism, yield for Māori tourism operators), and the next phase of this work will focus on developing baseline measures for these indicators and targets for future progress. NZMT will progress this work in the short term to continue reporting to Ministers about NZMT's achievements and the impacts of those achievements over the proposed funding period.</p> <p>A key aspect of NZMT's monitoring and evaluation programme is a Capability Assessment tool developed specifically for Māori tourism operators by NZMT, in collaboration with Te Puni Kōkiri and Poutama. The information gathered through the survey / tool allows NZMT to get a picture of the overall capability of Māori tourism operators.</p>			

Budget 2014

Funding Sought at Budget 2014	2014/15	2015/16	2016/17	2017/18
	\$0.000m	\$0.000m	\$0.000m	\$0.000m
<i>Operating</i>				
[7]				
<i>Capital</i>				

Capital funding sought				
<p>Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are coming from:</p> <p>This is the total amount sought.</p>				
<p>Describe if this initiative might require additional funding in future years:</p> <p>This funding request is for an ongoing appropriation – funding is sought for the next four years and out years.</p>				
<p>Describe how this new funding request supports the Governments priorities:</p> <p>This initiative aligns closely with a number of Government priorities and frameworks. For example, growing the value of the Māori tourism sector will contribute to delivering one of the Government’s four key priorities: to build a more competitive and productive economy.</p> <p>The Māori Tourism Action Plan is also included in the Export Markets work stream of the Government’s Business Growth Agenda, which recognises the significant potential of leveraging New Zealand’s unique identity in the contexts of both tourism and trade.</p> <p>Since the development of the Māori Tourism Action Plan, <i>He kai kei aku ringa: the Crown-Māori Economic Growth Partnership</i> has also been launched. The underlying concept of this framework – providing our own food with our own hands – goes to the heart of this initiative, which aims to strengthen and enable the Māori tourism sector to realise its potential to contribute to the New Zealand economy. Māori tourism relates to Goal 4 (Government, in partnership with Māori, enables growth) and Goal 6 (Māori Inc as a driver of economic growth) of the <i>He kai kei aku ringa</i> Strategy.</p> <p>This initiative also aligns with the Government’s direction and priorities within the Tourism portfolio. For example, the Minister of Tourism has signalled a focus on attracting high value visitors to New Zealand, rather than simply increasing the total number of visitors. This requires a focus on the kinds of quality experiences and services that high value visitors expect, and Māori tourism has a key role to play in this context. Māori tourism can provide unique and high quality services and experiences, either as stand-alone products provided by Māori tourism operators, or as an added dimension to more general products and services.</p> <p>This proposal also aligns with the Government’s focus on economic development and employment in the regions; most Māori tourism services and products are developed in the regions, often by locally owned tourism operators. Supporting those businesses offers excellent opportunity for direct employment and economic benefit to whānau and communities in our regions.</p>				
<p>Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:</p> <p>With its focus on ‘strengthening both <i>cultural</i> and <i>economic</i> wealth’, this initiative supports two key strategic priority areas within Vote: Māori Affairs.</p>				
<p>Describe why this new initiative cannot be funded within baselines:</p> <p>[7]</p>				
<p>Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:</p> <p>The wider tourism sector is an area of focus for the wider state sector (including for agencies such as MBIE, NZ Trade and Enterprise and Tourism NZ); however, NZMT is the only organisation with a dedicated focus on Māori tourism businesses.</p> <p>Te Puni Kōkiri also provides the Māori Business Facilitation Service (MBFS). Some of MBFS’ clients will be tourism businesses although the service provided is not specifically tourism-focussed. Te Puni Kōkiri also provides support to NZMT, for example, in developing its evaluation framework and the capability assessment tool. However, Te Puni Kōkiri does not otherwise have a dedicated Māori tourism initiative or</p>				

programme.

Describe the implication if this funding is not approved:

[111

The primary consequence of this would be a lost opportunity to leverage the significant potential of Māori tourism for both the sector and the New Zealand economy as a whole.

The fragmentation of the tourism sector means it requires leadership and facilitation from an organisation with sound sector knowledge and extensive networks. Without this support for the strategic development of the sector, attempts to boost the Māori tourism sector and industry are likely to be un-coordinated and duplicated.

At a more practical level, there would be missed opportunities for individual tourism operators to work together to invest in Māori tourism, which as set out above, offers a unique dimension to New Zealand's domestic and international tourism offerings. The experience and capability developed by NZMT as an organisation since 2010 would also be lost, as the organisation relies on Crown funding.

If partial funding of this initiative is an option, please describe how partial funding might work:

As NZMT can be considered a representative body (in some contexts), the option of generating revenue by charging membership or association fees has been considered. However, this is not thought to be feasible in practice, as Māori tourism operators are likely to also belong to other sector or professional organisations such as the Tourism Industry Association (TIA) or the Motels Association (among others). The operators supported by NZMT are unlikely to be able to afford multiple membership fees and would not likely be in a position to pay fees to belong to NZMT. Furthermore, the small number of Māori tourism operators and their often seasonal nature means that even if a large portion of those operators were willing to pay fees comparable to those of other membership organisations, the total revenue generated would be minimal.

[7]

[7]

Annex Three: Anticipated out-year Funding Requests

There may be additional activities an agency cannot fund within baselines that would support their strategic direction and add increased value in support of the Government's priorities. In these instances agencies may signal expected funding requests for Budgets 2015 to 2017 through this template. The 4YP must not rely on these requests to balance financially or achieve its objectives.

This information does not constitute a budget bid. They will need to be made in the appropriate year. However this information may be used to inform advice on indicative allowances decisions.

For each new funding request please complete the following template:

[7]

[7]

Budget 2015

Expected Funding Request (Budget 2015)	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
Operating				
Operating funding sought				
Capital				
Capital funding sought				

Budget 2016

Expected Funding Request (Budget 2016)	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m	2019/20 \$0.000m
Operating				
Operating funding sought				
Capital				
Capital funding sought				

Budget 2017

Expected Funding Request (Budget 2017)	2017/18 \$0.000m	2018/19 \$0.000m	2019/20 \$0.000m	2020/21 \$0.000m
Operating				
Operating funding sought				
Capital				
Capital funding sought				

Annex Four: Capital Intentions

Purpose

Treasury and SSC intend to provide advice to the Minister of Finance and Budget Ministers on:

- overarching strategy to manage capital and capital pressures, with a focus on individual sector capital strategies
- Budget 14 capital priorities and individual investment decisions
- allocations from the Future Investment Fund for future Budgets.

When completing this template, agency's should also consider any implications from the Government's Investment Intentions³, in particular:

- more actively reprioritising Crown capital to its highest value use
- sharpening incentives on State agencies to use existing Crown capital well
- continuing to look at introducing private sector capital and disciplines, where appropriate, to help drive up the performance of State assets.

The information sought below is primarily meant to consolidate existing information that agency's are likely to have previously developed. **For each section below, we are looking for around 2 – 5 relevant bullet points.**

Current state

Please describe:

- the existing state of the sector/agency's asset base
- the key sectoral issues relating to capital management
- current performance of the sector in managing capital and areas for improvement
- how agency/sector agencies ensure capital resources (e.g. from accumulated depreciation) are allocated to highest priorities within a sector, rather than to individual agencies.

Please refer to the Ministry's general statements below

Trends

Please describe:

- the key drivers of capital utilisation in the sector/agency over the next 10 years
- any other relevant trends that may impact on the use of capital in the sector/agency.

Please refer to the Ministry's general statements at 5.5.7 below

Potential for private sector investment

Please outline:

- any examples of the sector using private sector investment or private sector capital disciplines
- any opportunities for (further) private sector investment in the sector/agency, i.e. Private, Public, Partnerships (PPPs).

Please refer to the Ministry's general statements below

Existing balance sheet

Please describe:

- the state of the sector's balance sheet, including amount of accumulated depreciation
- how well the sector uses its existing balance sheet, including whether it is actively prioritising capital to its highest value use
- any opportunities to fund future capital pressures from the existing balance sheet.

Please refer to the Ministry's general statements below

³ The Government's Investment Intentions were updated 19 May 2011 www.treasury.govt.nz/budget/2011/supp2010is/b11-sup2010is.pdf

Major capital decisions/challenges

The Project Portfolio reporting exercise and the Plan process outlines the sector's individual capital intentions. We are interested in agencies' view on the 2-3 major capital decisions or challenges over the next 10 years.

Please refer to the Ministry's general statements below

Strategy for managing capital

Taking into account the previous sections, please outline your strategy or "game-plan" for managing the sector's/agency's capital needs over the next 10 years.

Please refer to the Ministry's general statements below

Other relevant information

Please provide links to any other information relevant to your sector's/agency's capital asset management strategy

With the exception of the management of our vehicle fleet for regional staff Te Puni Kōkiri's asset requirements are fairly straight forward and common to an office environment. The book value of the Ministry's total non-current assets as of 30 June 2013 was \$2.322 million.

These assets typically comprise:

- EDP Hardware/Software;
- Motor Vehicles; and
- Leasehold Improvements.

The EDP Hardware and software mainly relate to supporting around 350 staff in a Microsoft Office application environment, Content Server (document management system), and SmartFund (contract management database system).

As well, Te Puni Kōkiri is mindful that its Finance function could provide a higher level of support to users if a greater investment was made in the financial system technology, as the current system is now 12 years old and based on old technology. Alignment with the wider state sector (including through the Treasury-led Optimise Finance project) is also a contributing factor in the consideration of upgrading the Financial Management Information System (FMIS). Accordingly, scoping studies have been undertaken over the last 12 months for both automating accounts payable and a revised FMIS (including a business intelligence tool). We have plans to migrate our FMIS to Technology One, a widely used FMIS, as the next stage in our financial systems growth.

With the recent oversight from the GCIO (Government Chief Information Officer) Te Puni Kōkiri has become consistent with standard practice in relation to business continuity matters and security. A business continuity plan update was carried out following the Christchurch earthquakes. This comprehensively provided for disaster recovery arrangements.

Following a recent independent review on vehicle usage, the vehicle fleet has been rationalised (reduced by 30%) by moving to a pool system. The cyclical replacement of the Ministry's vehicle fleet has changed from every three years to four years. Global Positioning Systems (GPS) has also been installed in all cars to help with managing usage and reducing the fringe benefit tax liability.

With the whole of government approach to property management, Te Puni Kōkiri is now part of a Property Management Centre of Expertise. This influences the agency's decisions when looking at leasehold arrangements. The agency is now looking at co-location options with

other agencies and has reduced space in two regional offices where the leases have come up for renewal. In one region, the floor space leased was reduced by half.

A national property strategy with a two year timeline has been prepared to operationalise the government guidelines in relation to National Office accommodation. This is expected to be in place by June 2015.

Annex Five: Government ICT Strategy and Action Plan to 2017 -

Background

The Government ICT Strategy and Action Plan to 2017 (Strategy and Action Plan) was agreed as government policy by Cabinet on 17 June 2013 [CAB Min (13) 20/12]. State Services agencies are expected to align their 4YP with the Strategy and Action Plan.

Government has charged the Government Chief Information Officer (GCIO) with leading government ICT to provide Vote-wide assurance, enable integrated digital service delivery, and deliver sustainable business savings of \$100 million per year by 2017. The Strategy and Action Plan is the response to this challenge. It sets out an action plan to transform service delivery through digital self-service channels and to unlock the full economic potential of government's information holdings. It proposes an exit from owning and operating commodity technology assets in favour of a services-based model, and a maturing of the risk assurance framework. These combined approaches, together with other improvement programmes, will deliver the required savings and necessary enhancements in service delivery.

The strategy is supported by a comprehensive action plan organised into four integrated focus areas, each including system assurance components:

- *Services are digital by default.* Government information and services must be joined up and easy to access through common customer-centric digital channels.
- *Information is managed as an asset.* Information and data is at the core of all government services, and government is the guardian of this asset on behalf of the New Zealand public. Exercising this responsibility, while making more effective use of this critical resource, is at the heart of transforming government services for citizens and businesses.
- *Investment and capability are shared.* Government's investment in information and technology must be integrated, leveraging common capabilities to deliver effective and efficient public services.
- *Leadership and culture deliver change.* Leadership and culture change are needed to give effect to the Strategy and Action Plan. As the functional leader of government ICT, the GCIO must set expectations with agencies based on an overview of all agency needs and business plans. Change needs to be delivered collaboratively, with delegated decision rights and clear accountabilities that connect at a system level.

System assurance. The system of assurance must be strengthened to manage information and technology risks, and the quality of government's ICT-enabled projects and services. This will apply across the spectrum of investment decision-making, development, operations, benefits tracking, replacement and decommissioning. Accountabilities will be clarified, with the GCIO providing the central point of coordination and reporting. Note that system assurance activities are not presented as a separate focus area. Instead they are integrated into each of the four listed above.

Information sought from agencies

Please describe what change the agency will effect to achieve Destination 2017 for each of the focus areas of the Government ICT Strategy and Action Plan to 2017. Responses are expected to consider the strategy component (pages 6 to 33) of the Government ICT Strategy and Action Plan (<http://ict.govt.nz/strategy/introduction/>) to 2017 in full.

Alignment of Te Puni Kōkiri's ICT Strategy to Destination 2017

Services are digital by default. Government information and services must be joined up and easy to access through common customer-centric digital channels.

- The Ministry regularly reviews, refreshes and reshapes its digital channel/internet face to maintain its currency and remain abreast of technical advances.
- Our increasing use of social media, including Facebook and Youtube sees the Ministry continue to develop its use of digital technologies. In addition to these channels, and following its recent success in commissioning the Māori Future Makers Website, Te Puni Kōkiri is also examining the scope to further showcase some of its more innovative partnered interventions in this manner.
- In terms of day to day standard operating channels, the Ministry's, accounts payable, email remittance advices, and contracts are all managed digitally.
- The Māori Business Facilitation Service online business assessment tool is a further example of the Ministry's investment in enhanced service design.
- The redevelopment of the Ministry's website – currently underway, will see an enhanced level of content, including information about the Ministry's role functions, services and its contribution to results. This initiative has been informed by a series of comprehensive focus groups with stakeholders both internal and external to the Ministry, including feedback on customer needs and the design of an appropriately customer-centric interface.

Information is managed as an asset. Information and data is at the core of all government services, and government is the guardian of this asset on behalf of the New Zealand public. Exercising this responsibility, while making more effective use of this critical resource, is at the heart of transforming government services for citizens and businesses.

- Information management within Te Puni Kōkiri is not treated as a separate art, but as something integrated across all business functions. This sees the leaders of all business units within the Ministry responsible for ensuring that their respective business practices meet the standards required for the safekeeping of the Ministry's information assets. The Ministry has moved in the last 12 months to require all ICT risk reporting is carried through to its Audit and Risk committee thus ensuring that there are no surprises and that the organisation remains aware of any issues arising, including the steps being taken to remedy these. This Committee oversees risk management and audit activities within the Ministry and advises the Chief Executive on performance across key business units.
- There has been some considerable focus in recent years on ensuring our systems are ready to respond in the event our Business Continuity Plan is called upon. This has included investigation of opportunities for widespread remote access as a means of enabling the continued operation of the Ministry, including its information management systems, in the event of an emergency.
- Te Puni Kōkiri has also been working to migrate hard copy records to the Ministry's online records management system (Content Server 10). To date, some 45% of existing records have been migrated by function, and the project team is currently assessing how much of the balance needs to be similarly migrated. This work is supported by the Ministry's newly developed Retention and Disposal schedules, and, to this end we are working closely with Archives New Zealand to assess file movement requirements and ensure all hard copy is appropriately maintained in secure offsite storage.
- The Ministry regularly updates its intranet content, and maintains intranet based forums to facilitate staff communicate and engagement on topical discussion points.

Investment and capability are shared. Government's investment in information and technology must be integrated, leveraging common capabilities to deliver effective and efficient public services.

- The Chief Executive has a stated commitment optimising the potential that new technologies have to offer Te Puni Kōkiri and, given our extensive regional network, with staff spread across more than 12 sites, to ensuring the Ministry is well-positioned to benefit from the efficiencies afforded by the use of digital and other technologies across the organisation.
- Te Puni Kōkiri continues to work with GCIO to ensure its alignment to the focus areas of the Government ICT Strategy and Action Plan. We are currently participating in All-of-Government initiatives in respect of computer hardware; and voice and data transport. We anticipate that our current use of Open Text Content Server will see us in a good position to effectively integrate our systems and processes once the RFP results are announced.
- We have plans to migrate our FMIS to Technology One, a widely used FMIS, as the next stage in our financial systems growth. We would look to take up All-of-Government offerings as part of this migration.
- We are also well positioned to optimise HR back end, with our HR delivered off the internet, and readily able to be shared with others if this was to be required.
- Our network environment has been fully wireless for 8 years, and our servers are running on a virtualised environment.
- The Ministry has a number of documented and effectively implemented training plans for all staff. Regular training of all staff is undertaken every six months, and all newcomers are trained within their first week. Our business model for support of Open Text Content Server relies upon comprehensive training programs for all technical staff, with all level two support now undertaken internally. The Ministry's focus in recent years on developing our in-house support team to the

point has seen a significant reduction in the use of consultant services in this area of the business.

- The Ministry's highly regarded cadetship programme has also played a role in supporting young Māori into key industries where there are skills shortages including in particular the energy, *telecommunications* and infrastructure sectors. Similarly, we expect the proposed initiative to establish a Māori ICT Fund from 2014/15 will also make a significant contribution to increasing the number of young Māori in the ICT sector.

Leadership and culture deliver change. Leadership and culture change are needed to give effect to the Strategy and Action Plan. As the functional leader of government ICT, the GCIO must set expectations with agencies based on an overview of all agency needs and business plans. Change needs to be delivered collaboratively, with delegated decision rights and clear accountabilities that connect at a system level.

- Management courses continue to be undertaken by level four managers to enhance sector and cluster-based ICT management capability. The Ministry also participated in the Natural Resources Geospatial Leaders Forum where the benefits and opportunities and experiences of colleague agencies were regularly shared and we have similarly been invited to participate in the joint government CIOs group, which we understand will also enable opportunities for further collaboration across the sector.
- Our engagement with the GCIO has also increased, as the Ministry works to further align its practice to and participate in the GCSB project.

Annex Six: Risks

Treasury and SSC intend to use 4YP to provide an overview of significant risks across the State Sector. Risks are defined as uncertainties as they relate to objectives.

Resilience:

Taking the above into account, provide an overall assessment of the resilience of your agency.

By resilience, we mean the capability of your agency to withstand and recover from shocks that could impact on your ability to deliver the Plan. For example how resilient are your staff, your information systems, your stakeholder relations or reputation, your physical capability, and your finances.

We are seeking both an overall score for your agency, and several paragraphs providing your reasoning for this assessment. The following five point scale should be used:

1. Strongly resilient to most possible eventualities, well within risk appetites
2. Resilient to most eventualities, mainly within risk appetites
3. Resilient to some eventualities, but need strengthening in some areas to be within risk appetites
4. Only weakly resilient to most eventualities, exposed to significant risk in excess of appetites.
5. No resilience to many eventualities.

Score: 3

Resilient to some eventualities, but need strengthening in some areas to be within risk appetites

Te Puni Kōkiri remains alert to the fact that there is much work to do to ensure there is a recognition, across the state sector in particular, of the value of its input. The readiness and extent to which agencies involve the Ministry early in the policy process, particularly in relation to the six strategic priority areas we have identified as providing the greatest scope to make an effective and meaningful contribution to improving Māori outcomes, will be a test as to our effectiveness in overcoming any perceptions as to the Ministry's value proposition, and our ability to deliver.

The Ministry is clear also about the need to balance its focus between managing immediate issues and achieving long-term results, and the reprioritisation of our work programme and corresponding assessment of our skills and capabilities that will be required to deliver on the expectations our stakeholders have of Te Puni Kōkiri.

The results of our 2012 staff survey in respect of 'organisational culture' in particular, saw a shift in Te Puni Kōkiri' results from the high end of the state sector to the middle range (average). As we noted in our 2012, Four year plan, the Leadership Team remains alert to the effects continued uncertainty can have on staff and considers the shift in staff attitude during this period can be attributed for the large part to this circumstance. What those results do demonstrate however, was the resilience (at that time) of our staff. The Ministry remains optimistic that the recent decisions by Cabinet on the role and functions of Te Puni Kōkiri will provide the stimulus necessary to renewing any of the energy, focus and commitment that may have diminished within our workforce over the last several uncertain years.

Our Business Continuity Plan sets out the procedures, roles and responsibilities within and across the Ministry in respect of a broad range of potential adverse incidents. Clearly the overall impact of any emergency incident will be dependent on a number of factors, including:

- the timing of the event in relation to internal back up cycles, payment cycles, and external reporting requirements;

- whether the consequences of the incident are confined solely to Te Puni Kōkiri, or more widespread, in terms of managing internal and external expectations;
- knowing what critical information is stored offsite, where it is held, and being able to access this information; and
- our ability to access external support.

It addresses the implications for the Ministry's continued operations, both as an employer, and as a government agency with statutory and administrative functions and responsibilities, and specifies key steps to be undertaken to ensure sustainable business continuity. It includes potential scenarios in respect of our IT, Financial, HR, Policy advice and other systems.

Risks to the sustainability of the 4YP beyond 17/18:

Please outline your forward planning assumptions and risks to the sustainability of the 4YP beyond 17/18.

Score: 2

Resilient to most eventualities, mainly within risk appetites

Our score above presumes the current change implementation has been effectively completed, within appropriations and without any encroachment of the Ministry's FTE cap.

Strategic & Operational Risks:

We are interested in strategic and operational risks that could lead to a fiscal impact (and potential to generate requests for additional funding from the Crown or to impact on the Crown's balance sheet (net worth). We are also interested in risks to the sustainability of 4YP beyond the four year period.


Please consider the significance of the risk. We do not expect every risk facing your agency to be provided. How you define significant will be different for each agency. However as a guide we would not expect much more than 10 risks to be outlined.


For each risk please outline:

- A description of the risk, including the critical uncertainties that need to be managed. Provide an assessment of the likelihood that the risk will eventuate
- The impact of the risk if it eventuated. Include any uncertainties that are not part of the forecasts, but which are considered likely enough to require contingency planning,
- Describe the treatment/mitigation measures taken to reduce, make ready, respond or recover from such risks eventuating. This summary should show how the treatment has impacted on the likelihood or impact of the risk.
- Provide your assessment whether the risk, after mitigation, is acceptable.


See Risk Assessment tables on the following pages:


There may be a risk over the next Four Years that:


Risk One		Description and Impact		Mitigation		
<p>The duration of and the continued uncertainties created by the refocus project may [potentially] create confusion among Te Puni Kōkiri's stakeholders including those within government; the communities in which the Ministry operates; and amongst our staff and the wider public, as to the Ministry's role and functions.</p>		<p>The realisation of this risk will see Te Puni Kōkiri have difficulty providing leadership, delivering on government priorities and providing high quality policy and relationship advice.</p> <p>If Te Puni Kōkiri's role and nature of its contribution is not clearly understood by all stakeholders, its ability to deliver on its value proposition as the agency that others look to for thought leadership on key policy issues affecting Iwi, hapū and whānau Māori will be compromised, as will its ability to influence outcomes for Māori in high priority policy areas.</p> <p>A lack of clarity externally, as to the Ministry's role purpose and function may also create a lack of confidence and related perception risks for the Ministry among its stakeholders, including those who consider Te Puni Kōkiri is failing to meet their expectations. In these situations, there remains a further risk that key relationships may become challenged or strained, further compromising Te Puni Kōkiri's ability to effectively deliver on its strategic priorities.</p>		<p>A collective vision which is embedded in the organisation and is shared by all of its stakeholders is integral to Te Puni Kōkiri's continued success.</p> <p>Internally, the Leadership team continues to actively engage with staff on a consistent basis and ensuring that the organisation as a whole remains briefed on the processes underway and the anticipated timelines for these.</p> <p>Immediately following Cabinet decisions concerning the role and future focus of Te Puni Kōkiri, the Chief Executive released details of the proposed operating model and a consultation process including a series of workshops for all staff members will commence. The organisation is expected to transition into its proposed new arrangements by July 2014.</p> <p>Externally and following decisions on the outcome of the review the Ministry expects to undertake a comprehensive programme of proactive communications aimed at ensuring our wider stakeholders are aware of the role and functions of Te Puni Kōkiri including at a community level.</p> <p>The consistent messaging that will be a part of this process will also ensure we are able to manage the diverse expectations of our wide ranging stakeholders – contributing in turn, to the perception of Te Puni Kōkiri as a valued partner both across the state sector and within communities.</p>		
Likelihood	Possible	Impact	High	Risk	Medium	

Risk Two		Description and Impact		Mitigation		
<p>There is a continued risk that the on-going organisational change processes within Te Puni Kōkiri may have a damaging effect on staff morale and retention, and the Ministry's ability to retain institutional knowledge. Change may also lead to a level of ambiguity and confusion among Te Puni Kōkiri staff, not only as to the core purpose, role and function of the organisation but also in terms of their own role within it.</p>		<p>If Te Puni Kōkiri is to achieve its purpose of influencing for transformational or even iterative improvements in outcomes for Māori, the Ministry will need to be at the top of its game over the next four years.</p> <p>In an environment of change and uncertainty, the risk of staff disengagement in their work, and/or the strategic direction of Te Puni Kōkiri is very real and one the Ministry is alert to.</p> <p>The current fiscal challenges being faced within Te Puni Kōkiri, and across the state sector more widely, have also contributed to a level of disquiet among staff that can be exacerbated at critical times.</p>		<p>With the benefit of strong and visible leadership, regular engagement with staff, including through workshops and feedback loops aimed at restoring the confidence of staff, where this may have been called into question, the Ministry intends to reinforce the value it places on the contribution of staff, and the confidence it has in their ability to achieve the Ministry's strategic direction and the governments priorities and targets.</p> <p>To this end, Te Puni Kōkiri activities will be joined to a clear business strategy, and its functions will align accordingly.</p>		
Likelihood	Possible	Impact	High	Risk	Medium	

Risk Three		Description and Impact		Mitigation		
<p>The ability of the public service in general to recruit and maintain a skilled and capable workforce is constantly being challenged.</p> <p>Accordingly, there is a risk that the Ministry may be unable to recruit the appropriate mix of skilled and capable people to deliver on its strategic direction and the government's priorities.</p>		<p>Te Puni Kōkiri shares in these challenges, which are compounded for this Ministry by the high regard and the high demand in which its skilled professionals are held across the public sector.</p> <p>The Ministry recognises also, that the effective implementation of its confirmed role, purpose and strategic direction, as well as its ability to deliver on the government's priority areas, will be dependent on having the right people in the right roles. A failure to recruit staff of the calibre and with the skills and experience required for this purpose will compromise our success in the future.</p>		<p>The Chief Executive is committed to ensuring Te Puni Kōkiri is recognised as being an exciting and innovative place to work, both for experienced public servants and the brightest graduates with an interest in Te Ao Māori.</p> <p>The Ministry has historically been able to attract a high calibre of applicant for most vacancies it seeks to recruit to. The nature of the work is attractive to both Māori and non-Māori applicants, seeking to make a positive contribution, and the Te Puni Kōkiri brand is strong in the niche markets from which the Ministry usually recruit.</p> <p>With formal decisions on the refocus now confirmed, a comprehensive capability assessment is to be undertaken within the Ministry which will in turn inform our recruitment strategies in the coming months.</p> <p>As well, a review of our remuneration arrangements now that the Ministry has a direction from the government as to its new strategic priorities and is in a</p>		

Risk Three		Description and Impact		Mitigation		
				position to confirm the skills and capacity that will be required to achieve these, may also contribute to efforts to mitigate this risk.		
Likelihood	Possible	Impact	High	Risk	Medium	

Risk Four		Description and Impact		Mitigation		
<p>There is a risk that agencies may not recognise the value that Te Puni Kōkiri brings to their work, and as a consequence, may not choose to involve the Ministry in their work, in turn compromising our ability to deliver on our strategic direction and the government's expectations and priorities.</p>		<p>If agencies were to overlook the unique intellectual capital, knowledge, experience and networks Te Puni Kōkiri is able to contribute to improving the state sector's overall effectiveness for Māori, the Government's objectives for Te Puni Kōkiri, and our own strategic goals of achieving transformative change for Māori may not be realised.</p> <p>This in turn would impact on the building of capability of the wider state sector in respect of Treaty and iwi, hapū and whānau Māori issues.</p>		<p>We expect to take a multipronged approach which sees:</p> <ul style="list-style-type: none"> - <i>capability lifting</i> at all levels of the organisation to meet the requirements of the Ministry's new strategic direction; - <i>clear communications</i> with all of the Ministry's stakeholders, including across the state sector as to Te Puni Kōkiri's confirmed strategic direction, priority focus areas, and the partnership approach envisaged by our operating model; and - <i>expectation management</i> among all of the Ministry's stakeholders, including across the state sector as to Te Puni Kōkiri's role and how it intends to give effect to this. <p>These efforts, alongside a corresponding attitude shift within and outside of the organisation wherein Te Puni Kōkiri is recognised as the agency whose contribution results in measureable gains in terms of improving outcomes for Māori will serve to address any residual diffidence across the public sector and beyond as to the value the Ministry adds.</p>		
Likelihood	Possible	Impact	High	Risk	Medium	

Risk Five		Description and Impact		Mitigation		
There remains a risk that the level of change required to implement the Ministry's new strategic direction, might exceed the funding being set aside for this purpose.		<p>The Chief Executive is currently consulting with staff on the proposed new operating model which sets out the changes she envisages making to the Ministry's organisational structure as a consequence of final decisions on the Ministry's role and functions.</p> <p>In the event that the cost of these proposed changes exceeds available funding, it may not be possible to progress the organisational changes in the form originally envisaged.</p> <p>As signalled previously, the Ministry's success in the future will be dependent on having the right people in the right roles and a failure to achieve this, may in turn have implications for the Ministry's ability to deliver on its strategic direction and the Government's priorities.</p>		<p>The Minister of Māori Affairs and the Leadership Team have signalled that the Change Implementation will be achieved within existing baselines.</p> <p>A total of \$2.5m has been set aside in 2013/14 to fund the change process.</p> <p>Similarly, the design and implantation of phase two of the Change Implementation, will also be informed by and take account of the Ministry's current baselines.</p>		
Likelihood	Possible	Impact	High	Risk	Medium	

Annex Seven: Government Priorities

This information is requested in order to gain an integrated picture on how all agencies, (being departments or Crown Entities) within a sector, are intending to deliver Government priorities. The fourth priority – responsibly managing resources - underpins the 4YP.

Delivering Better Public Services

- Strategy: please outline the strategy to achieve the delivery of BPS, including Results and functional leadership
- Resources: please outline the resources committed to individual BPS priority results and any resources shifted across agencies [\$ amount, workforce (FTE), and/or other resources (which may include capital, ICT, office space)]

As noted in the body of this plan, the drive for Government to achieve better results for all New Zealanders has had significant implication for the way in which agencies work. Te Puni Kōkiri's proposed systems-based approach to state sector effectiveness for Māori aligns with the cross-agency and cross-sector efforts and general co-ordination and functional leadership arrangements envisaged by BPS. Although the Ministry has no formal leadership in respect of the 10 Better Public Services Results, areas 1-8 relate to social policy sectors in which Māori clearly do not enjoy the same level of outcomes as other New Zealanders. Our role across this broad range of policy issues is given effect on a number of fronts (pages 12-17 refer) including:

- Targeted investments with policy wrap around;
- Policy advice and influence; and
- Regional facilitation and brokerage.

	2012/13	2013/14	2014/15	2015/16
Resources committed	***			
Resources reallocated across agencies				

***With the majority of our contribution to the Government's policy priorities taking the form of FTE effort, we are not in a position to accurately quantify the financial resources committed to this form of activity at this time. The Ministry is currently examining options to time-record against allocated output activities which should see us well paced to address this requirement in future years.

Canterbury rebuild

- Strategy: please outline the strategy to achieve Government priorities in the rebuild of Canterbury
- Resources: please outline the resources committed to this priority and any resources shifted across agencies [\$ amount, workforce (FTE), and/or other resources (which may include capital, ICT, office space)].

Te Puni Kōkiri remains committed to supporting the state sector and others on all aspects of the recovery and rebuild of Ōtautahi. Our contribution to the CERA priorities takes place in a number of contexts, including through our locally based support to provide personal and practical support and navigation and linking people into services, events and community development activities. To this end, we have confirmed a continuation of \$350,000 of funding for the period through to June 2014 for the five Kaitoko whānau workers currently

engaged across five Māori organisations to provide navigational and related psychosocial support.

In addition to our current support of the Psychosocial Programme, the Ministry maintains a number of community investments in the build and recovery, across the education, employment and business development sectors, including the Cadetship and He Toki i te Rika programmes, and the Māori Business Facilitation Service. Our contributions to the latter two initiatives represent an estimated \$100,000 per annum.

The Ministry continues to provide a significant level of administrative resource the CERA Iwi Māori Recovery Programme, as well as full administrative support to the Māori Community Leaders Group established to represent the non Ngāi Tahu community of recovery activities. A further \$50,000 in direct funding is also being made available to this group.

In addition, the Ngāi Tahu-led social housing pilot continues to be supported by Te Puni Kōkiri with a further \$100,000 in direct funding confirmed this year. As well, we provide up to two FTE in support of recovery efforts across a range of community and cross agency endeavours.

	2012/13	2013/14	2014/15	2015/16
Resources committed	\$0.500m (+ FTE contribution)	\$0.500m (+ FTE contribution)	**	**
Capital – Christchurch Integrated Government Accommodation	\$0.120m	\$0.230m	-	-
Resources reallocated across agencies				

** In so far as the majority of the financial support provided by Te Puni Kōkiri for the Canterbury Recovery is allocated from the Ministry’s Māori Potential Fund, against which applications would typically be considered throughout the course of any given financial year, it is not possible at this time to confirm the extent of funding support likely to be approved beyond 2013/14. However we remain alert to changing community needs within the Ōtautahi region, and will continue to evaluate and review the form and extent of our support as emerging issues are brought to our attention.

Building a more productive and competitive economy (Business Growth Agenda work-stream)

- Strategy: please outline the strategy to achieve Government building more productive and competitive economy priorities, for example the BGA work-streams

Resources: please outline the resources committed to achievement of this priority and any resources shifted across agencies [\$ amount, workforce (FTE), and/or other resources (which may include capital, ICT, office space)].

Te Puni Kōkiri will continue to work with the Ministry of Business, Innovation and Employment (MBIE) to progress the implementation of He Kai Kei Āku Ringa. Additional areas of emphasis in the coming period will also include opportunities to promote the utilisation of Māori land, financial literacy and Māori business development including through the Māori Business Facilitation Service (MBFS) which supports Māori individuals, small and

medium-sized enterprises, and Māori collective organisations to build their business skills and management capabilities.

	2012/13	2013/14	2014/15	2015/16
Resources committed	***			
Resources reallocated across agencies				

***As signalled above, with the majority of our contribution to the Government's policy priorities taking the form of FTE effort, we are not in a position to accurately quantify the financial resources committed to this form of activity at this time. The Ministry is currently examining options to time-record against allocated output activities which should see us well placed to address this requirement in future years.