

# Statement of Intent

2008-11



**NZ On Air**

celebrates

New Zealand

identity and culture.

We fund local content –

sound and vision –

making it available

where New Zealanders

are watching and

listening.



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**Statements from NZ On Air and  
the Minister of Broadcasting**

This Statement of Intent (SOI) for the three years 2008 – 2011 is produced in accordance with ss141 and 142 of the Crown Entities Act 2004.

In the period ahead we are looking forward to developing new approaches to ensure that local content is available on the best platforms for New Zealand audiences. We will continue taking a prudent approach to risk, while supporting the creation of content that enhances New Zealand's reputation as a dynamic, innovative country proud of its culture and its place in the world.

The forecast financial statements and underlying assumptions in part 2 of this document have been authorised as appropriate for issue by the Board of NZ On Air in accordance with its role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.



**Neil Walter**

Chair



**Edie Moke**

Deputy Chair

In accordance with s149 of the Crown Entities Act 2004 I agree to present this Statement of Intent of NZ On Air before the House of Representatives



**Hon. Trevor Mallard**

Minister of Broadcasting

Date: 18th June 2008

**Part 1:**

# Overview and strategic issues

## 1. NZ On Air - what we do

NZ On Air celebrates New Zealand identity and culture. We fund local content – sound and vision – making it available where New Zealanders are watching and listening.

We have varied functions set out in the Broadcasting Act 1989, broadly covering television, radio, music, archiving and digital content.

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**Mission statement**

To be an independent leader in promoting local content and diversity in broadcasting

Kia tū hei ngārahu motuhake, hei whakatairanga i ngā hōtaka nō te paetata, hei whakanui hoki i te kanorau i te ao pāpaho.

**Purpose**

To determine the best allocation of Government funding for supporting and preserving a diverse range of local content in broadcasting

Hei mātāpuna pūtea Kāwanatanga e taea ai ngā tūmomo hōtaka rerekē nō te paetata te waihanga, te tiaki.

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### Consultation and reporting to the Minister

NZ On Air is an autonomous Crown entity governed by a Board of six members appointed by the Minister of Broadcasting.

The Board is supported by a small agency of specialist staff.

The Minister of Broadcasting may issue directives that we are to:

- have regard to relevant government policy (s104 Crown Entities Act) or to
- amend any provision in our SOI (s147 Crown Entities Act) or to
- provide funding to Radio New Zealand (s44(1A) Broadcasting Act)

The Minister may not however direct us in regard to cultural matters, nor may any Minister or Ministerial representative direct us in respect to particular programmes or other statutorily independent functions (s44 Broadcasting Act, s113 Crown Entities Act).

The Ministers of State Services and Finance may jointly issue a directive that we should comply with whole of government directions (s107 Crown Entities Act).

We provide quarterly reports to the Minister on progress against the targets set out in this SOI.

Consultation is undertaken with our other stakeholders on a regular basis, both through formal mechanisms such as conferences, hui, surveys, the publication of papers and discussion with industry and, less formally, through meetings and discussions with individuals and industry groups.

## 2. Our environment

As technology advances and audiences fragment it is more important than ever that a single agency has the resources, influence and expertise to support local content.

Choice of foreign content today is more prolific than it has ever been. The numbers of television and radio channels continue to increase, along with the ability of audiences to access content from the web. What cannot be provided in any meaningful way to audiences, without dedicated advocacy and funding, is local content featuring New Zealand perspectives and New Zealand creativity.

NZ On Air intends to remain the champion of local content – an informed and influential guardian in the midst of significant environmental change.

### Government

In January 2008 the Government released discussion documents seeking feedback on possibilities for regulatory change in broadcasting. This is the first such substantive review since the 1980s. NZ On Air welcomes the review. We see a strong independent NZ On Air as vital for fostering and promoting local content and public broadcasting.

In particular, we believe a simplified approach to disbursing public funding should be considered to enhance consistent outcomes across the broadcasting environment. Our view is that public funds should continue to be focused on local content creation rather than on infrastructure or administration.

The results of this review may be available during the first year of this Statement of Intent (SOI) but the Government has indicated that no decisions will be taken until 2009. Thus, the activities set out in this SOI generally reflect the status quo.

One initiative, however, is the transfer of TVNZ Charter funding to NZ On Air. This funding is ringfenced and will be allocated to programmes to assist TVNZ to meet some of its Charter obligations. During the year we will work with TVNZ to determine the most appropriate policy and process for allocating this funding.

## Industry

The electronic media environment continues to experience remarkable change. In the face of the speed and complexity of this change, it is important to ensure a consistent approach. This both protects investment of public funds (risk management) yet encourages us to develop new funding and policy approaches in a coherent and creative way (embracing new ideas).

New players continue to emerge in the **television** market and there are reports of more to come. TVNZ launched TVNZ6 in 2007 and TVNZ7 in 2008, both funded directly by Government for the Freeview platform. Mediaworks also has space on this platform but appears to be focusing on high definition spectrum use for the short term. Stratos launched both on Freeview and on Sky as an aggregator, providing a broader opportunity for audiences to view content from the regional channels.

In effect channels are settling into three types:

- **Type 1** comprises the major free-to-air national channels (TV One, TV2, TV3)
- **Type 2** consists of the smaller broad-service channels with mainly national reach (Prime, Maori Television)
- **Type 3** comprises channels broadcasting regionally and/or to special interest audiences, whether on UHF, Freeview or pay TV platforms (such as the 16 regional channels, C4, TVNZ6, TVNZ7, Juice TV, Stratos, Parliament TV, Alt TV).

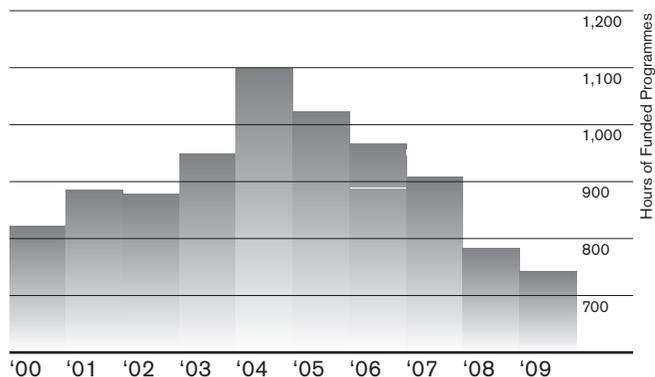
The Sky TV subscription service collectively of course is a major competitor to the Type 1 channels in particular, but its individual channels mostly fall into Types 2 and 3, with the possible exception of sports.

Finding the money to make local content is an issue for all television operators, as foreign content is invariably cheaper. NZ On Air traditionally has focused on Type 1 channels when allocating contestable funding, primarily because we are required to consider the potential size of the audience. We have provided limited funding for programmes on Type 2 channels, primarily when the channel is supporting a type of programme considered of high priority to us. To date the Type 3 support we have provided has been limited to modest levels of bulk funding allocated to qualifying regional channels, NZ music-related funding for C4, and extending viewing opportunities to these channels for existing programming. To date we have not funded material for first run on a pay channel.

Requests for public funding support will continue to increase, particularly if Internet Protocol Television (IPTV) becomes viable in New Zealand given our new digital responsibilities (see below).

As the cost of production increases a challenge facing us is to maintain the volume of hours supported. Thus far new technology does not appear to be providing significant cost savings in the genres we support the most. In fact technology change is more likely to contribute to inflationary pressure (eg. the move to high definition). As well, 'cheaper' genres such as some popular factual strands are rarely a strategic priority for NZ On Air, because the need for a subsidy is less evident.

### NZ On Air TV Funded Hours 2000-2009\*



Source: NZ On Air Annual Reports

\* not including hours funded for TVNZ Charter.

The **radio** industry appears in relative health despite the proliferation of stations. Dominance of the commercial market by two companies continues. Access radio stations are diverse in structure and output and we expect to issue a paper discussing this sector during the year. Public radio continues to be well-served by Radio New Zealand and Niu FM and we look forward to maintaining and extending our relationship with these important public broadcasters. Our policy on public radio funding will continue to be discussed with the Ministry for Culture and Heritage.

Globally the **music** industry is going through massive change, and New Zealand is not immune. The challenges are the same - the decline of physical CD sales, the digital revolution which is opening up new opportunities, the consolidation of the big record companies and the growth of the independents as the means of music production and distribution become more accessible and effective in the digital age.

### Funding strategies for varied audiences

We apply various funding mechanisms, through bulk and contestable allocations, across our various portfolios. NZ On Air's philosophy has been constant since our inception. We achieve our goals by adhering to these core values:

- focusing on the audience
- celebrating creativity
- building and maintaining effective partnerships
- promoting incremental shifts in attitude, rather than seeking high risk rapid gear shifts
- open communication with content creators and broadcasters
- being helpful and supportive to stakeholders
- providing high quality information and advice
- careful stewardship of scarce resources – making necessary choices in the allocation of funds
- transparency of approach

In **television**, a strategic issue for us is to find the appropriate balance between concentration of local content on selected channels, meaning visibility of local content but a narrower range, and the presence of local content on all relevant channels, meaning a broader range but dilution of impact. We are continuing a rolling review of funding strategies to ensure we are proactive in meeting the needs of New Zealand audiences.

We will be seeking as much flexibility as we can in licensing arrangements, particularly where NZ On Air provides a very large proportion of funding, to encourage additional broadcasts on multiple channels. This will allow more people to see funded programmes.

We will be developing policy during the year to ensure good outcomes from the TVNZ Charter funding administered by us this year for the first time.

We will also be reviewing our Maori programming policy following a hui held in late May 2008.

In **radio**, our funding is a mixture of bulk and contestable funding. We bulk fund 16 very different radio stations which provide a rich diversity of New Zealand viewpoints and music: public broadcaster Radio New Zealand (two stations) plus 14 community broadcasters – 11 access stations, Radio 531pi, Samoa Capital Radio and Radio for the Print Disabled, providing a vital insulation between the Government and the editorial freedom of these broadcasters.

The concentration of the commercial radio market into two main radio companies continues. We support a small amount of (mostly spoken) content for commercial stations when a programme clearly extends a radio schedule (eg. comedy, spiritual, ethnic programmes, programmes about NZ music). As well as providing distinctive local content, this also ensures that taxpayers who primarily listen to commercial radio also benefit from funded radio services.

Digital content issues also affect this medium of course. Radio listening via the internet is now commonplace and we expect increased funding pressures here too.

In **NZ music**, our mission from the outset has been to get more New Zealand music played on the radio, especially on the commercial radio stations enjoyed by many New Zealanders.

By focusing on the song and its potential to reach an audience, rather than the physical music medium, NZ On Air's funding mechanisms have been able to ride the environmental changes noted earlier. However we must remain ready to adapt. Hence, we intend to reassess our music strategy in 2008/2009 to ensure that NZ On Air remains relevant and important to the music life of the country.

The amendment to the Broadcasting Act, passed in March 2008, enables us to consider funding **digital** initiatives. In addition to our primary broadcast funding, we may now consider new media projects. These can include content on the internet, for mobile phones or for pay per view. Last year we published a digital strategy anticipating these additional responsibilities. It is important that we integrate these new responsibilities consistently with our core business so we make best use of limited resources.

A key plank in our digital strategy, building on the core values listed earlier, is to fund new content that:

- helps us achieve our objectives under the Broadcasting Act
- is innovative or popular – preferably both
- is free to access on at least one platform
- attracts New Zealand audiences of a reasonable size
- is value for money yet can prove a need for a subsidy
- is promoted and cross-promoted well
- realises a great idea

We will be further developing our funding policy in the coming months and will be consulting with stakeholders during the process. It is likely we will focus on 'broadcast-like' content or content that is clearly related to or encourages the development of professionally-produced sound and visual material.

Included in our strategy was the creation of the Digital Content Partnership Fund where we have committed \$1m funding each year for four years towards innovative broadcast-related digital content. In April 2008 we considered applications for the first year's allocation and we will continue developing our approaches to this form of content funding.

Another initiative was our support of NZ On Screen, a portal where an unprecedented range of New Zealand audiovisual content will be made available for the enjoyment and information of the general public. This is a major innovation which will be launched in the second half of 2008.

Our funding policies will also be progressively reviewed. By 2009 NZ On Air will have completed four policy reviews examining implications of digital developments across all areas of our activity and implementing changes where necessary.

- **Television:** Reviewing funding policies to ensure cross-platform opportunities are encouraged where appropriate (by early 2009)
- **Music:** Reviewing the music strategy to address whether new digital responsibilities and environmental shifts mean revised funding priorities (by early 2009)
- **Radio:** Reviewing access and community broadcasting policy (by late 2008)
- **Archives/Digital:** Assess archiving needs and priorities and review the current funding framework for archiving services (by late 2009)

In short we intend that the next three years will be a time of growth for NZ On Air as we pursue the ongoing goal of working on behalf of New Zealand audiences to provide diverse and different local broadcast content on the best platforms.

### 3. Impacts, outcomes and objectives

We group our activities into the following:

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**Key Government Goal:**

# National Identity

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**Outcome:**

Innovative, visible broadcast content promoting New Zealand identity and culture for the 21st century

## 3. Impacts, outcomes and objectives

Television Impacts	Achieved By	Key Measures and Standards	Delivered By Activity
<ol style="list-style-type: none"> <li>Local content is valued by its target audiences</li> <li>Maori language and culture are visible in mainstream television</li> <li>Innovative television programmes about New Zealand and New Zealand interests</li> <li>Television programmes are made for a variety of audiences</li> </ol>	<p>Funding a range of television programmes through a contestable funding model</p> <p>Funding a range of television programmes to assist TVNZ to achieve some of its Charter obligations</p>	See section 6 and Part 2	Television Funding
Radio Impacts	Achieved By	Key Measures and Standards	Delivered By Activity
<ol style="list-style-type: none"> <li>A non-commercial national broadcaster provides high quality and diverse content valued by its audiences</li> <li>Community radio provides opportunities for varied groups to make and broadcast useful programmes to their communities</li> <li>Funded programmes for commercial radio extend the listening choices of New Zealanders and are valued by them</li> </ol>	<p>Bulk funding: public and community radio stations -</p> <ul style="list-style-type: none"> <li>2 Radio New Zealand networks</li> <li>11 Access Radio stations</li> <li>2 Pacific Island stations</li> <li>1 Special Interest station</li> </ul> <p>Contestable funding: programmes on commercial radio</p>	See section 6 and Part 2	Radio Funding
Music Impacts	Achieved By	Key Measures and Standards	Delivered By Activity
<ol style="list-style-type: none"> <li>NZ music presence is strong on commercial radio</li> <li>Difference and diversity features in broadcast New Zealand music</li> </ol>	Promoting and funding NZ music through a contestable model	See section 6 and Part 2	NZ Music Funding
Digital and Archiving Impacts	Achieved By	Key Measures and Standards	Delivered By Activity
<ol style="list-style-type: none"> <li>Radio and TV programmes are professionally archived for access by New Zealanders, now and in the future</li> <li>Digital initiatives extend local content on to different platforms</li> </ol>	<p>Funding the archiving and preservation of television and radio programmes</p> <p>Funding NZ On Screen</p> <p>Digital Content Partnership Fund</p>	See section 6 and Part 2	Digital and Archiving Funding

## 4. Key initiatives

Our operating intentions for 2008/09 are set out below.

### Television

- provide contestable funding for innovative television content, this year focusing on diversity in documentary
- fund programmes that could not be made on a commercial basis because of cost, risk or their specialist nature
- promote the inclusion of Maori perspectives in mainstream programmes and provide Maori programming to audiences important to us

### Radio

- support editorially-independent public radio by ensuring Radio New Zealand is adequately funded on an arms length basis so it can continue to deliver world class services
- fund community access radio stations that meet our criteria and offer community groups the opportunity to make and broadcast programmes
- implement any policy adjustments that result from the 2007/08 review of access radio funding
- fund Pacific Island radio in areas with significant Pacific Island populations and work with the Ministry for Culture and Heritage to rationalise Pacific Island radio funding given amalgamation and changes to services
- support specialist radio production to extend content on commercial radio outlets

### NZ Music

- maintain and strive to better the 20% local music content levels achieved on commercial radio over the five years of the NZ Music Code
- champion difference and diversity in New Zealand music while prioritising the mainstreaming of New Zealand music via commercial radio
- build on the initial success of the Phase Five plan to promote NZ music internationally to contribute to the further development of NZ music at home
- promote the new **kiwihits.co.nz** music promotion site centred on the Kiwi Hit Disc catalogue of songs and music videos; and **kiwihits.com**, a sister site which does the same for our international music promotion programme
- review the music strategy to address whether new digital responsibilities and environmental shifts mean revised funding priorities
- evaluate success of Phase Five music plan

### Digital/Archives

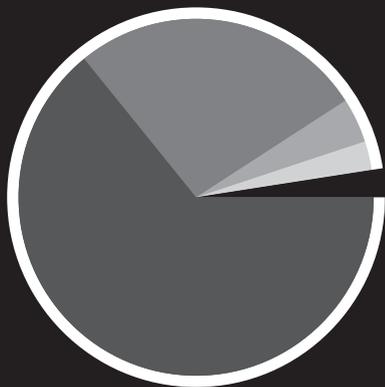
- continue implementing our digital strategy
- develop funding policies to incorporate digital issues
- ensure local content portal NZ On Screen is launched successfully
- implement Year 2 of the Digital Content Partnership Fund
- support targeted archiving activity and develop ways to coordinate and share publicly funded material

### Funding Management

- maintain a focus on transparent and accountable funding processes
- maintain high quality decision making and contracting processes
- conduct four rolling funding reviews
- revise our qualitative research methodology
- implement a new management information system
- align our goals and objectives both with those of Government and of the relevant sectors of the television, radio and music industries

The graph on right shows the proportion of funding to activities.

2008/09 Budget



■ Television	64.14%
■ Radio	26.74%
■ NZ Music	4.05%
■ Digital/Archives	2.62%
□ Administration	2.45%

Outcome:

97.55%  
of our budget  
goes to funding  
original  
New Zealand  
content

## 5. Organisational health and capability

We are a small entity that takes pride in applying limited resources to achieve our statutory funding tasks rather than to infrastructure. There is no equivalent organisation internationally and certainly none where so many positive outcomes are delivered by such a small team. Our staff members are flexible, highly skilled and deeply committed to our goals.

Our good employer and personnel policies are formally recorded and include a commitment to equal employment opportunities. We do not permit harassment or discrimination of any type.

To enhance our capability over the next three years we will maintain and develop policies that ensure:

- Equal employment opportunity principles are incorporated in staff selection and management, to achieve as diverse a workforce as possible and practical given our small size
  - **Measure:** EEO principles included in all relevant documents and practices
- Recruitment, training and remuneration policies focus on attracting and retaining skilled, flexible and knowledgeable team players
  - **Measures:** Full time staff turn over will be no more than 3 people per annum
  - Individual staff training plans introduced
  - External evaluations conducted at least every three years
- Our office environment and equipment are safe and well maintained
  - **Measures:** Annual capital expenditure and maintenance programme carried out
  - Each new employee has an individual ergonomic analysis of their dedicated workspace
- Zero tolerance of harassment, bullying and discrimination

## 6. Key financial and non financial measures and standards

The main financial and non financial measures we will use to assess our performance over the next three years are:

<b>Type</b>	<b>Measure</b>	<b>Standard</b>
Financial	Funding expended on planned activities	Funding is applied to activities as forecast in each year's Statement of Intent
Financial	Appropriate uncommitted equity at year end	Uncommitted public equity at each year end is less than 3% of total annual funding
Financial	Low percentage of funding spent on administration	Administration expenditure is less than 4% of total funding
Non Financial	Total number of broadcast hours for each activity funded as planned	The total number of hours of each activity funded is as forecast in each year's Statement of Intent (applicable to Television Funding and Radio Funding activities)
Non Financial	Percentage of funded projects not broadcast within 15 months of formal delivery	0% (applicable to Television Funding, Radio Funding and NZ Music activities)
Non Financial	Independent research provides useful public feedback (audience)	More than two thirds of respondents agree that NZ On Air supports programmes and activities important to New Zealanders (applicable to Television Funding and Radio Funding)
Non Financial	Independent research provides useful public feedback (industry)	More than two thirds of respondents agree that NZ On Air balances competing demands well and makes the right choices (applicable to the Television Funding activity)

**Part 2:**

# Service performance and financial management

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The following statements provide targets, budgets and performance measures for the year ending 30 June 2009 in accordance with s142 of the Crown Entities Act.

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There are no other relevant performance measures which need to be devised or disclosed (ss142(1)(c) and (e))

## Statement of forecast financial performance

for the year ending 30 June 2009

	Note	2008/09 Budget \$000	2007/08 Budget (2007/08 SOI) \$000	2007/08 Estimated Actual \$000
<b>Income</b>				
Crown revenue		127,557	109,813	109,813
Other revenue		4,500	4,400	5,443
<b>Total Income</b>		<b>132,057</b>	<b>114,213</b>	<b>115,256</b>
<b>Operating Expenditure</b>				
Funding management		3,277	3,277	3,277
<b>Funding Expenditure</b>				
Television		85,770	71,670	71,750
Radio		35,766	33,142	32,827
NZ Music		5,420	5,200	5,418
Digital/Archives		3,500	2,500	3,520
<b>Total Expenditure</b>		<b>133,733</b>	<b>115,789</b>	<b>116,792</b>
<b>Net (Deficit)/Surplus for the year</b>		<b>(1,676)</b>	<b>(1,576)</b>	<b>(1,536)</b>
Public Equity 1 July Committed	2	10,488	-	10,488
Public Equity 1 July Uncommitted		2,106	1,884	3,642
<b>Total Public Equity 30 June</b>	2	<b>10,918</b>	<b>308</b>	<b>12,594</b>
being				
Public Equity 30 June Committed	2	10,488	-	10,488
<b>Public Equity 30 June Uncommitted</b>		<b>430</b>	<b>308</b>	<b>2,106</b>

## Statement of forecast movements in equity

for the year ending 30 June 2009

		<b>2008/09</b>	<b>2007/08</b>	<b>2007/08</b>
		<b>Budget</b>	<b>Budget</b>	<b>Estimated</b>
			<small>(2007/08 SOI)</small>	<b>Actual</b>
	Note	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Public Equity 1 July Committed	2	<b>10,488</b>	-	10,488
Public Equity 1 July Uncommitted		<b>2,106</b>	1,884	3,642
Plus: Net Operating Surplus/(Deficit)		<b>(1,676)</b>	(1,576)	(1,536)
<b>Public Equity 30 June</b>	<b>2</b>	<b>10,918</b>	<b>308</b>	<b>12,594</b>
being				
Public Equity 30 June Committed	2	10,488	-	10,488
<b>Public Equity 30 June Uncommitted</b>		<b>430</b>	<b>308</b>	<b>2,106</b>

## Statement of forecast financial position

for the year ending 30 June 2009

		<b>2008/09</b>	<b>2007/08</b>	<b>2007/08</b>
	Note	<b>Budget</b>	<b>Budget</b>	<b>Estimated</b>
		<b>\$000</b>	<b>(2007/08 SOI)</b>	<b>Actual</b>
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Current Assets</b>				
Cash and cash equivalents		60,742	56,779	60,742
Trade and other receivables		1,500	1,500	1,500
<b>Total Current Assets</b>		<b>62,242</b>	<b>58,279</b>	<b>62,242</b>
<b>Non-Current Assets</b>				
Property, plant and equipment		314	75	314
<b>Total Non-Current Assets</b>		<b>314</b>	<b>75</b>	<b>314</b>
<hr/>				
<b>Total Assets</b>		<b>62,556</b>	<b>58,354</b>	<b>62,556</b>
<b>Current Liabilities</b>				
Trade and other payables		600	600	600
Funding liabilities		51,038	57,446	49,362
<b>Total Current Liabilities</b>		<b>51,638</b>	<b>58,046</b>	<b>49,962</b>
<b>Public Equity</b>				
Public Equity Committed	2	10,488	-	10,488
Public Equity Uncommitted		430	308	2,106
<b>Total Public Equity 30 June</b>	2	<b>10,918</b>	<b>308</b>	<b>12,594</b>
<hr/>				
<b>Total Liabilities and Public Equity</b>		<b>62,556</b>	<b>58,354</b>	<b>62,556</b>

## Statement of forecast cash flows

for the year ending 30 June 2009

	2008/09 Budget \$000	2007/08 Budget (2007/08 SOI) \$000	2007/08 Estimated Actual \$000
<b>Cash Flows From Operating Activities</b>			
<b>Cash Provided From</b>			
Crown revenue	127,557	109,813	109,813
Interest revenue	4,500	4,163	4,600
Other revenue	-	325	843
<b>Cash Applied To</b>			
Payments to broadcasters and programme producers	(128,730)	(111,759)	(111,684)
Payment to suppliers and employees	(3,277)	(3,363)	(3,277)
<b>Net Cash Flows Operating Activities</b>	<b>50</b>	<b>(821)</b>	<b>295</b>
<b>Cash Flows From Investing Activities</b>			
<b>Cash Applied To</b>			
Purchase of physical assets	(50)	-	(295)
<b>Net Cash Flows From Investing Activities</b>	<b>(50)</b>	<b>-</b>	<b>(295)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>(821)</b>	<b>-</b>
<b>Opening Cash</b>	<b>60,742</b>	<b>57,600</b>	<b>60,742</b>
<b>Closing Cash</b>	<b>60,742</b>	<b>56,779</b>	<b>60,742</b>

# Notes to the financial statements

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## Note 1. Statement of accounting policies for the year ending 30 June 2009

### Reporting entity

The Broadcasting Commission (NZ On Air) was established by the Broadcasting Act 1989, and is an autonomous Crown entity in terms of the Crown Entities Act 2004.

Our functions and responsibilities are set out in the Broadcasting Act 1989. The primary objective of NZ On Air is to provide services to the public rather than making a financial return. Accordingly, NZ On Air has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

These forecast financial statements are for the year ending 30 June 2009.

### Basis of preparation

#### Statement of compliance

These forecast financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) including FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These forecast financial statements have been prepared to comply with the Crown Entities Act 2004 and may not be appropriate for purposes other than complying with the requirements of this Act.

The actual financial results for the period covered are likely to vary from the information presented and the variations may be material.

#### Measurement basis

The measurement base adopted is that of historical cost.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars and rounded to the nearest thousand (\$000).

#### Judgments and estimations

The preparation of financial statements in conformity with NZ IFRS requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses\*. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

\* Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

## Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### Revenue

Revenue is measured at the fair value of consideration received.

Revenues are derived and recognised as follows:

- Revenue earned from the supply of outputs to the Crown is recognised as revenue when it is earned.
- Sales revenue from NZ On Air funded programmes is recognised when it is earned to the extent that information is available to us at that time, where it is not available revenue is recognised when received.
- Interest income is derived from investments held to maturity, and is recognised using the effective interest method.
- If applicable, other income is recognised when it is earned.

### Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks.

### Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment changes.

Impairment of a receivable is established when there is objective evidence that NZ On Air will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest method. Any impairment losses are recognised in the statement of financial performance.

### Property, plant and equipment

Property, plant and equipment includes computer equipment, office equipment, furniture and fittings, and leasehold improvements. Property, plant and equipment are shown at cost, less accumulated depreciation and any impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to NZ On Air and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to NZ On Air and the cost of the item can be measured reliably.

### Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates have been estimated as follows:

- Computer equipment	3 years	33.3%
- Office equipment	5 years	20.0%
- Furniture and fittings	6 years	16.7%
- Leasehold improvements	6 years	16.7%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

## Employee Benefits

Employee entitlements that NZ On Air expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date and sick leave.

NZ On Air recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that NZ On Air anticipates it will be used by staff to cover those future absences.

NZ On Air recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

## Provisions

NZ On Air recognises a liability for broadcast funding expenditure when the following three conditions are met:

1. The expenditure has been approved by the Board.
2. The funding recipient has been advised.
3. There are no substantive contractual conditions for the funding recipient to fulfill.

At 30 June 2008 and 2009 therefore, forecast funding liabilities in the balance sheet include both contracted liabilities and liabilities that are uncontracted, but have no substantive contractual conditions unfulfilled. The amount recorded for the uncontracted liability is the value approved by the Board. Where the effect of time value of money is material, the provision represents the present value of expenditures expected to be required to settle the obligations.

## Taxation

### Goods and services tax (GST)

The Statement of Financial Position is exclusive of GST, except for Creditors and Payables and Debtors and Receivables, which are GST inclusive. All other statements are GST exclusive. The amount of GST owing to, or owed by the Inland Revenue Department at balance date, is included in Creditors and Payables or Debtors and Receivables (as appropriate).

### Income tax

NZ On Air is exempt from the payment of income tax in accordance with s51 Broadcasting Act 1989.

### Broadcasting funding expenditure

The allocation of funds to broadcasting services is treated as expenditure when the allocation is approved by the Board and committed against the current year's income to the extent that any uncontracted commitments have no substantive conditions unfulfilled at 30 June. Expenditure therefore includes funds committed but not paid out at the year-end. The funds not paid out are recorded as funding liabilities in the balance sheet. Any allocations approved by the Board and committed against the current year's income that are uncontracted at 30 June and have substantive conditions unfulfilled are treated as contingent liabilities.

### Contingent assets and contingent liabilities

A Contingent Liability is disclosed where broadcasting funding expenditure has been approved by the Board, but that expenditure is uncontracted, and has substantive conditions unfulfilled at 30 June. At the point the substantive conditions are fulfilled, the contingent liability is removed and the value is recorded as expenditure and as a liability in the financial statements.

A Contingent Liability is also disclosed where there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources.

A Contingent Asset is disclosed where the inflow of an economic benefit is probable, but not virtually certain.

### **Cost allocation policy**

All expenditure not used to fund broadcasting services has been allocated to administration expenditure.

### **Operating leases**

An operating lease is a lease that does not transfer substantially all the risk and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

### **Financial instruments**

NZ On Air is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term, trade payables and trade and other receivables. There are no known significant concentrations of credit risks.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which cases the transaction costs are recognised in the statement of financial performance.

NZ On Air has the following categories of financial assets:

#### **(a) Loans and Receivables**

These are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

#### **(b) Held to Maturity Investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that we intend to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Investments in this category are term deposits.

### **Other liabilities and provisions**

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value, if significant.

### **Statement of cash flows**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term liquid investments.

Operating activities includes cash received from all income sources and records the cash payments made for the supply of goods and services, and the funding to broadcasters and programme producers.

Investing activities are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities comprise those activities relating to changes in equity.

### **Changes in accounting policies**

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

### **Comparatives**

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

**Related parties**

NZ On Air transacts with other Government agencies on a regular basis, for example, for the purchase of postage stamps or registration of vehicles. These transactions are conducted on an arms length basis. All transactions not conducted at arms length will be disclosed in our financial statements (annual report).

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**Note 2. Impact of international financial reporting standards on public equity**

The adoption by the Crown and therefore NZ On Air of International Financial Reporting Standards (IFRS) from 1 July 2007 has changed the point at which some funding commitments can be recorded. In adopting IFRS we were required to restate our 30 June 2007 assets, liabilities and equity using IFRS. This reduced our stated television funding liabilities and thus increased public equity at 30 June 2007 by \$10.488m because uncontracted projects with substantive conditions unfulfilled were not recognised.

This is an accounting treatment change only. \$10.488m remains committed to additional projects by way of a letter of offer. We have assumed that the value of commitments we can not recognise in the financial statements at 30 June 2008 and 2009 will be \$10.488m.

## Statement of forecast service performance

Our activities contribute to the non departmental output expense, Public Broadcasting Services, within Vote Arts, Culture and Heritage, administered by the Ministry for Culture and Heritage. We will receive \$127.557m (GST exclusive) in Crown funding in 2008/09.

Our activities enable:

- increased diversity of broadcast New Zealand television programmes, including drama, documentary and children's programmes as well as programmes for a range of special interest groups
- public broadcasting through TVNZ Charter funding, RNZ, community radio services, Pacific Island broadcasting and specially targeted programmes for commercial radio audiences
- promotion of New Zealand music on radio and television
- archiving of and access to television and radio programmes that are likely to be of historical interest to New Zealanders

We deliver the outputs purchased by the Minister of Broadcasting through five activity classes. All targets set out below are subject to receipt of satisfactory funding applications from viable entities. If such applications are not received we will adjust targets accordingly to ensure taxpayer funds are spent wisely.

### Forecast Revenue and Expenditure

	2008/09	2007/08	2006/07	2005/06	2004/05
	Forecast	Estimated Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000	\$000
Revenue and Expenditure					
Crown Revenue	127,557	109,813	106,671	100,838	94,213
Interest Revenue	4,500	4,600	4,424	4,277	2,981
Other Revenue	-	843	672	453	492
<b>Total Revenue</b>	<b>132,057</b>	<b>115,256</b>	<b>111,767</b>	<b>105,568</b>	<b>97,686</b>
Television Funding – TVNZ Charter	15,100	-	-	-	-
Television Funding – Other*	70,670	71,750	69,794	70,078	60,450
Radio Funding – RNZ	31,718	29,074	27,932	27,322	26,675
Radio Funding – Other*	4,048	3,753	3,058	3,115	2,669
NZ Music*	5,420	5,418	5,174	4,832	4,203
Digital and Archives Funding	3,500	3,520	1,622	1,164	1,104
Funding Management	3,277	3,277	2,856	2,686	2,314
<b>Total Expenses</b>	<b>133,733</b>	<b>116,792</b>	<b>110,436</b>	<b>109,197</b>	<b>97,415</b>
<b>Surplus/(Deficit)</b>	<b>(1,676)</b>	<b>(1,536)</b>	<b>1,331</b>	<b>(3,629)</b>	<b>271</b>

\*Expenditure includes write-backs of unspent commitments from previous years.  
For 2007/08 TV Estimated Actual write-backs are \$1.920m, Music \$0.097m and Radio \$0.002m.

## Activity 1: Television Funding

### Activity Description

Contestable and TVNZ Charter funding for television programmes that reflect and foster diverse expressions of New Zealand's cultural identity. Bulk funding of eligible regional channels.

### Performance Measures

#### A. Quantitative

The table below details the forecast hours of television for each genre we will fund in 2008/09:

Television Programme Funding	Notes	2008/09		2007/08		2006/07	
		Forecast Hours	Forecast \$000	Estimated Actual Hours	Estimated Actual \$000	Actual Hours	Actual \$000
<b>Programme Type</b>							
Drama and Comedy	1	93	33,275	76	30,154	89	24,220
Children's Drama	2	6.5	2,730	19.5	8,210	14	4,910
Documentaries	3	96	10,040	106	9,481	104	9,990
<b>Special Interest Programming</b>							
Children and Young People	4	386.5	11,435	380	10,183	490	14,670
Arts, Culture and Performance	5	22	1,794	31.5	4,020	53.5	3,930
Innovation		-	-	-	-	6	1,380
Disability Services (includes funding for captioning)		20	3,430	20	3,362	20	3,150
Minorities including Ethnic		121	6,716	148	6,982	132.5	6,830
Development		N/A	360	N/A	388	N/A	570
Regional Television		N/A	890	N/A	890	N/A	890
<b>Subtotal</b>	<b>6</b>	<b>745</b>	<b>70,670</b>	<b>781</b>	<b>73,670</b>	<b>909</b>	<b>70,540</b>
TVNZ Charter funding	7	tbc	15,100	-	-	-	-
<b>Total</b>		<b>tbc</b>	<b>85,770</b>	<b>781</b>	<b>73,670</b>	<b>909</b>	<b>70,540</b>
Children's Repeats	8	230	-	230	-	-	-

#### Notes

- Comedy and Drama have been amalgamated into a single target. Both are similar types generally of a scripted nature and have higher production costs than other programme types. The higher cost per hour in this genre reflects the provision for a scripted comedy series and an allowance for shooting new dramas in the High Definition format.
- Given the relatively high level of Children's Drama supported over the previous two years, and the pressure on the overall budget, a smaller provision has been made for this year.
- A significant increase in the Documentary budget reflects a provision for high end documentary series and one-offs.
- Reduced hours for Children and Young People yet a slightly higher level of funding reflects the lack of provision for a low cost/high hours series.
- The Arts, Culture and Performance genre has a reduced target due to transferring a provision of an Arts related documentary series to being more correctly included in the Documentary genre.
- Genre funding and hours will vary depending on applications received. This is because project funding applications cannot easily be predicted and may impact significantly (under or over) on the average cost per hour calculations used by NZ On Air to set these targets.
- 2006/07 Actual and 2007/08 Estimated Actual expenditure excludes write-backs of unspent commitments from previous years.
- Funding for projects reflecting Maori language and culture is spread across each of the programme types to ensure a broad spread of programming.
- Funded hours for TVNZ Charter programming were unable to be forecast at the time of writing. They will be reported at year end and forecast in future SOIs.
- As with previous years we have included a provision for a benchmark number of children's programme repeats as recommended by the Television Local Content Group.

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**B Qualitative**

	<b>2008/09 Forecast</b>	<b>2007/08 Estimated Actual</b>	<b>2006/07 Actual</b>
Percentage of funded projects not broadcast within 15 months of formal delivery	0%	Not measured in 2007/08	Not measured in 2006/07
An independent research report will be commissioned to measure, <i>inter alia</i> :			
<b>Audience measure:</b> The percentage of respondents that agree that NZ On Air supports television programmes important to New Zealanders.	More than 2/3rds	More than 2/3rds	79%
<b>Industry measure:</b> The percentage of respondents that agree that NZ On Air balances competing demands well and makes the right choices.	More than 2/3rds	Not measured in 2007/08	Not measured in 2006/07

## Activity 2: Radio Funding

### Activity Description

Funding radio programming for diverse audiences through:

- (a) Public radio: Radio New Zealand Ltd (RNZ)
- (b) Community radio: Access radio, Pacific Island radio and radio for special interest audiences
- (c) Commercial radio: Commercial radio programmes targeting audiences important to NZ On Air.

Performance Measures

### A. Quantitative

Public radio 1 - The funding agreement between NZ On Air and RNZ requires RNZ to deliver services to help NZ On Air meet its responsibilities under the Broadcasting Act 1989. These are:

Types of Programmes and Services	2008/09		2007/08		2006/07	
	RNZ National Forecast Hours (Note 1)	RNZ Concert Forecast Hours (Note 1)	RNZ National Estimated Actual Forecast Hours	RNZ Concert Estimated Actual Forecast Hours	RNZ National Actual Hours	RNZ Concert Actual Hours
NZ content programmes which includes:	7,800	N/A	7,800	N/A	7,505	N/A
- Maori Language and Culture	350	N/A	350	N/A	350	N/A
- Special Interest	340	N/A	340	N/A	339	N/A
- NZ Drama, Fiction and Comedy	200	N/A	200	N/A	194	N/A
Other Measures:						
- % of NZ music on rotate (Note 2)	33%	N/A	33%	N/A	33%	N/A
- % of NZ composition	N/A	3.5%	N/A	3.5%	N/A	3%
- % of NZ music performance	N/A	14%	N/A	14%	N/A	14%
- % of population able to receive transmission (Note 3)	97%	92%	97%	92%	97%	92%

### Notes

1. Minimum levels, subject to final agreement with RNZ.

2. In addition to New Zealand music on rotate, RNZ National produces and broadcasts feature programmes on New Zealand music.

3. This is the proportion of the population able to receive RNZ National and RNZ Concert via terrestrial transmission. 100% of the country is able to access RNZ National and RNZ Concert signal via a Freeview or Sky TV satellite dish and decoder.

Public radio 2 - RNZ will deliver the following programme hours devoted to the fulfillment of RNZ's Charter functions:

Charter Functions <small>(Note 1)</small>	RNZ National		RNZ Concert	
	2008/09 Forecast Annual Broadcast Hours <small>(Note 2)</small>	2008/09 Forecast % Total Hours <small>(Note 2)</small>	2008/09 Forecast Annual Broadcast Hours <small>(Note 2)</small>	2008/09 Forecast % Total Hours <small>(Note 2)</small>
(a) Programming that is predominantly and distinctively of New Zealand	8,059	92%	1,226	14%
(b) Programming that informs, entertains and enlightens the people of New Zealand	8,410	96%	8,760	100%
(c) Programming that is challenging, innovative and engaging	8,497	97%	8,760	100%
(d) Programming that fosters critical thought, informed and wide-ranging debate thereby contributing to greater tolerance and understanding	8,322	95%	N/A	N/A
(e) Programming that stimulates, supports and reflects the diversity of cultural expression including drama, comedy, literature and the performing arts	7,621	87%	8,497	97%
(f) Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance	964	11%	8,497	97%
(g) Programming that reflects New Zealand's cultural identity, including Maori language and culture	8,059	92%	1,226	14%
(h) Programming that provides awareness of the world and of New Zealand's place in it	6,482	74%	350	4%
(i) Programming that provides comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs	4,117	47%	263	3%
(j) Balance programmes of special interest with those of wide appeal recognising the interests of all age groups	8,410	96%	788	9%
(k) Programming that contributes towards intellectual and spiritual development	7,446	85%	8,760	100%

#### Notes

- Particular programmes produced and broadcast by either RNZ National or RNZ Concert have been assessed in terms of the contribution that the programme makes to RNZ's statutory Charter functions. Most programmes contribute to more than one Charter function.
- Minimum levels, subject to final agreement with RNZ.

<b>Forecast and Actual Expenditure</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>
	<b>Forecast \$000</b>	<b>Estimated Actual \$000</b>	<b>Actual \$000</b>	<b>Actual \$000</b>
Radio New Zealand	31,718	29,074	27,932	27,322
<b>Total</b>	<b>31,718</b>	<b>29,074</b>	<b>27,932</b>	<b>27,322</b>

Community radio – Fund access radio programmes and activities to meet NZ On Air's objectives under s36(1)(c) of the Broadcasting Act 1989:

<b>Community Radio</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>
	<b>Forecast \$000</b>	<b>Estimated Actual \$000</b>	<b>Actual \$000</b>	<b>Actual \$000</b>
Community Access Radio	2,537	2,537	1,871	1,910
Community Radio – Pacific Island Radio	375	370	365	290
Radio for the Print Disabled	110	107	100	95
<b>Total</b>	<b>3,022</b>	<b>3,014</b>	<b>2,336</b>	<b>2,295</b>

Commercial radio - Fund programmes for commercial radio programmes which meet NZ On Air's objectives under s36(1)(c) of the Broadcasting Act 1989:

<b>Commercial Radio Projects</b>	<b>2008/09</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2007/08</b>
	<b>Forecast Number</b>	<b>Forecast \$000</b>	<b>Estimated Actual Number</b>	<b>Estimated Actual \$000</b>
Youth and Children	150 hours	450	150 hours	410
Other (eg. spiritual, ethnic, comedy etc)	12 programmes or series	576	4 programmes or series	331
<b>Total</b>	<b>-</b>	<b>1,026</b>	<b>-</b>	<b>741</b>

## B Qualitative

We will commission independent research to measure support for one of the three radio funding activities each financial year (on a rolling basis). In 2008/09 an independent research report will be commissioned to measure Access radio audience viewpoints.

	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>
<b>Radio funding measures</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Actual</b>
The percentage of regular Access radio listeners that agree Access radio delivers programmes and activities that are important to them.	More than 2/3rds	Not measured	Not measured
Percentage of funded projects not broadcast within 15 months of formal delivery.	0%	Not measured	Not measured

## Activity 3: NZ Music

### Activity Description

Promote and fund New Zealand music to achieve significant broadcast exposure.

Performance Measures

#### A. Quantitative

NZ Music Funding - Forecast number of music projects funded in 2008/09:

Music Funding	2008/09 Forecast Number	2008/09 Forecast \$000	2007/08 Estimated Actual Number	2007/08 Estimated Actual \$000	2006/07 Actual Number
Albums	25	1,250	22	1,100	20
Radio singles	21	210	21	210	21
Singles with at least 50% te reo lyric content	3	15	3	15	1
Radio hit rebates for recordings that achieve significant airplay	20	100	20	100	20
Music videos	170	850	170	850	170
Music television programmes	5	530	5	520	3
Syndicated or networked music programmes produced and broadcast on commercial radio	13	550	13	550	12
b.net radio stations funded	5	500	6	400	6
<b>Total</b>	-	<b>4,005</b>	-	<b>3,745</b>	-

## NZ Music Promotion - Forecast promotional activities to be undertaken in 2008/09:

<b>Music Promotion: New Zealand</b>	<b>2008/09</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>Forecast Number</b>	<b>Forecast \$000</b>	<b>Estimated Actual Number</b>	<b>Estimated Actual \$000</b>	<b>Actual Number</b>
Music promotion	Note 1	442	Note 1	632	Note 1
Volumes of <i>Kiwi Hit Disc</i> and <i>Iwi Hit Disc</i> produced and distributed	15	100	15	100	14
Issues of <i>Fresh NZ Music</i> magazine produced	11	23	11	23	11
NZ Music Awards sponsorship	1	Note 2	1	165	1
<b>Total</b>	-	<b>565</b>	-	<b>920</b>	-

## Notes

1. Various activities undertaken by professional music promoters.

2. NZ On Air sponsorship for the annual NZ Music Awards is funded from the income received from record company repayments for sale of Phase Four albums.

<b>Music Promotion: International</b>	<b>2008/09</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>Forecast Number</b>	<b>Forecast \$000</b>	<b>Estimated Actual Number</b>	<b>Estimated Actual \$000</b>	<b>Actual Number</b>
NZ music samplers produced and distributed to selected tastemakers in four target overseas territories	10	160	10	-	7
NZ music features published in a leading trade magazine in each target territory	4	160	4	47	3
Consultancies	N/A	184	N/A	58	N/A
Representation and international music events	4	123	4	270	3
NZ music radio shows produced for international syndication	4	23	4	275	1
International radio promotion projects	10	200	10	200	15
<b>Total</b>	-	<b>850</b>	-	<b>850</b>	-

**B Qualitative**

	<b>2008/09 Forecast</b>	<b>2007/08 Estimated Actual</b>	<b>2006/07 Actual</b>
<b>Music Funding and Promotion</b>			
Percentage of the singles released from Phase Four Albums that will achieve a Top 40 airplay placing	At least 90%	At least 90%	94%
The percentage of respondents to independent research that support encouraging more radio stations to play more New Zealand music	At least 60%	At least 60%	66%
Percentage of radio singles from new artists that will achieve a Top 40 airplay placing	At least 80%	At least 80%	75%
From the volumes of Kiwi Hit Discs produced, the percentage of tracks that will achieve a Top 40 airplay placing	At least 75%	At least 75%	Not measured
Percentage of the music videos funded that will be played on music television	100%	100%	Not measured
Percentage of NZ music played on commercial radio	20%	20%	19.9%
Percentage of funded projects not broadcast within 15 months of formal delivery	0%	Not measured	Not measured

## Activity 4: Digital and Archiving Funding

### Activity Description

Fund the collection, preservation and display of television and radio programmes in traditional and digital environments.

Performance Measures

#### A. Quantitative

Digital Strategy - Forecast digital initiatives we will fund in 2008/09:

Digital Strategy	2008/09 Forecast \$000	2007/08 Estimated Actual \$000	2006/07 Actual \$000
Digital Content Partnership Fund	1,000	1,000	-
NZ On Screen	1,200	1,200	-
<b>Total</b>	<b>2,200</b>	<b>2,200</b>	<b>-</b>

Archiving - Forecast hours of programmes archived in 2008/09:

Radio and Television Archiving	2008/09 Forecast Hours	2007/08 Estimated Actual Hours	2006/07 Actual Hours
TV Programmes Archived	1,440	1,440	1,440
TV Programmes Preserved	210	210	210
Radio Programmes Archived	1,300	1,300	1,983
Radio Programmes Preserved	1,900	1,900	2,003

	2008/09	2007/08	2006/07
<b>Forecast and Actual Expenditure</b>	Forecast	Estimated	Actual
	\$000	Actual	\$000
		\$000	
TV Programmes Archived and Preserved	670	725	1,030
Radio Programmes Archived and Preserved	630	595	592
<b>Total</b>	<b>1,300</b>	<b>1,320</b>	<b>1,622</b>

## B Qualitative

	2008/09	2007/08	2006/07
<b>Radio and Television Archiving</b>	Forecast	Estimated	Actual
	\$000	Actual	\$000
		\$000	
Independent archiving consultants contracted to confirm material archived in the period is undertaken to best-practice professional standards.	Achieved	Achieved	Achieved

## Activity 5: Funding Management

### Activity Description

The systems, processes and resources used to scan the environment, evaluate proposals and deliver public funds to a high professional standard.

Performance Measures

#### A. Quantitative

Funding Management	2008/09 Forecast	2007/08 Estimated Actual	2006/07 Actual
Percentage of the total budget at which administration expenses are capped	Less than 4%	Less than 4%	Less than 4%
Percentage of the total budget represented by uncommitted public equity at 30 June	Less than 3%	Less than 3%	3.3%
Formal Board meetings convened	6	6	6
Stakeholder reviews undertaken	1	1	Not measured
Research activities undertaken	4	4	Not measured
Funding recipients audited	At Least 6	At Least 6	5

<b>Forecast and Actual Expenditure</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>Forecast</b>	<b>Estimated</b>	<b>Actual</b>
	<b>\$000</b>	<b>Actual</b>	<b>\$000</b>
	<b>\$000</b>	<b>\$000</b>	
Funding Management	3,277	3,277	2,856

## B Qualitative

<b>Forecast and Actual Expenditure</b>	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>Forecast</b>	<b>Estimated</b>	<b>Actual</b>
		<b>Actual</b>	
Percentage of completed applications received by deadline and considered by the Board at its next meeting	100%	100%	Not measured
Percentage of funding decisions made in accordance with approved policies and procedures	100%	100%	Not measured





# Directory

## Members

Neil Walter, Chair	of Wellington
Edie Moke, Deputy Chair	of Christchurch
Paul Smith	of Auckland
Nicole Hoey	of Auckland
Rhonda Kite	of Auckland
Michael Glading	of Auckland

## Staff

Jane Wrightson	Chief Executive
Bernard Duncan	Deputy Chief Executive, Radio and Public Affairs Manager
Anita Roberts	Personal Assistant to CEO
Glenn Usmar	Television Manager
Naomi Wallwork	Legal Affairs Executive
Teresa Tito	Executive Assistant Television
Brendan Smyth	NZ Music Manager
David Ridler	Assistant NZ Music Manager
Anna Cottrell	Policy Manager
Wayne Verhoeven	Chief Financial Officer
Hui-Ping Wu	Accountant
Christine Westwood	Finance & Administration Assistant
Trish Cross	Receptionist (shared with BSA)

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