

**TAUĀKĪ KAWATAU**

# STATEMENT OF PERFORMANCE EXPECTATIONS

**FOR THE  
YEAR ENDING  
30 JUNE  
2024**

Irirangi Te Motu  
NZ On Air



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*Moe and Michal,  
Pop-Up Workshop  
for YouTube*

This Statement of Performance Expectations reflects NZ On Air's proposed performance targets and forecast financial information for the year ahead. It is produced in accordance with s149E of the Crown Entities Act 2004.

The forecast financial statements and underlying assumptions in this document have been authorised 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.



**DR RUTH HARLEY, CNZM OBE**  
Chair



**PHILIP BROUGHTON**  
Chair of Audit & Risk Committee

30 June 2023

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# 1 HE TIROHANGA WHĀNUI OVERVIEW

## OUR PURPOSE IS TO REFLECT AND DEVELOP NZ IDENTITY AND CULTURE

**KO TŌ MĀTAU KORONGA MATUA KIA WHAI WHAKAARO AI, KIA WHAKAWHANAKE AKE I TE AHUREA TUAKIRI O AOTEAROA.**

NZ On Air is passionate about connecting, informing and entertaining New Zealand audiences. We support creators to make quality public media for all New Zealand audiences through pūtea (providing funding and administration), manaakitanga (encouraging, developing and sustaining our industries) and mātauranga (sharing our holistic overview, insights and knowledge).

More than 33 years after NZ On Air was created under the Broadcasting Act 1989, our agency and the sectors we support continue to face substantial change in the local and global media landscape and in audience behaviours, creating the momentum for NZ On Air to re-imagine how we contribute to a vibrant public media sector. With the cessation of work on plans to combine TVNZ and RNZ into one entity, NZ On Air's mandate has been reinforced. With this comes the need for NZ On Air to create more opportunities for audiences to find funded content

on the platforms they use, and in particular to enhance our commitment to reaching under-served audiences. An additional \$10m in funding in this financial year will assist with this.

Backed up by research, data and analysis and having consulted our sector in late 2022, we have updated our [Investment strategy](#)<sup>1</sup> first conceived in 2017 as the NZ Media Fund. The update acknowledges the evolving media landscape resulting in a greater emphasis on multi platform distribution, promoting the discoverability of content, deepening our investment in content and industry development, and expanding our research and data insights work.

Our challenge is to continue to reflect and develop national identity, ensuring content reaches New Zealanders on the platforms they use. In doing this we are mindful that content must be rooted in authenticity so that it is a true and fair reflection

of Aotearoa's many communities, and provides opportunities to content creators across the motu.

Over the past few years our core kaupapa has grown to be more focused on encouraging, developing and sustaining our industry practitioners to make the best content possible. Also core is our commitment to promoting Māori language and Māori culture, and providing for target audiences, as articulated in the Broadcasting Act:

*Women, Youth, Children, Persons with disabilities, Minorities in the community including ethnic minorities; and to encourage a range of broadcasts that reflect the diverse religious and ethical beliefs of New Zealanders.*

Public media content helps us to connect with and understand each other better, engage with democracy, broaden our thinking and reflect on our place in the world. Audiences today choose how and where they will engage with content, so ensuring it is available on as broad a range of platforms as possible will ensure ALL New Zealanders have access to this vital content.

The strength of our agile funding model is that it is not tied to particular platforms. As technology, services and audience behaviours change, we can follow.

We have changed the way we articulate our work. Our Investment Strategy now has four pou – *Insights, Capability, Creation and Discoverability*.

1. We now refer to our Investment Strategy rather than the NZ Media Fund which proved to be too narrow to express all that we do in the pursuit of our goals.

## OUR STRATEGY

Our investment strategy aims to inspire, engage, and entertain local audiences with the stories and songs of Aotearoa.

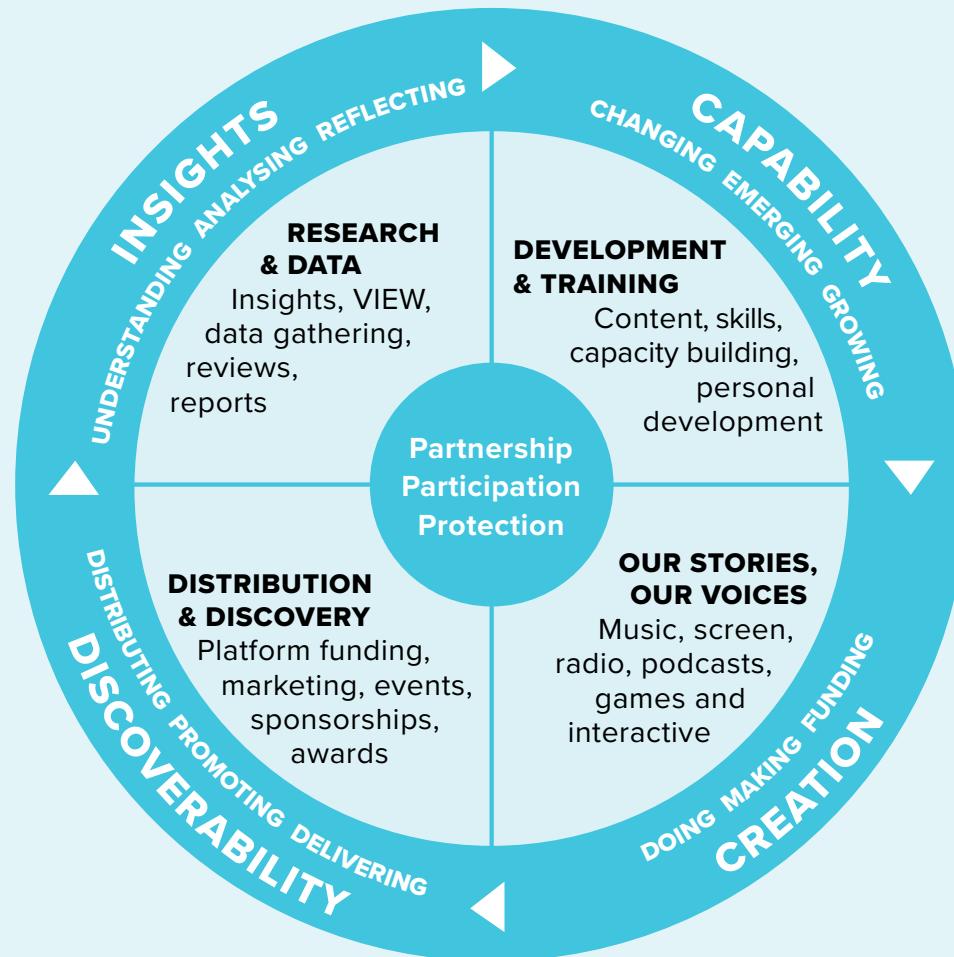


FIGURE 1: Our Strategy

## 2 HEI PAKU TIROHANGA WHAKAMUA THE YEAR AHEAD AT A GLANCE

In 2023/24 we will make a number of changes to our funding rounds, policies and priorities<sup>2</sup>.

Whilst we will maintain our increased investment in the creation of local music alongside a continued focus on Scripted and Non-Fiction content, we will strengthen our efforts around content discoverability and promotion, and upweight our investment in development to ensure a healthy, high-quality pipeline of content. The commissioning and creation of insightful research and content performance data that will be shared with the industry will also be increased. And we will work more closely with RNZ to achieve joint content outcomes.

We will continue to refine our strategy and adapt to change to ensure we remain effective in the delivery of public media outcomes with vision and innovation at our core. This will involve ongoing dialogue with the sectors we serve.

In 2023/24 we will focus on these areas of work:

- Implement greater flexibility in the funding allocations for Scripted and Non-Fiction<sup>3</sup> content to ensure transparency and responsiveness.
- Refine our music strategy following a review to ensure it remains fit-for-purpose.
- Increase our research, data and monitoring capability to inform our own investment strategy and assist the sector.
- Encourage co-funding opportunities where possible to support high-end drama production.
- Publish targeted Requests For Proposals, utilising increased research insights to target audience and content gaps as they emerge throughout the year.
- Upweight content development funding and partner with industry and guild bodies for delivery of development initiatives.
- Better serve younger audiences by supporting content in emerging formats (ie interactive and podcasts) and enhance discoverability to reach these audiences where they are.
- Support the creation of innovative content that represents and connects with hard-to-reach audiences, with the additional \$10m funding.
- Deliver a refreshed te rautaki Māori and partner even more closely with Te Māngai Pāho.
- Support officials with the review of the Broadcasting Act.

Investigative journalism will remain a priority within the Non-Fiction stream, despite the expiry of the Public Interest Journalism Fund (PIJF)<sup>4</sup>. While all funds have been allocated, the PIJF will continue to deliver benefits, due to the nature of multi-year funding of journalism roles in particular and other initiatives continuing into the 2023/24 and possibly also 2024/25 years. This means we will continue to have an administrative role in overseeing PIJF deliverables for the foreseeable future.

We will continue to contribute our expertise and data to sector reviews as they arise, and work with the Ministry for Culture and Heritage on a review of the Broadcasting Act to bring our legislation more in line with the changing media landscape and audience behaviours.

### THE IMPACTS WE AIM FOR ARE:



**QUALITY CONTENT**  
NZ audiences enjoy well-made local content that matters



**DIVERSE CONTENT**  
NZ audiences value local content made for a range of communities



**DISCOVERABLE CONTENT**  
NZ audiences can find and appreciate local content

2. Changes are detailed in the revised [Investment Strategy](#).
3. This used to be labelled “Factual” but Non-Fiction is clearer for our purposes.
4. The PIJF was always intended to end at 30 June 2023, and the last funding round was executed in April 2023.

# 3 HEI TAUTOKO MĀ MĀTOU TE RĀNGAI OUR CONTRIBUTION TO SECTOR OUTCOMES

We align with the Government's priority outcomes for the media sector, as set out in Manatū Taonga's Strategic Framework for a Sustainable Media System<sup>5</sup>.

Our work contributes to the Government's sector specific expectations of an independent, well-functioning and resilient media. Our flexible investment strategy equips us to respond to the changes in our media landscape, and to contribute to a stable, sustainable cultural sector post-COVID-19, a vibrant and innovative sector, and better access and participation for New Zealanders in diverse and rich cultural experiences.

As set out in Manatū Taonga's *Strategic Framework for a Sustainable Media System*, NZ On Air contributes to:

- A thriving, vibrant and sustainable media system that is growing revenue, is a strong contributor to New Zealand's economic and social wellbeing and is resilient and adaptable to future trends.
- An independent trusted media system that reflects New Zealand's values and serves the public interest.
- A diverse media system that contains many different voices, creating a range of content, that supports social cohesion and accounts for the uniqueness of New Zealand communities.

As we implement our new Investment strategy in the coming year and create a new Statement of Intent for the following four years, we will be taking into account how we can contribute to the five focus areas identified in Manatū Taonga's *Long-term Insights Briefing*<sup>6</sup>.

NZ On Air is also engaged with the work programme for social cohesion strategy, which acknowledges the important role of the cultural sector in strengthening social cohesion in Aotearoa New Zealand.

Our impact is magnified by our work alongside and in collaboration with the other arms of the public media system. Our investments in the media and music sectors underpin thousands of jobs and careers, and maintain a vibrant domestic sector that services growing international demand.

5. <https://mch.govt.nz/sites/default/files/projects/strategic-framework-sustainable-media-270922.pdf> and also cited in the Minister's Letter of Expectations, March 2023.

6. <https://mch.govt.nz/long-term-insights-briefing>

# 4 HE PŪNAHA HEI WHAKAMAHERE MAHI WHAIHUA

## OUR STRATEGIC AND PERFORMANCE FRAMEWORK

Our strategic framework shows what drives NZ On Air and how we work. Our work programme is largely delivered through our [Investment strategy](#). This provides a simple, flexible approach to navigating a dynamic environment.

Founded on core public media principles<sup>7</sup>, the strategy has four pou – *Insights*, *Capability*, *Creation* and *Discoverability*.

**Insights** is where we monitor content performance and commission research that continuously informs our funding strategies, our content creators and platforms, and policy-makers.

**Capability** provides contestable funding for initiatives that develop both content and the skills and capability of the sectors we work with.

**Creation** provides contestable funding for audiovisual content, music, and interactive games.<sup>8</sup>

**Discoverability** provides operational funding for platforms and services that make the content available to New Zealanders, marketing to ensure audiences know about funded content, and limited sponsorship of events and awards that celebrate and highlight the content.

All of these pou contribute to our three investment goals and to our organisational ambition to be leaders and innovators in the media sector.

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7. These include enriching the New Zealand cultural experience, improving diversity of media content in many forms, ensuring content is accessible, strengthening community life, and promoting informed debate.
  8. Content investments are selected to add cultural value, no matter where the content sits on the spectrum, from serious and informative to provocative and entertaining. What constitutes 'cultural value' varies according to the audience.



# STRATEGIC FRAMEWORK

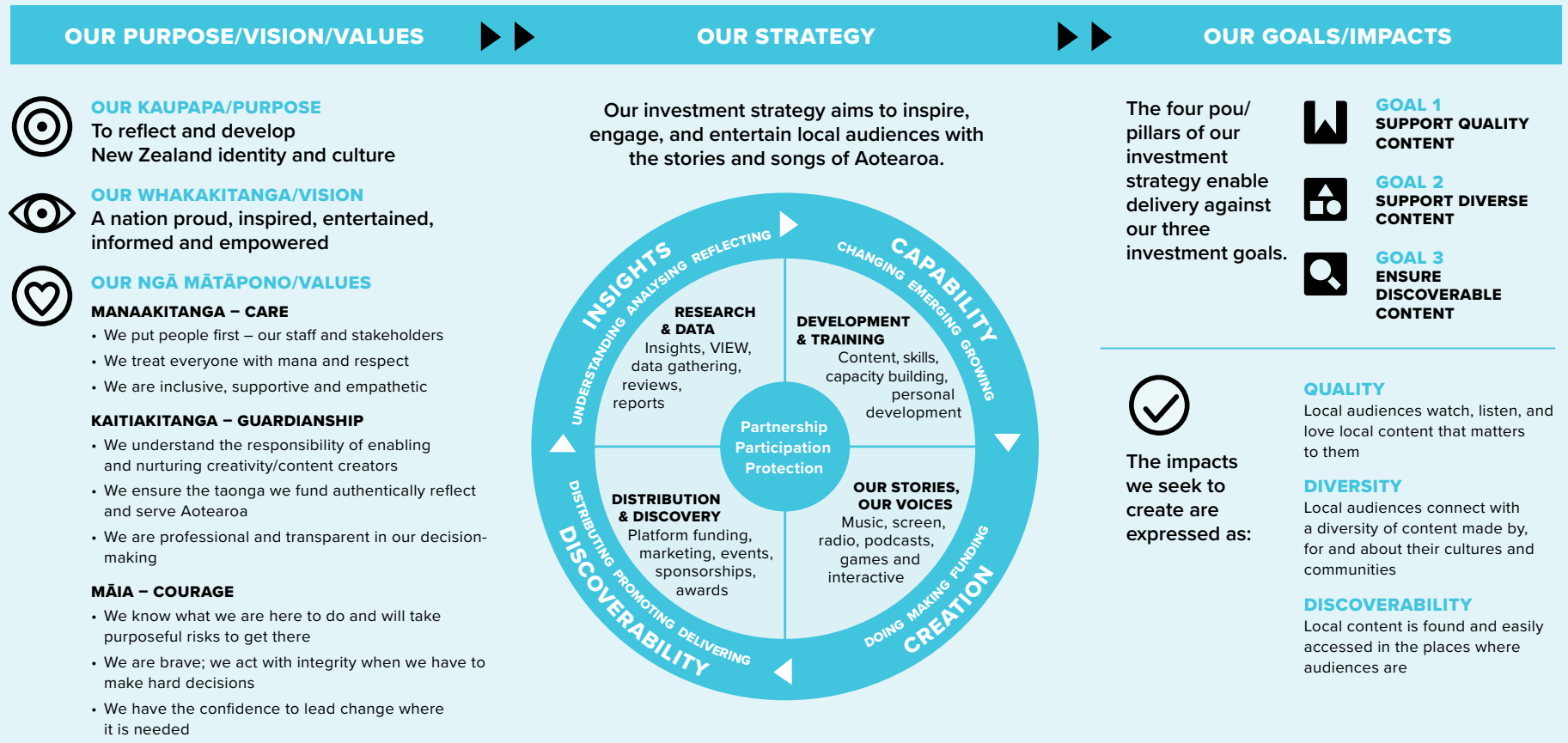


FIGURE 2: Our strategic framework

FIGURE 3: Our Goals/Impacts

OUR GOALS/IMPACTS

The four pou/ pillars of our investment strategy enable delivery against our three investment goals.



**GOAL 1  
SUPPORT QUALITY  
CONTENT**



**GOAL 2  
SUPPORT DIVERSE  
CONTENT**



**GOAL 3  
ENSURE  
DISCOVERABLE  
CONTENT**



The impacts we seek to create are expressed as:

**QUALITY**

Local audiences watch, listen, and love local content that matters to them

**DIVERSITY**

Local audiences connect with a diversity of content made by, for and about their cultures and communities

**DISCOVERABILITY**

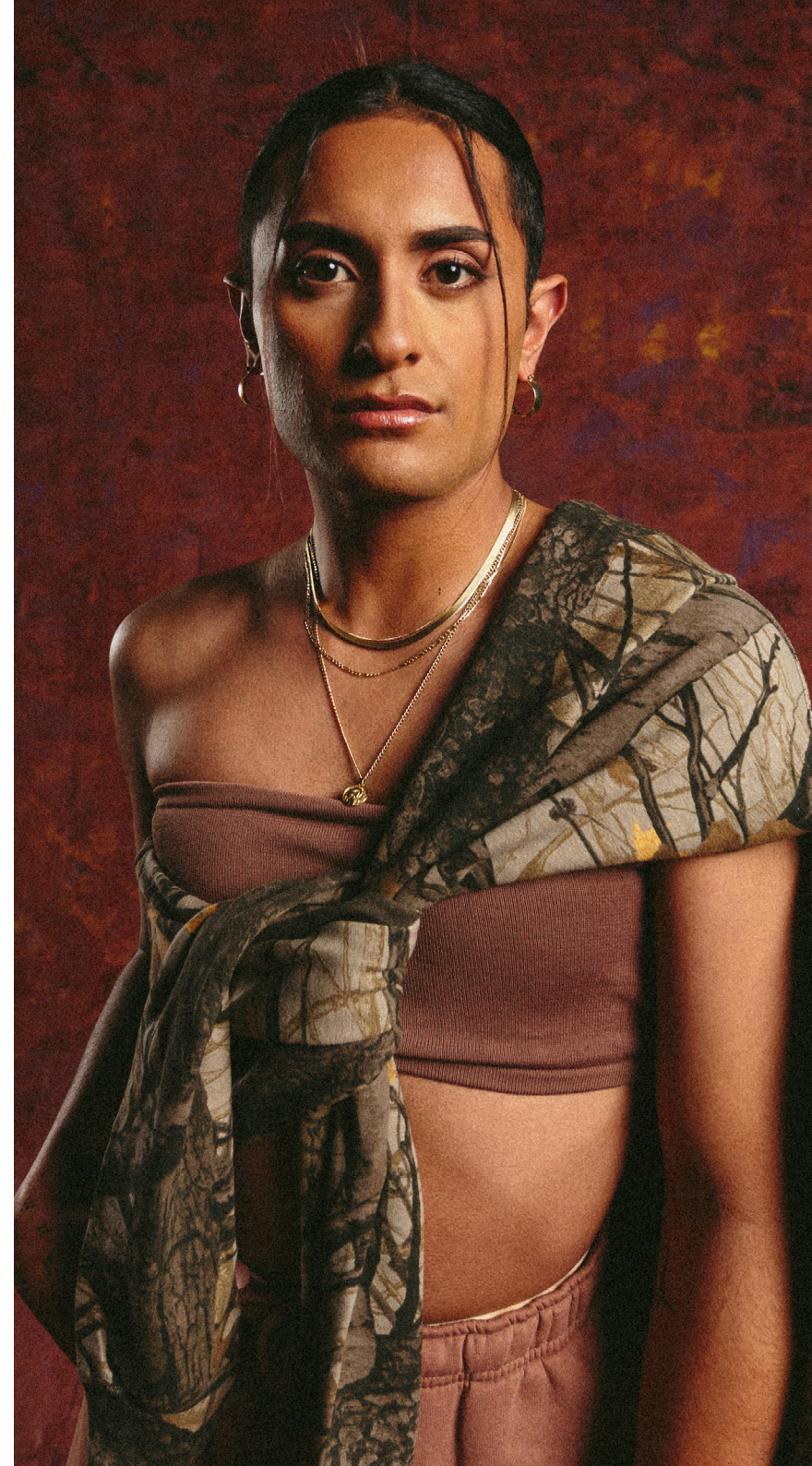
Local content is found and easily accessed in the places where audiences are

Ahikāroa 5  
Kura Productions for  
Whakaata Māori +

Our investment goals are underpinned by nine investment principles of Cultural value; Balance; Risk; Competition; Value for money; No duplication; Leverage; Capability; and Fairness.

Delivery of funds through our Investment Strategy are activities purchased by the Minister of Broadcasting and Media under the appropriation Public Broadcasting Services.<sup>9</sup>

9. The non-departmental output expense, Public Broadcasting Services sits within Vote Arts, Culture and Heritage, administered by the Ministry for Culture and Heritage.



# 5 HEI WHAI MĀ MĀTOU? WHAT WILL WE DO?

We invest in local audio/visual and interactive content for both general and targeted audiences and support a number of vital public media platforms and services.

We deliver content outcomes for all audiences of Aotearoa, provide stability and sustainability for the independent production sector and platforms delivering public media content, and support and encourage sustainable creative careers.

In music, our support adds opportunities for recording artists, video content makers, and content promotion, ensuring local audiences can find and enjoy local songs.

The public media we support takes many forms: drama, documentary, specialist current affairs and investigative journalism, children's content, content for other targeted audiences<sup>10</sup>, and music. The breadth of work means we need to take care to retain a strategic approach to our investments and manage decisions, with regard to our risk framework.

We will continue to support a wide range of diverse content with a focus on hard-to-reach audiences. New strategies to reach young audiences are being trialled and will be applied with an iterative learning approach. We expect many lessons learned from tamariki and rangatahi strategies will be applicable also to older audiences, recognising changing media consumption behaviours are trickling up through age groups.

We have developed and trialled a bespoke data gathering and analysis tool, VIEW, that allows real-time understanding of how well content is performing with audiences across digital

platforms. This will be used to drive a deeper understanding of platforms, how local audiences are consuming content, and the impact of greater investment in content discoverability. Insights and research will ensure we are addressing gaps as they emerge and being more targeted with funding interventions.

There will also be more emphasis on developing ideas and talent (through content and industry development), working closely with the guilds and sector partners, as a collaborative way of spreading impact through the sector.

We will continue to work closely with the NZ Film Commission and Te Māngai Pāho on co-funding of projects, and wherever possible acting jointly to further the interests of the sector.

We will foster new ideas for reaching audiences through cross-sector collaboration, in particular with RNZ and Whakaata Māori, and with other public and commercial media platforms.

Continuing to report on the diversity of the sectors we fund ensures that we are

able to identify and monitor diversity, equity and inclusivity behind and in front of the camera, and in the music industry. This work is one part of an important workstream bringing together various strands that broadly address issues of equity and representation. In the 2023/24 year we will build upon and apply a Diversity, Equity and Inclusivity framework to our Investment strategy. In addition, we will continue to nurture our team's cultural competency, including adoption of a Māori language plan in the 2023/24 year and ongoing training in tikanga and te ao Māori.

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10. Specific Māori language content is funded by specialist agency Te Māngai Pāho so we complement this by supporting the creation of engaging content which presents Māori language, culture, stories, and perspectives.

# 6 MŌ NGĀ MAHINGA WHAIHUA PERFORMANCE INFORMATION

NZ On Air is an Autonomous Crown Entity established under the Broadcasting Act 1989 with accountability requirements outlined in the Crown Entities Act 2004, the Public Finance Act and an annual Letter of Expectations from the Minister.

We are also required to adhere to relevant accounting standards and are audited each year by an auditor appointed by the Auditor General.

The targets and budgets following show how we intend to invest funding and measure our progress. We see this year as a change year, with our new strategic approach bedded in by 2024/25. We have decided to keep measures and targets largely the same for this year, and completely review them for 2024/25, which aligns with when we are due to publish a new Statement of Intent. This also means we will have more a more informed idea of our performance under the new Investment Strategy to guide the new measures.

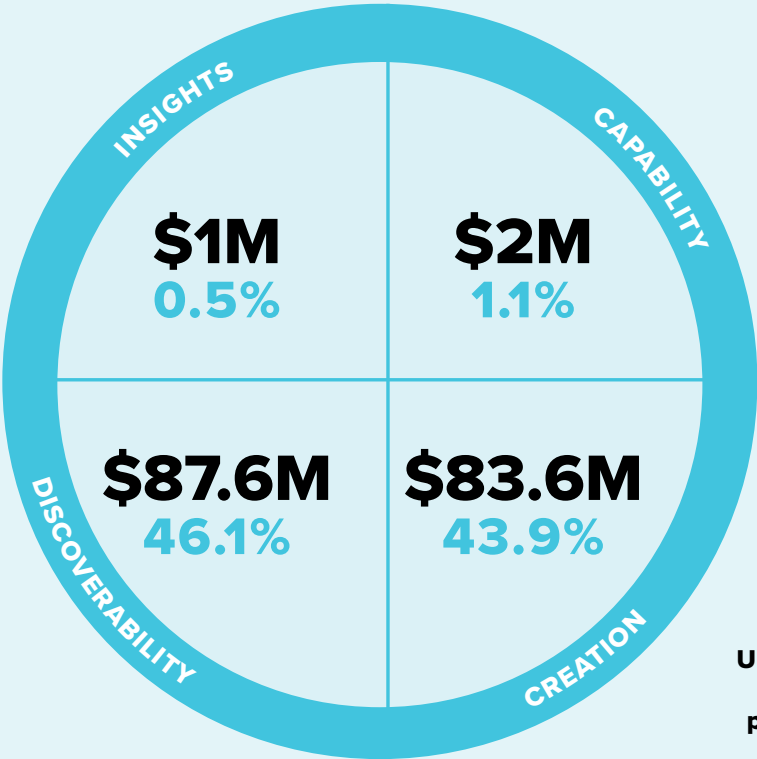
As our Investment Strategy is designed to be a simple and flexible model that enables us to adapt to a fast-changing market, the budgets are indicative only and may change depending on applications and other market factors.

NZ On Air has one reportable class of outputs under our Investment Strategy which is a reportable class for the purposes of the Crown Entities Act 2004.

The expected revenue and proposed expenses for outputs are shown in Table 4 at the end of this section.

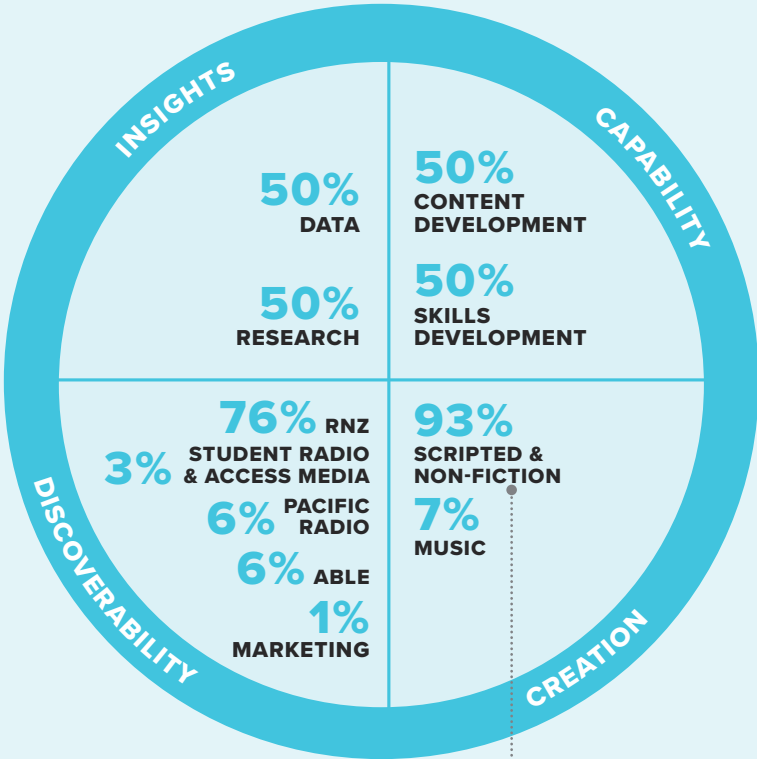
As a funding agency charged with purchasing cultural content, there is no specific requirement to maintain set levels of financial equity. We prudently manage our finances to ensure NZ On Air can meet its obligations as they arise while also ensuring we remain viable over the long-term.

# TOTAL FUNDING 2023/24 = \$190M

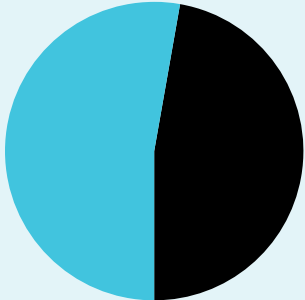


➔

+3.2% Admin  
+5.3% Unallocated at time of publication



SCRIPTED  
53%



NON-FICTION  
47%

## 6.1 MEASURING WELLBEING – CULTURAL IDENTITY

### MŌ TE HAUORA – TE TUAKIRI TANGATA

In Table 1 we set out how we measure the impact of our work on wellbeing.

**TABLE 1: Impact measures**

	2023/24 Target	2022/23 Target	2022/23 Estimate	2021/22 Actual
<b>CULTURAL VITALITY AND VIBRANCY</b>				
<b>Strategic impact: Quality and Diversity</b>				
<b>Indicator: Public media is valued and contributes positively to belonging and different NZ cultural experiences</b>				
New Zealanders believe NZ On Air supports local public media important to New Zealanders	75%	75%	75%	76%
New Zealanders aware of our support for content like that content	70%	70%	70%	68%
New Zealanders who consume RNZ's content agree that it is challenging, innovative and engaging <sup>11</sup>	70%	New measure	New measure	New measure
Completed productions of sufficient quality to be accepted for broadcast or uploading	99%	99%	99%	100%
NZ audiences appreciate the diversity of public media funded by NZ On Air	75%	75%	70%	66%
Content in more than 40 languages (including 9 Pacific) is supported	Achieve	Achieve	Achieve	Achieved (53 languages including 10 Pacific)
Pacific people agree PMN Niu and PMN 531 provide culturally relevant content	75%	Biennial measure	Biennial measure	100%
NZ Music content on commercial radio: target agreed by the Minister and the Radio Broadcasters Association	20%	20%	20%	23.12%
NZ Music content on alternative radio	At least 50%	At least 50%	70%	69.45%
Sector stakeholders are satisfied with the quality of the research, leadership and policy contribution from NZ On Air: The majority of stakeholders believe NZ On Air's leadership, research and policy input is valuable	Biennial measure	75%	75%	Biennial measure
New Zealanders believe that NZ On Air supports journalism that is important to New Zealanders	75%	75%	76%	New measure
RNZ's monthly reach combined across all platforms	65%	New measure	New measure	New measure

11. This replaces the measure 'New Zealanders agree that RNZ provides a valuable service to New Zealand'. Results for that measure will be included for a final time in NZ On Air's 2022/23 Annual Report.

	2023/24 Target	2022/23 Target	2022/23 Estimate	2021/22 Actual
<b>CULTURAL EFFICACY AND COMPETENCE</b>				
<b>Strategic impact: Discoverability</b>				
<b>Indicator: Professionally made public media finds its audience and contributes to a quality cultural experience</b>				
First run <sup>12</sup> funded linear TV content for prime time achieves audiences greater than the average channel prime time audience (excluding News)	At least 35%	Amended measure	N/A	N/A
Funded content achieving more than 50,000 views in its first 6 months online <sup>13</sup>	At least 45%	At least 45%	50%	35%
Released singles from New Music Projects achieving at least 250,000 <sup>14</sup> online plays within 12 months <sup>15</sup>	60%	60%	50%	54.6%
Released singles from New Music Singles achieving at least 50,000 online plays within 12 months of release	60%	60%	60%	62.5%
Average number of NZ radio plays achieved by singles from New Music Projects within 12 months of release:				
• Mainstream	750	750	1,100	1,621
• Niche	250	250	270	170
Average number of NZ radio plays achieved by singles from New Music Singles within 12 months of release:				
• Mainstream	400	400	500	598
• Niche	200	200	250	240
New Zealand music consumed on streaming services in New Zealand	8%	10%	8%	New measure
PIJF content reaches a minimum of 300,000 weekly Unique Browsers online	Achieve	Achieve	Achieve	New measure
Time spent consuming PIJF content via online platforms is one minute or greater	Achieve	Achieve	Achieve	New measure

12. This measures content aired between 6pm and 10.30pm that has not previously shown on TV and excludes on-demand audiences. This replaces the previous measure of 'First run funded prime time (6pm to 10.30pm) content for TV achieving average audiences of 100,000 or higher (excludes On Demand audiences)'. The actual result for 2022/23 using the previous measure will be included in NZ On Air's 2022/23 Annual Report.

13. This measures funded content which completes its first 6 months online in the year under review.

14. New Music Projects fund established artists with higher expectations of the number of plays than New Music Singles.

15. This measures singles which complete their first 12 months post release in the year under review.

## 6.2 MEASURING ACTIVITY

### HE AROTAKENGA MŌ NGĀ MAHI

In Table 2 we set out how we will measure performance against our investment goals and strategic objectives.

**TABLE 2: Funding measures**

	2023/24 Target	2022/23 Target	2022/23 Estimate	2021/22 Actual
Our Investment Principles are followed for all funding decisions (cultural value, content balance, risk, competition, value for money, no duplication, leverage, partner capability, fairness)	100%	100%	100%	100%
A majority of the NZ Media Fund is invested in contestable content <sup>16 17</sup>	At least 55%	At Least 55%	60%	65%
Production funding from the Scripted and Non-Fiction streams for targeted audiences including s36(1)(c) <sup>18</sup> of the Broadcasting Act 1989	At least 25%	At least 25%	40%	51%
Total funded hours for Scripted and Non-Fiction content that is diverse <sup>19</sup>	At least 60%	At least 60%	75%	77%
Number of individual songs funded through Single and Project applications will be at least: <sup>20</sup>				
• Mainstream	210	210	210	192
• Niche	140	140	140	121
• Focus rounds <sup>21</sup>	60	60	60	83

16. This excludes dedicated RNZ funding.

17. While the NZMF has been replaced in 2023/24 by our new Investment strategy we will endeavour to provide one more year of data on this measure before new measures are introduced in 2024/25.

18. Includes children, youth, persons with disabilities and minorities in the community.

19. Diverse content is content that showcases the stories and interests of particular NZ cultural and community groups.

20. Music applications are a video, or a recorded song plus a video, or a music project. We cannot separately forecast which type of application will be received.

21. Includes focus rounds for Pasifika, Children's music, Waiata Takitahi and Pan-Asian.



	2023/24 Target	2022/23 Target	2022/23 Estimate	2021/22 Actual
Number of average weekly hours of captioning and audio description produced for broadcast and online will be at least:				
• Captioning	200	160	200	201
• Audio description	40	27	50	53
Number of Scripted and Non-Fiction hours funded (includes all formats, e.g. television, online, radio, but excludes Public Interest Journalism projects)	At least 600	At least 600	600	758
Number of hours funded for features promoting NZ Music	At least 2,000 hours	At least 2,500 hours	2,189	2,723
Number of pieces of industry research published	At least 2	At least 2	7	4

While we aim to balance funding by audience type, content type, and genre, we can only achieve this if we receive sufficient applications that meet our funding criteria and investment principles. We keep our overhead costs reasonable so as much funding as possible goes towards content and supporting high quality service delivery.

Table 3 sets out core operating efficiency measures; Table 4 sets out expected revenue and proposed expenses.<sup>22</sup>

**TABLE 3: Operating measures**

	2023/24 Target	2022/23 Target	2022/23 Estimate	2021/22 Actual
<b>How we will do it (operating goals)</b>				
No investment decision or process has a significant adverse judicial review or Ombudsman finding	0	0	0	0
Complete applications received by deadline determined at the next funding round	99%	99%	99%	100%
Funding decisions notified to applicants within 5 working days of Board meeting	99%	99%	99%	100%
Funding contracts correctly issued within 15 working days once conditions precedent are met	99%	99%	99%	99%
Payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	99%	99%	99%	100%
RNZ is financially sustainable	Achieve	New measure	New measure	New measure

22. NZ On Air does not propose to supply any class of outputs in the financial year that is not a reportable class of outputs. s149E(1)(c).

**TABLE 4: Summary of forecast revenue and output expenditure**

Revenue		2023/24 Budget \$000	2022/23 Budget \$000	2022/23 Estimate \$000	2021/22 Actual \$000
Crown revenue		179,766	169,816	166,716	177,664
Other revenue		4,000	1,500	5,000	3,095
<b>Total revenue</b>		<b>183,766</b>	<b>171,316</b>	<b>171,716</b>	<b>180,759</b>
<b>Output expenses</b>	%				
Funding expenditure	96.1	184,193	170,209	169,478	173,194
<b>Total funding</b>	<b>96.1</b>	<b>184,193</b>	<b>170,209</b>	<b>169,478</b>	<b>173,194</b>
Administration services	3.9	5,994	6,374	5,383	4,900
<b>Total output expenses</b>	<b>100</b>	<b>190,187</b>	<b>176,583</b>	<b>174,861</b>	<b>178,094</b>
<b>Surplus/(deficit)</b>		<b>(6,421)</b>	<b>(5,267)</b>	<b>(3,145)</b>	<b>2,665</b>

# 7 TĀ MĀTOU TŪ ME TE PITO MATA ORGANISATIONAL HEALTH AND CAPABILITY

Although adjusting to meet workload demands, we remain a small entity with around 30 staff. We rely on our people being skilled, multi-functional and adaptable. We have formal good employer and personnel policies and a commitment to equal employment opportunities. We do not tolerate harassment or discrimination of any type. Our measures are summarised below.

**TABLE 5: Health and capability performance measures**

Goal	Measure	2023/24 Target	2022/23 Target	2022/23 Est Actual	2021/22 Actual
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is no more than the public sector average	Achieve	Achieve	Achieve	Amended measure
	Individual staff training needs are assessed annually	100%	100%	100%	100%
	External salary comparisons are conducted regularly to ensure staff are paid fairly	All positions assessed	All positions assessed	Achieve	Achieved cross section of kaimahi positions assessed
Staff are committed to the agency and its work	Staff engagement surveys are conducted at least bi-annually; results target to be in the top quartile of the public sector	Biennial Survey	Achieve	Achieve	Pulse survey conducted in July 2021
Health and safety best practice is well-implemented and appropriately reported	Health and safety plan in operation; reported safety hazards are attended to promptly; significant hazards are attended to immediately	Achieve	Achieve	Achieve	Achieved
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if any instances are reported	Achieve	Achieve	Achieve	Achieved. No instances
Incorporate equal employment opportunity principles in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size	EEO Principles are included in all relevant documents and practices	100%	100%	100%	100%
All staff are offered lessons in te reo Māori and/or tikanga Māori at least annually	Minimum of annual lessons in tikanga Māori and te reo Māori offered	All staff	All staff	Achieve	Achieved

In December 2022 NZ On Air published its first [Kia Toipoto – Pay Gap Action Plan](#). The focus of the plan is ensuring NZ On Air continues to have no gender or ethnicity pay gaps and remains a diverse and inclusive workplace. In 2023/24 we will refresh this plan. We will also continue to support staff on their cultural capability journeys, continue to implement the findings of the 2021 Public Records Act audit and develop emissions reporting.



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Meng  
WAYFR for  
Whakaata Māori

# 8 HE TIROHANGA WHAKAMUA MŌ TE PŪTEA FORECAST FINANCIAL STATEMENTS

**STATEMENT OF FORECAST COMPREHENSIVE REVENUE AND EXPENSE**

For the year ending 30 June 2024

	2023/24 Budget \$'000	2022/23 Budget \$'000	2022/23 Estimate \$'000
<b>Revenue</b>			
Crown revenue	179,766	165,716	170,716
Crown revenue – SPRF* (managed by MCH)	–	4,100	1,000
Other revenue	4,000	1,500	5,000
<b>Total revenue</b>	<b>183,766</b>	<b>171,316</b>	<b>176,716</b>
<b>Operating expenditure</b>			
Administration services	5,994	6,374	5,383
<b>Total operating expenditure</b>	<b>5,994</b>	<b>6,374</b>	<b>5,383</b>
<b>Funding expenditure</b>			
Creation	83,587	107,236	108,112
Discoverability	87,606	61,911	59,825
Insights	1,000	462	900
Capability	2,000	600	641
Time Limited Funding	10,000	-	-
<b>Total funding expenditure</b>	<b>184,193</b>	<b>170,209</b>	<b>174,078</b>
<b>Total expenditure</b>	<b>190,187</b>	<b>176,583</b>	<b>176,861</b>
<b>Net surplus/(deficit) for the year</b>	<b>(6,421)</b>	<b>(5,267)</b>	<b>(3,145)</b>
<b>Other comprehensive revenue and expense</b>			
<b>Total comprehensive revenue and expense</b>	<b>(6,421)</b>	<b>(5,267)</b>	<b>(3,145)</b>

**STATEMENT OF FORECAST FINANCIAL POSITION**

As at 30 June 2023

	2023/24 Budget \$000	2022/23 Budget \$000	2022/23 Estimate \$000
<b>Current assets</b>			
Cash and cash equivalents	3,000	1,800	4,860
Investments	50,000	30,000	64,000
Debtors and other receivables – interest	100	100	100
Debtors and other receivables – other	2,000	1,300	2,640
<b>Total current assets</b>	<b>55,100</b>	<b>33,200</b>	<b>71,600</b>
<b>Non-current assets</b>			
Property, plant and equipment	350	688	250
Intangible assets	600	180	–
<b>Total non-current assets</b>	<b>950</b>	<b>868</b>	<b>250</b>
<b>Total assets</b>	<b>56,050</b>	<b>34,068</b>	<b>71,850</b>
<b>Current liabilities</b>			
Trade and other payables	200	300	200
Employee entitlements	150	150	150
Funding liabilities	53,609	30,563	62,988
<b>Total current liabilities</b>	<b>53,959</b>	<b>31,013</b>	<b>63,338</b>
<b>Net assets</b>	<b>2,091</b>	<b>3,055</b>	<b>8,512</b>
<b>Equity</b>			
Equity at 30 June	2,091	3,055	8,512
<b>Total Equity</b>	<b>2,091</b>	<b>3,055</b>	<b>8,512</b>

## STATEMENT OF FORECAST CHANGES IN EQUITY

For the year ending 30 June 2023

	2023/24 Budget \$000	2022/23 Budget \$000	2022/23 Estimate \$000
Balance at 1 July	8,512	8,322	11,657
Total comprehensive revenue and expense for the year	(6,421)	(5,267)	(3,145)
<b>Balance at 30 June</b>	<b>2,091</b>	<b>3,055</b>	<b>8,512</b>



**STATEMENT OF FORECAST CASH FLOWS**

For the year ending 30 June 2023

	2023/24 Budget \$000	2022/23 Budget \$000	2022/23 Estimate \$000
<b>Cash flows from operating activities</b>			
Receipts from the Crown	179,766	169,816	171,716
Receipts from other revenue	1,000	900	1,458
Interest received	3,000	670	3,835
Payments to funded activities	(193,572)	(172,680)	(189,338)
Payments to suppliers and employees	(5,844)	(6,662)	(5,401)
Net GST	640	–	(412)
<b>Net cash from operating activities</b>	<b>(15,010)</b>	<b>(7,956)</b>	<b>(18,142)</b>
<b>Cash flows from investing activities</b>			
Net receipts from investments	14,000	5,000	16,000
Purchase of intangible assets	(600)	(200)	–
Purchase of property, plant and equipment	(250)	(744)	(234)
<b>Net cash flows from investing activities</b>	<b>13,150</b>	<b>4,056</b>	<b>15,766</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,860)</b>	<b>(3,900)</b>	<b>(2,376)</b>
<b>Cash and cash equivalents at 1 July</b>	<b>4,860</b>	<b>5,700</b>	<b>7,236</b>
<b>Cash and cash equivalents at 30 June</b>	<b>3,000</b>	<b>1,800</b>	<b>4,860</b>

# 9 TAUĀKĪ MAHERE MAHI MONI STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

The Broadcasting Commission (NZ On Air) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing NZ On Air's operations includes the Crown Entities Act 2004 and the Broadcasting Act 1989. NZ On Air's ultimate parent is the New Zealand Crown. These forecast financial statements reflect the operations of NZ On Air only and do not incorporate any other entities. These forecast financial statements are for the year ending 30 June 2024. NZ On Air's primary objective is to provide services to the New Zealand public. Our functions and responsibilities are set out in the Broadcasting Act 1989. The primary function is to serve audiences by investing in a wide range of New Zealand television, radio and online content. The purpose is to add a diversity of local content to the almost limitless range of foreign options available. NZ On Air does not operate to make a financial return. Accordingly, NZ On Air has designated itself as a public benefit entity (PBE) for Financial Reporting purposes.

## BASIS OF PREPARATION

### STATEMENT OF COMPLIANCE

These forecast financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They have been prepared in accordance with Tier 1 PBE Standards including PBE FRS 42 Prospective Financial Statements.

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 to conform with PBE Standards requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses (where material information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note). 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 at the end of these notes.

## RESERVES

As a funding agency charged with purchasing cultural content, there is no specific requirement to maintain set levels of equity other than prudently managing our finances and ensuring equity levels remain positive.

## SIGNIFICANT ACCOUNTING POLICIES

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

### REVENUE

Revenue is measured at the fair value of consideration received.

#### Revenue from the Crown

We are primarily funded through revenue received from the Crown, restricted in its use for the purpose of meeting our objectives as specified in the Broadcasting Act 1989 and the scope of appropriation of the funder. We consider there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

**Interest revenue**

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

**Television programme and music revenue**

Our share of net revenue from sales of television and music projects that we have funded is recognised when it is earned to the extent that information is available to us at that time.

**Other revenue**

Other revenue is recognised when it is earned.

**PERSONNEL COSTS**

**Superannuation schemes**

Obligations for contributions to Kiwisaver and State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

**OTHER EXPENSES**

**Operating leases**

Leases that do not transfer substantially all the risks and rewards incidental to

ownership of an asset are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the term of the lease.

**FUNDING EXPENDITURE**

Funding expenditure is discretionary funding where NZ On Air has no obligations to award funding on receipt of the funding application. It is recognised as expenditure when:

1. the funding 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 fulfil; and
4. it is probable (more likely than not) that the funded proposal will be completed.

**Critical judgments in applying accounting policies – funding expenditure**

Although from time to time an approved project with no substantive conditions to fulfil does not go ahead, such projects are rare. Based on experience we judge it is probable

that all approved commitments at 30 June without substantive contractual conditions to fulfil will be completed. The main substantive contractual condition that means a funding commitment cannot be recorded as expenditure is where the Board approval is subject to confirmation of third-party funding, and that funding is not in place at balance date.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand and deposits held on call with banks with original maturities of three months or less.

**INVESTMENTS**

**Bank Deposits**

Investments in bank deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected losses is recognised if the estimated loss allowance is not trivial.

**DEBTORS AND OTHER RECEIVABLES**

Debtors and other receivables are recorded at the amount due, less an allowance for credit losses. NZ On Air

applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables are assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment asset classes consist of 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 only when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably. Where an asset

is acquired at no cost, or for a nominal cost, it is recognised at fair value when control of the asset is obtained.

### 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 surplus or deficit.

### 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 us and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### 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 asset 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%
Furniture and fittings	6 years	16.7%
Leasehold improvements	6 years	over the period of the lease (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.

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment, and intangible assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The total impairment loss and any subsequent reversal of an impairment loss are recognised

in the surplus or deficit. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where we would, if deprived of the asset, replace its remaining future economic benefits or service potential.

### INTANGIBLE ASSETS

#### Software acquisition and development

Acquired computer software licenses are amortised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software are amortised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred. Costs associated with the development and maintenance of our website are expensed when incurred.

### AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is expensed in the surplus or deficit. The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Acquired/ developed computer software	5 years	20%
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### CREDITORS AND OTHER PAYABLES

Short term payables are recorded at the amount payable.

### 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.

*Sik Fan Lah!*  
Goldfish Productions  
for TVNZ 1

We recognise 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 we anticipate it will be used by staff to cover those future absences.

**FUNDING LIABILITIES**

We recognise a liability for funding expenditure when all the following conditions have been met:

1. The expenditure has been formally approved.
2. The funding recipient has been advised.

**GOODS AND SERVICES TAX (GST)**

All items in the financial statements are presented exclusive of GST, except for receivables and payables in the statement of financial position, which are presented on a GST-inclusive basis. The net amount of GST-recoverable from or payable to the Inland Revenue Department, is included as part of receivables or payables as appropriate.

Commitments and contingencies are disclosed exclusive of GST.

**INCOME TAX**

NZ On Air is exempt from the payment of income tax in accordance with s51 Broadcasting Act 1989 therefore no charge for income tax has been provided for.

**CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

A contingent liability is disclosed where 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.



**COMMITMENTS**

Future expenses and liabilities incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that they are equally unperformed obligations.

Commitments relating to employment contracts are not disclosed.

**COST ALLOCATION POLICY**

All expenditure not used to fund the NZ Media Fund and Development and Support is allocated to administration expenditure.

**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 comprehensive revenue and expense.

NZ On Air has the following categories of financial assets:

**1. 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 recorded at the amount due, less an allowance for credit losses. NZ On Air applies the simplified expected credit loss model of recognising lifetime expected credit losses. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

**2. Held to Maturity Investments**

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 interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

**STATEMENT OF CASH FLOWS**

*Cash and cash equivalents* includes cash in hand and deposits held with banks with original maturities of three months or less.

*Operating activities* includes cash received from income sources excluding interest, and records the cash payments made for the supply of goods and services, and funding under the NZ Media Fund.

*Investing activities* are those activities relating to the acquisition and disposal of long-term assets, interest received 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 an arm’s length basis. Any transaction not conducted at arm’s-length will be disclosed in our financial statements (annual report).



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*Conversations With My  
Immigrant Parents 3*  
WAYFR for RNZ

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