

Annual Report 2016



Highlights

We invested \$128 million in new local content to engage, stimulate and satisfy intended audiences. In a media landscape of constant change, public media funding ensures that in the tide of global content, local content can still be found and appreciated.

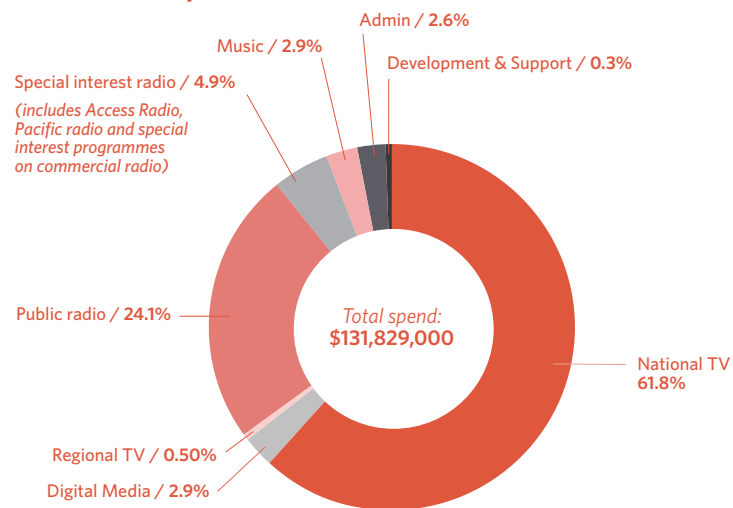
- We funded 897 hours of diverse television programmes, made by 51 different production companies.
- Our top funded television programmes attracted audiences of more than 400,000 people each.
- The largest audience was 663,500 for the first episode of *Mastermind NZ*.
- Songs funded in the past year achieved 10,894,762 million spins or streams; 216 million over the five years of the Making Tracks scheme.
- Funded community radio programming featured 42 minority languages
- This year we invested over \$4.45 million in online-only projects as well as multiplatform TV and radio investments.

- 700,000 people worldwide enjoyed the online science caper *Jiwi's Machines* in its first six months.
- The online micro-documentaries from *Loading Docs 2015* have been viewed by more than 500,000 people worldwide to date.
- Comedy webseries *High Road* won the Web Series World Cup.
- We worked with Prime to introduce captioning to programmes on that channel.

Our role is to ensure audiences can find local content that reflects New Zealand identity and its diversity. We do this across multiple platforms, competing effectively against international content made with far higher budgets.

Once again we finished the year with a planned deficit, funded from reserves. With careful management, we continue to maintain outputs and meet targets in a static funding environment. As reserves continue to decrease, funding levels are being negatively affected.

NZ On Air expenditure



897
hours of content by

51
different production companies

42
minority languages
on community radio

+10.9m
spins and streams of songs
funded this year

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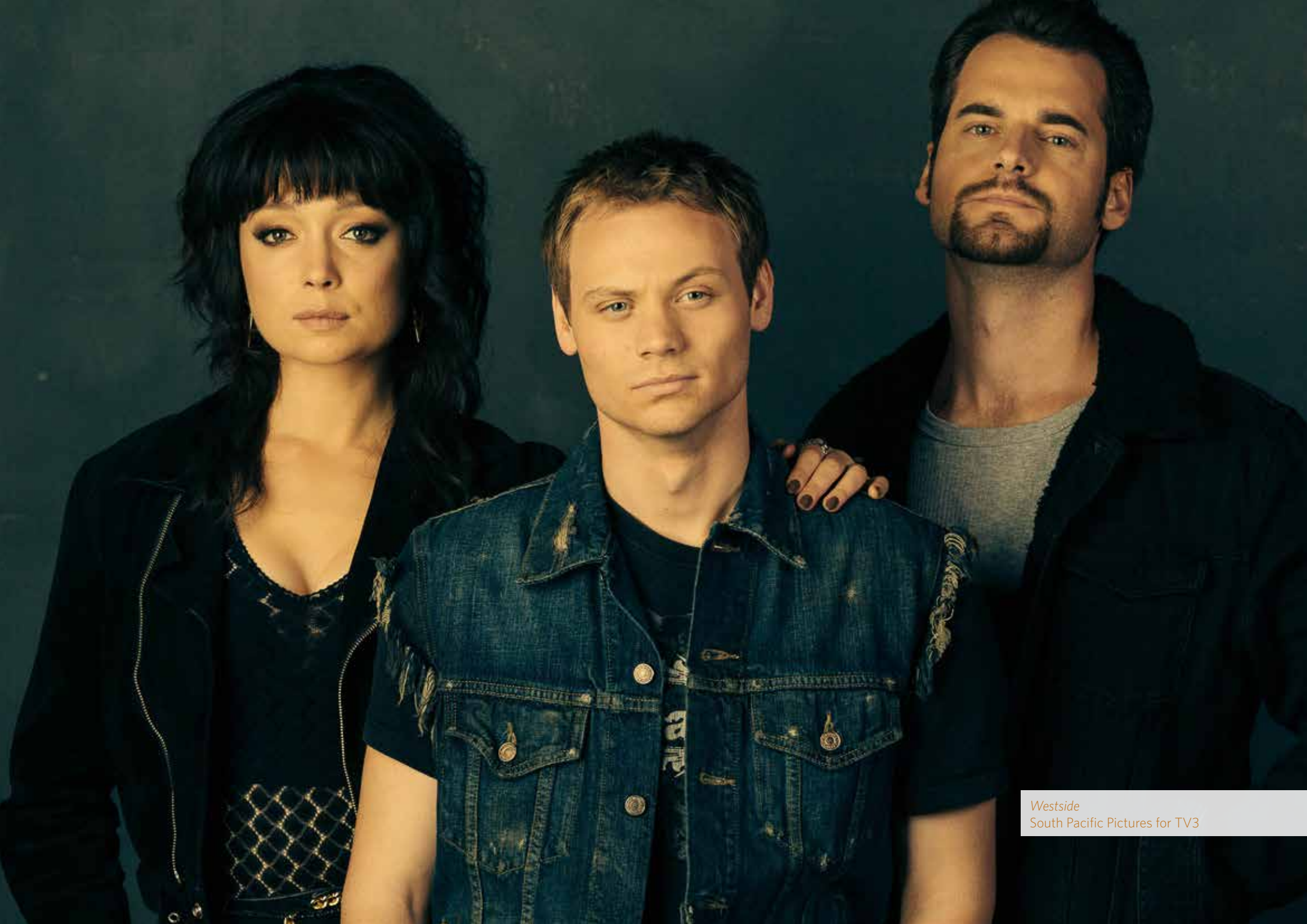
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This Annual Report is the print version of our online Annual Report. For a more interactive experience, view the report at www.nzonair.govt.nz/about-nz-on-air/#anchoraccountability-documents



Westside
South Pacific Pictures for TV3



Board overview

Media transformation in New Zealand this past year has been remarkable in its pace and breadth. The change is driven by both technology and new services, and by an audience hungry for new content available when and where they choose.

In spite of, and indeed because of, this change NZ On Air's mandate remains vital to our culture. Global media content provides wide choice. But only New Zealand content can authentically reflect our culture and identity on screens and on the airwaves.

We have begun planning a new approach to ensure quality local content is found and enjoyed in a dynamic environment. This year we have set on a path to fundamental change. As we end the year, we are about to seek our stakeholders' feedback on a new over-arching strategy and single media fund. A complex environment demands a simple solution and our new approach will provide the necessary flexibility to meet changing audience needs into the future.

Meantime, we have already started to move. The regional television funding scheme was discontinued this year in favour of multi-platform regional media. In supporting four new multi-platform regional media options, covering seven regions, we hope to see new audiences find and engage with regional content. We also initiated a potential project to provide an online home for children's content. And at year end we introduced two New Music funding schemes that aim to provide more hits to local radio and also help NZ music cut-through online.

The largest audiences remain on television, where we are still seeing local audiences of a size generally not found in other media. We were delighted that with so many options to choose from, this year 28 funded programmes achieved audiences of more than 200,000 viewers in their first week of release. Our challenge is to continue to serve these audiences with local content

they value, while developing new content for audiences on other significant platforms that can co-invest in production.

We continue to collaborate with other sector agencies where audience benefit is clear. Co-funding projects with Te Māngai Pāho and the NZ Film Commission extends content creation opportunities. We also continue to look for new financial partnerships and were delighted this year to partner with YouTube in the *Skip Ahead* programme, as well as renewing our digital projects partnership with the Canada Media Fund for a second year.

My sincere thanks go to the Board and our staff for their dedication and significant contributions. During the year Stephen McElrea and Caren Rangi retired from the Board after serving two terms and we welcomed Helen Grattan and John McCay in their places. In particular, I acknowledge the retirement of New Zealand's most passionate local music supporter, Music Manager Brendan Smyth. His 26 years of service to NZ On Air and local music changed the New Zealand music scene forever.

And finally thank you to all who have contributed in some way this year to the creation of programmes, music and content that reflects and values our own culture.

Miriam Dean CNZM, QC
Chair

Who we are

Mission: To champion local content that engages, stimulates and satisfies intended audiences.

NZ On Air makes sure New Zealanders can see and hear their own stories and songs in local free media. As media becomes increasingly globalised our mission becomes even more important. Local content that reflects our culture and identity can only be made authentically here in New Zealand.

Our primary job, defined by the Broadcasting Act, is to 'reflect and develop New Zealand identity and culture'. We do this by supporting different types of New Zealand media content for both mainstream and specially targeted audiences to enjoy.

We are driven by public media principles, which 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.

Our contestable funding schemes result in investment of over \$128 million each year in diverse content and services for diverse audiences – on television, online and on radio. This is a unique model in the world – giving great flexibility to connect audiences with content no matter where and how they want to enjoy it.

While our objectives are cultural, our support underpins hundreds of jobs in the television, digital, radio and music production sectors. While flow-on economic benefits are imprecise, it is clear that our funding helps provide stability and leverage for businesses in influential creative industries. Financial returns from content sold internationally are reinvested by businesses and NZ On Air in more content.

Public support for NZ On Air's mission

75% of NZers agree NZ On Air supports television programmes and activities that are important to NZers

70% agree NZ On Air supports local content for radio that is important to NZers

78% believe it is important for NZ On Air to support community broadcasting

73% believe it is important for NZ On Air to support local music and artists

51% believe it is important for NZ On Air to support digital media



Our board

Our Board of six members has backgrounds in law, business and broadcasting. Miriam Dean QC is our Chair. At year end our Board members were Ross McRobie, Kim Wicksteed, Ian Taylor, Helen Grattan and John McCay. During the year we farewelled Stephen McElrea and Caren Rangi – both had completed two terms.

Three of our Board members are also on the NZ Film Commission, helping ensure collaboration and synergy between our two agencies on screen matters.

The Board sets our strategic direction, and makes funding decisions on television projects seeking more than \$1 million, and radio and digital projects seeking more than \$300,000. Other decisions, including all music funding decisions, are delegated to senior staff.

The Board has two standing committees: Audit & Risk, and Remuneration & HR.

We report to the Minister of Broadcasting who may not direct us on cultural or content matters but may issue directives through Parliament on general matters. One whole-of-government directive from the Ministers of State Services and Finance was received. See Pg 57 of Notes to the Financial Statements for details.

Board members, left to right: Ian Taylor (seated) Miriam Dean, Chair, John McCay, Ross McRobie (seated), Kim Wicksteed, Helen Grattan (seated)

Operations

We are a proudly small and nimble organisation of just 18 staff. We keep our overheads to a minimum so we can maximise our investment in content.

Our Chief Executive Jane Wrightson leads small teams based in Wellington and Auckland. We co-locate and share facilities and some support services with the Broadcasting Standards Authority. We are also co-located with the NZ Film Commission.



Our performance

We contribute to New Zealand culture by increasing the diversity of local stories and songs available to many different audiences. Here's how we performed this year against the three top-level impacts we aim for.

Investment reflects changing audience behaviour

- We called for ideas for a curated online home for content aimed at primary school aged children.
- After an RFP we supported four innovative regional media initiatives providing news and information online, on television and via social media for seven regions.
- *Skip Ahead*, our new joint fund with Google/YouTube, will provide an opportunity for already successful YouTubers to create more complex online content.
- We entered a second year of a co-production fund with the Canada Media Fund providing trans-border digital media opportunities.
- We changed our music funding to support artists to achieve better cut-through on all platforms.
- The funded Access Internet Radio launched a new online public interface bringing a wide variety of access programmes to a larger potential audience.

Well-balanced mainstream and special interest content

- 63% of our Television investment was for mainstream and 37% for special interest audiences.
- Our music funding supported 58% songs intended for mainstream audiences and 42% for alternative audiences.
- 100% of our digital media projects were for specially targeted audiences.
- Access radio produced 24,806 hours of content for special interest audiences in 42 minority languages, as well as English and Te Reo.
- We extended captioning funding for hearing impaired audiences with an extra \$400,000 after Prime invested in the technology to carry captions.

Nomad



The Barefoot Bandits
Mukpuddy Animation for TV2





Intended audiences are generally satisfied with our investments

- 69% of people aware of our funding for television programmes like those programmes. In music it's 70%, community broadcasting 67%, and digital media 63%.
- The top funded television programmes attracted audiences over 400,000. 28 programmes attracted audiences over 200,000. (See pg 61 in Part 3 Funding Details)
- Making Tracks funded songs have had 216 million spins and streams in the five years of the scheme.
- 700,000 people enjoyed new digital project *Jiwi's Machines* in its first six months.
- 70% of finalists in NZ Music awards last year were funded by NZ On Air.

Key performance measures:

<i>Television & Digital</i>	Target	Actual
The majority of New Zealanders believe NZ On Air supports television programmes important to New Zealanders	75%	75%
70% of all funded prime time content on TVOne, TV2 and TV3 is watched by large audiences (>200,000)	70%	65%
Most people aware of NZ On Air's support for television content like that content	70%	69%
<i>Radio & Music</i>	Target	Actual
The majority of New Zealanders believe NZ On Air supports radio content important to New Zealanders	72%	70%
The majority of New Zealanders agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders	88%	84%
The majority of Pacific people agree that NiuFM and 531pi broadcast culturally relevant content	75%	Niu FM 84%* 531pi 91%*
Making Tracks funded songs will achieve a targetted number of plays on		
Radio	750	258
Online	65,000	120,783

* Only Pacific people surveyed who listened to these stations were asked the question.

our performance

Environment

The New Zealand media landscape is undergoing unprecedented change. New entrants, potential mergers, the nearly-completed ultrafast broadband roll-out, uptake of new technologies and changing audience demographics are all contributing to this.

For now, the largest audiences remain on mainstream broadcast platforms. But younger audiences are moving very fast to online, streaming and subscription video on demand (SVOD) content. This fragmenting environment provides an ongoing challenge for NZ On Air – to ensure local content is available to New Zealanders where they are watching and listening.

So where are the audiences?

In early 2016 we commissioned Glasshouse Consulting to conduct a repeat of the 2014 audience research *Where are the audiences?* Among the key findings:

- New Zealanders continue to use traditional media in the largest numbers, more frequently and for longer than any other media, but this dominance is under pressure from online video such as on YouTube and Facebook and SVOD services.
- One in four New Zealanders now tune in to SVOD (local or international) daily.
- People aged 15-39 stream more online video than watch linear TV each day.
- 33% of New Zealanders stream music daily.

This research is informing a fundamental change in our funding strategy to be implemented in July 2017.

Responding to the changes

Broadcasters and platforms are also responding to changing viewer behaviour. For example it is becoming more common for content to screen online before a TV broadcast as a way of reaching a different audience. There is increasing demand for short-form content, both for broadcaster On Demand sites, and now also from online news sites that are adding audio-visual content.

Audience measurement needs to change. Television ratings provide a broad agreed measure of audiences but measuring audiences online is still problematic. For example there is no agreed definition of how long someone needs to watch a video for it to count as a 'view'. We await industry-agreed robust metrics for online viewing, and until then we will use available data to monitor the performance of funded content.

A further challenge is for online content to find its audience amid a proliferation of options. This requires skilled promotion strategies and NZ On Air requires increased emphasis on this from commissioning platforms and funding recipients.

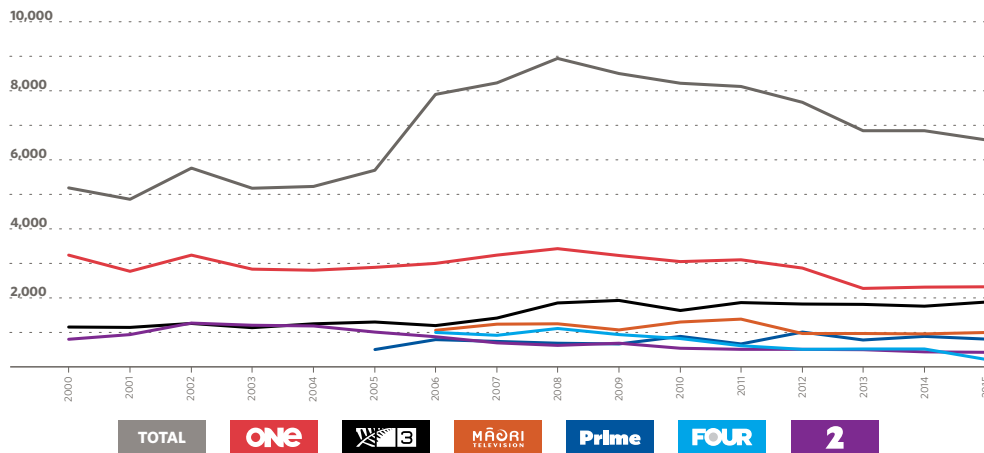
The music environment continues to change at pace. Streaming is now the number one source of revenue for the recorded music industry, and led a growth in recorded music revenue in NZ in the year ending 2015 for the first time since 2001.

Availability of local content

Local content on the schedules of the six main free-to-air television broadcasters is holding steady, but largely due to an increase in repeated content. In the 2015 calendar year local content increased by 2.4% but first-run (new) content continued to decline.

On radio, the percentage of local music was maintained at 17% overall, although on commercial radio this fell to 14.61% compared to 47.23% on alternative radio.

Chart of First Run Local Content hours by Channel since 2000



Notes:
 24-Hour day measured from 1989 to 2002, 18-hour day since 2003.
 Prime TV added 2005, C4 and Māori Television added 2006.

1 in 4
 NZers watch SVOD daily

73%
 of NZers watch TV daily

6 out of 10
 Nzers watch video on YouTube and Facebook each week

our performance
Television

Seeing our own people, places and stories on television, the most widely accessed platform for viewing, is crucial to cultural connection. NZ On Air funding ensures a far wider diversity of content than commercial broadcasters can provide alone.

Our investment of more than \$83 million delivered 897 hours of viewing. A number of programmes reached audiences of more than 400,000 and one episode of *Mastermind NZ* had an audience of 663,500. The most-viewed funded programme On Demand last year was *Westside* averaging 41,524 streams per episode. These are significant audiences in a fragmenting market.

New Zealand audiences are big supporters of quality, insightful factual programmes. Our longest running local programme *Country Calendar* celebrated its 50th anniversary this year. We were also informed, entertained and provoked to debate by programmes such as *Coast NZ*, *Topp Country*, *Gloriavale*, *The DNA Detectives*, *Grand Designs NZ*, *World Class - Inside NZ Education*, *Why Am I?*, *Forensics NZ*, *The Women Of Pike River* and *Decades In Colour*.

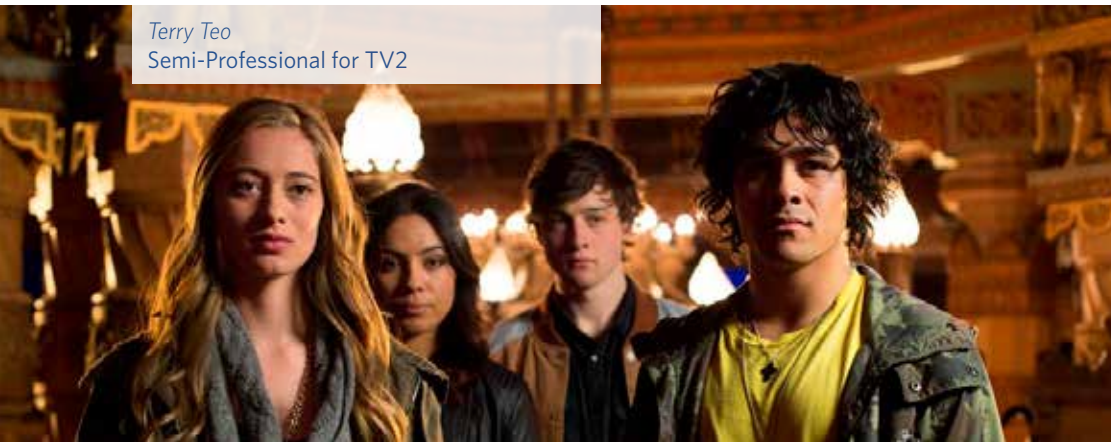
Supporting drama for different audiences is a vital aspect of public media. We backed projects as diverse as the TV One Sunday Theatre dramas and docudramas (*Abandoned*, *How To Murder Your Wife*, *The Monster Of Mangatiti*

and *Venus & Mars*) to popular series such as the first season of TV2's bold *Filthy Rich*, and season two of *Westside* on TV3. The excellent biopic *Hillary* screened to critical acclaim just after year end.

Other dramas in the pipeline include a new 13-part series *Dirty Laundry*, *Dear Murderer*, profiling the life of colourful lawyer Mike Bungay, a third season of *The Brokenwood Mysteries*, and telefeatures on the bombing of the Rainbow Warrior and aviator Jean Batten.

It was a great year for homegrown children's drama with the first season of *Cul De Sac* finding an appreciative audience and a second season supported for next year. The anticipated remake of *Terry Teo* launched On Demand to critical acclaim and will screen on TV2 later in 2016.

Terry Teo
Semi-Professional for TV2



Grand Designs,
Imagination Television for TV3





More for Special Interest audiences

An essential part of our work is providing engaging content for special interest audiences. These include women, youth and children, persons with disabilities, and minorities in the community including ethnic minorities.

Last year 63% of the General television fund was spent on prime time programmes, the majority of which were intended for mainstream audiences. 37% of television funding supported special interest programmes.

We were very pleased to fund coverage of the Paralympics in a joint venture with TVNZ, Attitude Pictures and ACC. An additional \$400,000 in funding for captioning saw captioned programming increase to an average of 300 hours per week, as well as 40 hours of audio description. This year Prime introduced captions. This enabled, with added financial support from the National Foundation for the Deaf, live captioning of Olympic coverage in New Zealand for the first time.

New special interest series this year included *Arranged* on TV3 profiling religious and ethnic communities that practice arranged marriage. As a public media funder, specialist current affairs remains an important part of our slate. New programme *The Hui* joined *The Nation* on TV3, TVNZ's *Q + A* and Prime's *Back Benches*, as places that encourage informed and lively debate.

Audience appreciation

Audiences for television content continue to be some of the highest in the cultural sector with 28 funded productions in the last year attracting audiences of 200,000 to 663,000. While special interest programmes attract smaller audiences, the appreciation and off-air engagement for the likes of children's show *What Now*, or *Attitude* and *Both Worlds* continually show how important these series are for their audiences.

Avg 300

hours per week captioned

663,500

watched Mastermind NZ
first episode

69%

public approval of funded
TV content

our performance
Music

There is a revolution underway, led by the young, in the way audiences enjoy music, with streaming now leading the way.

Our mission is to increase appreciation of New Zealand music by local audiences. We do this by supporting artists to record their songs and videos and helping promote their music. To meet the challenges of ongoing change we review our strategies regularly to ensure we are doing the right things.

To improve flexibility we retired Making Tracks at year end, replacing it with two new schemes. The New Music Single scheme allows funds to be used to promote the finished song and video. New Music Projects will see us co-invest with music companies on multi-single projects with mainstream cut-through potential.

In the final year of Making Tracks we funded 228 songs, bringing the total funded over the five years of the scheme to 1,257 songs. Singles for mainstream audiences made up 58% of those tracks, while 42% were for alternative audiences.

Ultimately we want local music to be heard. Funded music released in 2015/16 has been streamed online 10.9 million times. One group experiencing the highs

of success this year was Nomad. The single *Oh My My* by the Christchurch trio of 18 year olds was the second most played NZ song on radio in June after *Free* by Broods. The song also clocked up 530,000 plays and views on Spotify and YouTube.

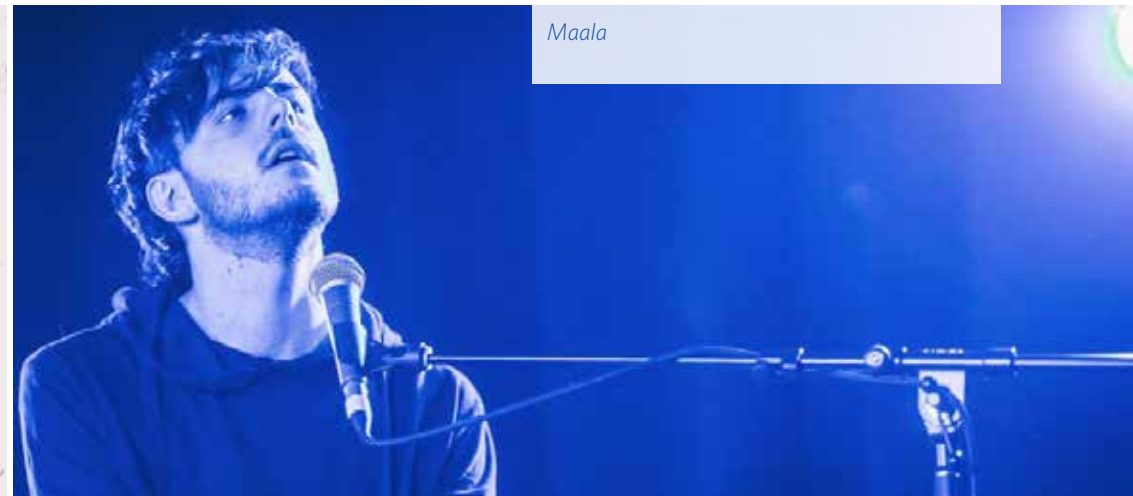
We supported the inaugural APRA SongHubs song-writing workshops in February. Ten local artists and four international songwriters collaborated on a total of 20 songs during the week. The biggest hit produced to date is Maala's *Kind Of Love* which has more than 1.5 million Spotify streams and won a spot on radio playlists.

Our AllTracks playlist continue to connect local music with audiences on Spotify, YouTube and Soundcloud. This year we had some high profile guest curators including artists Tami Neilson and Jamie McDell, The Black Seeds' Barnaby Weir and Shihad's Tom Larkin. Celebrity chef Nadia Lim and film director Taika Waititi also shared themed NZ music playlists.

Aaaradhna



Maala





By the numbers

The amount of NZ music on alternative radio continued to climb, reaching 47.23%. Mainstream commercial radio has been more challenging, with local music 14.61% of the playlist, well under the 20% target. Our music funding changes are intended to help produce more songs that commercial radio will play.

NZ On Air-funded artists dominated at the 2015 NZ Music Awards, and seven of the eight finalists for the 2016 Taite Music prize featured NZ On Air-funded singles. Just over half of the 2016 APRA Silver Scroll finalist songs are NZ On Air-funded.

Almost 1/2

music on alt radio is local

1257

songs funded in past 5 years

1.46m

highest number of spins/streams
of a funded song

our performance

Digital Media

We fund digital media projects to provide more local content options for audiences who are less well-served by mainstream media. Although we expect all our content to be accessed online, digital media funding supports innovative, diverse ideas for content that is found online only.

In the past year we've extended and entered new collaborations and experienced growing demand both from funding applicants and platforms hungry for good local content.

Buoyed by the interest in the first year of our co-funding initiative with the Canada Media Fund, we extended the initiative into a second year. The three projects supported this year all focus on children, blending interactive storytelling with the mythology of the Māori and First Nation people.

A new initiative *SkipAhead* with Google/YouTube will support young successful YouTubers interested in creating narrative-driven webseries. Google will match NZ On Air's funding of \$150,000. We expect to see the first projects emerge next year.

In the past year, as NZ On Air has driven an increase in the quality and output of online-only series, we've also seen demand from platforms grow. Our digital media projects can be found on a variety of platforms – broadcaster On Demand sites, NZME's WatchMe, Stuff, The Wireless and stand-alone websites.

Awareness from the production sector has also grown. Applications for the webseries round in 2015 exceeded 100, but we were able to support only eight projects.

Jiwi's Machines
Eggbeater Ltd



K Road Stories
Tuesday Best





Acclaim for Digital media content

A hilarious four-part interactive webseries *Jiwi's Machines* featuring stories built around complex Rube Goldberg machines reached almost 700,000 viewers in its first six months. The successful *Loading Docs* series of mini documentaries was again supported, producing 10 excellent three minute documentaries on the theme 'Connect'. The 2015 projects have reached an audience of over 500,000 to date.

High Road won the Web Series World Cup in 2015 - we look forward to a third series later in 2016. Also recognised for excellence were the writers of *Flat3* - nominated for Best Writing for an Independent Series at the Raindance Webfest 2015.

RNZ's *The Wireless* won Website of the Year at the 2016 Canon Media Awards - around 100,000 people access the site each month. NZ On Air supports a stream of content on the site - *Fresh Voices* - encouraging new content creation from young people.

Audiences for the curated collection of local content *NZ On Screen* continue to grow as it cements its place as a taonga of screen culture. The site has had close to 2.5 million user sessions in the past year and 6.3 million page views.

500,000

audience for *Loading Docs* 2015

Nearly 1m

unique users - *thecoconet.tv*
this year

700,000

views in first 6 months
of *Jiwi's Machines*

our performance
Radio

Radio remains one of the media most New Zealanders enjoy every day. We fund Radio New Zealand, Pacific and access radio, and special interest programmes on commercial radio.

This year Radio New Zealand has continued to transform into a multi-media broadcaster. With a new 'telly on the radio' show replacing Checkpoint, more web content, a new website, and some shows podcast instead of broadcast, RNZ is aiming to reach even bigger audiences. Surveyed along with commercial stations in a new radio survey, RNZ leads the pack with 13.2% of the audience aged over 10.

NZ On Air changed some of the criteria this year around other funded radio content to encourage a move to multi-platform listening. The move has been embraced by producers. *The Great Big Kids' Show*, presented by Suzy Cato, has rebranded as *Suzy And Friends* with a much greater web and social media presence. Young listeners (5 to 10 years) are now able to find Suzy on YouTube with extra audio-visual content to complement the radio programme.

That's The Story, also for a young audience, returned with three different programme elements – one of them broadcast directly into school classrooms forming the basis for classroom exercises and learning opportunities.

Funded content produced by the Christian Broadcasting Association and broadcast on Newstalk ZB achieved world class status again, winning a gold medal, two silvers and a bronze at the New York Radio Awards.

For details on access and Pacific radio please see Community Broadcasting.



13.2%

10 yrs plus audience – RNZ



our performance

Community Broadcasting

Community broadcasting is at the heart of local cultural life and communities. We fund community media to give regional audiences, and diverse communities and individuals their own voice and place to be heard.

This year saw the outcome of 18 months of work to review and reshape funding for regional television content. We looked for new ways to deliver regional content where the majority of audiences already are. In March 2016, after a robust tender process, we announced funding for four innovative projects to deliver audio visual content to seven regions. Integrated newsrooms will provide content on a mix of terrestrial broadcast, online and social media platforms.

12 funded community access radio stations continue to increase programme sharing between stations to improve accessibility of content across regions. This recognises communities of interest as well as geographical communities. Access Internet Radio entered its second phase of development with a public landing page to showcase the diversity of programmes and languages. At year end the stations were launching a month-long nationwide campaign *The Big Listen* to draw attention to the incredible array of programmes available on access radio.

Wellington Access Radio succeeded in gaining the 106.1 FM frequency at Mt Kaukau, the 11th access station to move to FM. The new service will provide greater coverage of the Wellington region, traversing diverse communities in Porirua, Lower Hutt and Upper Hutt as well as Wellington city.

National Pacific Radio Trust (operators of Niu FM and 531pi) signed a detailed Memorandum of Understanding with Samoa Capital Radio to guide their collaboration. The result will be a better range of content options for Pacific audiences and a more coordinated investment of funding resources.



3,369

total programme hours on
Access Internet Radio

our performance

Targeted audiences

An important part of our mandate as a public media funder is to ensure there is content available for important audiences that are less well-served by mainstream media.

Our Digital Media Fund is focused on serving these specially-targeted audiences. This year a number of projects launched featuring Te Reo. Animated series *Aroha Bridge* includes Te Reo in the context of our mixed modern language, while children's webseries *Nia's Extra Ordinary Life 2* and *Kete Kōrero* for preschoolers are in both Te Reo and in English, available on Māori Television On Demand. A beautiful new interactive e-book *12 Huia Birds* is narrated in Te Reo and English by George Henare.

Launched three years ago *TheCoconet.tv* continues to reach thousands of young Pacific people. New stories and videos are regularly added. The most popular this year was *#HumansOfTheIslands* – a Facebook-based series of short stories on Pacific people around the world. The site has had 1 million unique users in the past year.

We fund Māori programmes on television, predominantly in English, to complement the language-focused work of Te Māngai Pāho. This year a

prime time TV One audience enjoyed young cooks taking tikanga to the world in *Kasey And Karena's Kitchen Diplomacy*. On Māori Television *The Palace* showcased dancers trained by world-class choreographer Parris Goebel, and both *Game Of Bros* and *Fresh* reached pan-Pacific youth.

A co-production with Te Māngai Pāho and NZ Film Commission, we funded *Waru* to give eight Māori women directors the opportunity to each direct an episode of a series exploring the death of a young child.

Further projects in the pipeline include series two of the cultural comedy *Find Me A Māori Bride* while *Portraits Of Poly PKs* will be an online series for *TheCoconet.tv* looking at the lives of children of Pacific clergy.

The Barefoot Bandits,
Mukupuddy Animation for TV2



Karena and Kasey's Kitchen Diplomacy
Imagination Television for TVOne





Radio programmes in up to nine Pacific languages keep audiences connected to their language and culture. Our funding for the National Pacific Radio Trust and Samoa Capital Radio adds to the multitude of programmes in Pacific languages on the 12 community access radio stations.

Children’s programming remains an important focus. This year we committed more than \$14 million for 370 hours of content including pre-school series *Darwin And Newts* (an international co-production also receiving the NZ Screen Production Incentive Grant) and *Maia The Brave*. The popular *Barefoot Bandits* was supported for a second season along with returning series including *Moe*, *What Now* and *Sticky TV*.

Audiences with hearing impairment were able to access a wider range of programmes from this year, with Prime becoming the latest free-to-air channel to enable captioning. We added an extra \$400,000 in funding in anticipation of this.

Unprecedented coverage of the Paralympics team in their quest for medals in Rio was made possible by a joint venture between NZ On Air, TVNZ, Attitude Pictures and ACC. *Attitude* continued on TV and online, giving us insights to the world of the disabled, and winning international awards for their programmes.

Other diverse groups within our community feature on and enjoy a mix of both professionally produced and community generated programmes that play on television (*Both Worlds*, *Neighbourhood*, *Praise Be*) and through the access radio network.

\$14m

for children’s TV programmes

\$400k extra for captioning
= 300 hours total

\$4.5m

for Māori TV programmes



part 2

Audited financial statements

Audited financial statements

Statement of responsibility

We are responsible for the preparation of NZ On Air's financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by NZ On Air under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and the statement of performance fairly reflect the financial position and operations of NZ On Air for the year ended 30 June 2016.

Signed on behalf of the Board:



Miriam Dean
Chair
25 October 2016



Ross McRobie
Chair Audit & Risk Committee
25 October 2016



Independent Auditor's Report

To the readers of the Broadcasting Commission's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of the Broadcasting Commission, known as NZ On Air. The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of NZ On Air on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of NZ On Air on pages 25 to 44, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of NZ On Air on pages 6 to 7 and 45 to 55.

In our opinion:

- the financial statements:
 - present fairly, in all material respects:
 - › NZ On Air's financial position as at 30 June 2016; and
 - › its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with PBE IPSAS (International Public Sector Accounting Standards for Public Benefit Entities).
- the performance information:
 - presents fairly, in all material respects, NZ On Air's performance for the year ended 30 June 2016, including for each class of reportable outputs:
 - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 October 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of NZ On Air's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NZ On Air's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported performance information within NZ On Air's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand;
- present fairly NZ On Air's financial position, financial performance and cash flows; and
- present fairly NZ On Air's performance.

The Board's responsibilities arise from the Crown Entities Act 2004.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in NZ On Air.



Chrissie Murray
 Audit New Zealand
 On behalf of the Auditor-General
 Wellington, New Zealand



NZ On Air Statement of comprehensive revenue and expense

for the year ended 30 June 2016

	Note	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<i>Revenue</i>				
Crown revenue		128,726	128,726	128,726
Other revenue		2,542	2,750	2,932
Total revenue	2	131,268	131,476	131,658
<i>Operating expenditure</i>				
Administration services	3,4	3,420	3,648	3,416
Development & support funding		- 397	- 400	-
Total operating expenditure		3,817	4,048	3,416
<i>Funding expenditure</i>				
Screen content				
National television		81,477	81,371	83,689
Regional television		634	1,350	1,138
Digital media		3,848	3,860	3,464
Sound content				
Public radio		31,816	31,816	31,816
Special interest radio		6,458	6,645	6,376
Music and other content		3,779	4,624	4,631
Total funding expenditure	5	128,012	129,666	131,114
Total expenditure		131,829	133,714	134,530
Net (deficit)/surplus for the year		(561)	(2,238)	(2,872)
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(561)	(2,238)	(2,872)

Explanations of major variances against budget are provided in Note 21
The accompanying notes form part of these financial statements

NZ On Air

Statement of financial position

as at 30 June 2016

	Note	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<i>Current assets</i>				
Cash and cash equivalents	6	8,655	1,860	2,309
Investments	7	28,000	37,507	41,500
Debtors and other receivables - interest		178	600	321
Debtors and other receivables - other	8	172	400	21
Total current assets		37,005	40,367	44,151
<i>Non-current assets</i>				
Property, plant and equipment	9	240	367	326
Intangible assets	10	12	13	30
Total non-current assets		252	380	356
Total assets		37,257	40,747	44,507
<i>Current liabilities</i>				
Trade and other payables	11	291	540	518
Employee entitlements	12	123	160	109
Funding liabilities	13	34,927	40,000	41,403
Total current liabilities		35,341	40,700	42,030
Net assets		1,916	47	2,477
<i>Equity</i>				
Equity at 30 June		1,916	47	2,477
Total Equity		1,916	47	2,477

Explanations of major variances against budget are provided in Note 21
The accompanying notes form part of these financial statements

NZ On Air

Statement of changes in equity

for the year ended 30 June 2016

	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<i>Balance at 1 July</i>	2,477	2,285	5,349
Total comprehensive revenue and expense for the year	(561)	(2,238)	(2,872)
Balance at 30 June	1,916	47	2,477

Statement of cash flows

for the year ended 30 June 2016

	Note	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<i>Cash flows from operating activities</i>				
Receipts from the Crown		128,726	128,726	128,390
Receipts from other revenue		951	700	819
Interest received		1,713	2,100	2,117
Payments to funded activities		(135,820)	(127,006)	(127,051)
Payments to suppliers and employees		(3,353)	(3,728)	(3,286)
Net GST		650	-	(31)
Net cash from operating activities	14	(7,133)	792	958
<i>Cash flows from investing activities</i>				
Net (payments to)/receipts from investments		13,500	-	(4,500)
Purchases of property, plant and equipment		(21)	(100)	(31)
Net cash flows from investing activities		13,479	(100)	(4,531)
Net increase/(decrease) in cash and cash equivalents		6,346	692	(3,573)
Cash and cash equivalents at 1 July		2,309	1,168	5,882
Cash and cash equivalents at 30 June		8,655	1,860	2,309

Explanations of major variances against budget are provided in Note 21
The accompanying notes form part of these financial statements

Notes to the Financial statements

1. STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 2016

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 financial statements reflect the operations of NZ On Air only and do not incorporate any other entities.

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.

NZ On Air has designated itself as a public benefit entity (PBE) for financial reporting purposes. These financial statements are for the year ended 30 June 2016 and have been approved by the Board on 25 October 2016.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

These financial statements have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE accounting standards.

Presentation currency and rounding

These financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Standards issued and not yet effective and not early adopted

In 2015, the External Reporting Board issued Disclosure initiative (Amendment to PBE IPASA 1), 2015 Omnibus Amendments to PBE Standards, and Amendments to PBE Standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. NZ On Air will apply these amendments in preparing its 30 June 2017 financial statements. NZ On Air expects there will be no effect in applying these amendments.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

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. These 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 (s51 Broadcasting Act 1989) therefore no charge for income tax has been provided for.

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those we have adopted for the preparation of the financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment - refer to Note 9.
- Useful lives of intangible assets - refer to Note 10.

Critical judgements in applying our accounting policies

We have exercised the following critical judgements in applying our accounting policies for the period ended 30 June 2016:

- Funding expenditure - refer to Note 5.
- Funding liabilities - refer to Note 13.

Breakdown of other revenue and further information

Sales of television programmes and music

Interest revenue

Other revenue

Total other revenue

2. REVENUE

Accounting policy

The specific accounting policies for significant revenue items are explained below:

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 using the effective interest method.

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.

	Actual 2016 \$000	Actual 2015 \$000
Sales of television programmes and music	940	692
Interest revenue	1,570	2,208
Other revenue	32	32
Total other revenue	2,542	2,932

3. PERSONNEL COSTS

Accounting policy

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 statement of comprehensive revenue and expense as incurred.

Breakdown of personnel costs and further information

	Actual 2016 \$000	Actual 2015 \$000
Salary and wages	1,908	1,838
Kiwisaver employer contributions	75	87
Increase/(decrease) in employee entitlements	(1)	(2)
Total personnel costs	1,982	1,923

Employee Remuneration

Employee remuneration (salary, bonuses and other benefits such as superannuation) paid or payable during the year was:

	Number of Employees 2016	Number of Employees 2015
\$100,000 - \$109,999	1	1
\$110,000 - \$119,999	2	2
\$130,000 - \$139,999	-	2
\$140,000 - \$149,999	2	-
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	-	1
\$330,000 - \$339,000	-	1
\$350,000 - \$359,000	1	-

During the year ended 30 June 2016, no employees received benefits in relation to cessation (2015: Nil).

Board member remuneration

The Board fees paid or payable during the year were:

	Actual 2016 \$000	Actual 2015 \$000
Miriam Dean – Chair (appointed April 2012)	40	40
Helen Gratten (appointed January 2016)	10	-
Ian Taylor (appointed July 2015)	17	-
John McCay (appointed May 2016)	3	-
Stephen McErea (retired December 2015)	9	19
Caren Rangī (retired April 2016)	16	19
Ross McRobie (reappointed June 2014)	19	19
Kim Wicksteed (appointed January 2013)	19	19
Donna Grant (resigned October 2014)	-	4
Total Board fees	133	120

Payment of \$8,125 was made to the independent members of the Audit and Risk Committee during the financial year. (2015:\$6,313).
We held Directors and Officers liability cover during the financial year in respect of the liability or costs of Board members and employees.

4. OTHER EXPENSES

Accounting policy

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.

Breakdown of other expenditure and operating leases and further information

Other expenditure

	Actual 2016 \$000	Actual 2015 \$000
Legal, public relations and expert advice	270	288
Other costs	550	601
Travel and communication	132	129
Board members fees	133	120
Rent	177	176
Depreciation	107	111
Amortisation	18	18
Audit fees - Financial statement audit	51	50
Total other expenditure	1,438	1,493

Operating leases as lessee

	Actual 2016 \$000	Actual 2015 \$000
Not later than one year	109	141
Later than one year and not later than two years	98	109
Later than two years and not later than five years	105	203
Total non-cancellable operating leases	312	453

Operating lease commitments reflects the Auckland office lease agreement and a 70% share of the Wellington office lease agreement. The Wellington office lease agreement is jointly signed with BSA. The balance of 30% is reflected in the BSA financial statements.

5. FUNDING EXPENDITURE

Accounting policy

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:

- the funding has been approved by the Board;
- the funding recipient has been advised;
- there are no substantive contractual conditions for the funding recipient to fulfill; and
- it is probable (more likely than not) that the funded proposal will be completed.

Critical judgments in applying accounting policies

Funding expenditure

We have exercised judgement in developing our funding expenditure accounting policy as there is no specific accounting standard for funding expenditure.

With the recent introduction of the new PBE Accounting Standards, there has been debate on the appropriate framework to apply when accounting for such expenditure.

We are aware that the need for a clear standard or authoritative guidance on accounting for grant expenditure has been raised with the New Zealand Accounting Standards Board. Further information about funding expenditure is disclosed in the statement of service performance.

We note below our view of what constitutes a substantive contractual condition which, once fulfilled, results in the funding being recognised as expenditure. Although the underlying contracts usually set out milestones, these are for administrative purposes. The recipient already has a valid expectation that funding will be paid.

Although from time to time an approved project with no substantive conditions to fulfill 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 fulfill will be completed.

The 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.

Breakdown of funding expenditure and further information

National television funding expenditure¹

	Actual 2016 \$000	Actual 2015 \$000
General contestable fund	67,672	69,146
Platinum fund	15,388	15,180
Sub-total national television funding expenditure	83,060	84,326
Less approved funds not utilised so written back	(833)	(772)
Plus impact of prior year approved funds recognised as expenditure in current year when substantive contractual conditions had been met	-	135
Less current year approved funds unable to be recognised as expenditure in current year until substantive contractual conditions have been met (excludes write backs)	(750)	-
Total national television funding expenditure	81,477	83,689

¹ Further detail on funding by genre and hours is in the Statement of Performance on page 50



	Actual 2016 \$000	Actual 2015 \$000
<i>Regional television funding expenditure</i>		
Local news and information	739	1,143
Sub-total regional television funding expenditure	739	1,143
Less approved funds not utilised so written back	(105)	(5)
Total regional television funding expenditure	634	1,138
<i>Digital media funding expenditure</i>		
	Actual 2016 \$000	Actual 2015 \$000
Digital - Digital Media Trust	1,257	1,400
Digital - Digital media	2,825	2,035
Sub-total digital media funding expenditure	4,082	3,435
Less approved funds not utilised so written back	(237)	-
Plus impact of prior year approved funds recognised as expenditure in current year when substantive contractual conditions had been met	3	29
Total digital media funding expenditure	3,848	3,464
<i>Public radio funding expenditure</i>		
	Actual 2016 \$000	Actual 2015 \$000
Radio New Zealand	31,816	31,816
Total public radio funding expenditure	31,816	31,816
<i>Special interest radio funding expenditure</i>		
	Actual 2016 \$000	Actual 2015 \$000
Access and special interest radio	2,458	2,440
Pacific radio	3,440	3,430
Commercial radio: Spoken content	572	540
Sub-total special interest radio funding expenditure	6,470	6,410
Less approved funds not utilised so written back	(12)	(34)
Total special interest radio funding expenditure	6,458	6,376

	Actual 2016 \$000	Actual 2015 \$000
<i>Music & other content funding expenditure</i>		
Music content	3,863	4,697
Resound - NZ classical music initiative (SOUNZ)	130	130
Sub-total music funding expenditure	3,993	4,827
Less approved funds not utilised so written back	(204)	(196)
Less current year approved funds unable to be recognised as expenditure in current year until substantive contractual conditions have been met (excludes write backs)	(10)	-
Total music funding expenditure	3,779	4,631

6. CASH AND CASH EQUIVALENTS

Accounting policy

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

	Actual 2016 \$000	Actual 2015 \$000
<i>Breakdown of cash and cash equivalents and further information</i>		
Cash	97	67
Call and short term deposits	8,558	2,242
Total cash and cash equivalents	8,655	2,309

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.



7. INVESTMENTS

Accounting policy

Bank deposits

Investments in bank deposits are measured at fair value less transaction costs. For bank deposits, impairment is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payment are all considered indicators that the deposit is impaired.

Breakdown of investments and further information

Term deposits

Total investments

The carrying value of term deposits approximates their fair value.

The maturity dates and weighted average effective interest rates for term deposits are as follows:

	Actual 2016 \$000	Actual 2015 \$000
Term deposits with maturities greater than 3 months and less than 6 months*	20,000	33,500
Term deposits with maturities of 6 months and over*	8,000	8,000
Weighted average effective interest rate	3.19%	4.24%

*At 30 June 2016 average term is 136 days (30/6/15: 136 days)

Term deposit investments at 30 June 2016 are invested at fixed rates ranging from 3.05% - 3.3%. These deposits are measured at amortised cost, so an increase or decrease in interest rates during the period would not impact the measurements of the investments and hence there would be no impact on the surplus/deficit or equity.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates would expose us to cash flow interest rate risk. We have no variable interest rate investments.

Sensitivity analysis

At 30 June 2016, had interest rates on our term deposits been 50 basis points higher or lower, with all other variables held constant, the surplus would have been \$157,500 higher/lower (2015: \$216,727).

8. DEBTORS AND OTHER RECEIVABLES - OTHER

Accounting policy

Debtors and other receivables are measured at fair value less any provision for impairment. Impairment of a receivable is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the receivable. Significant financial

difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payment are all considered indicators that the debtor is impaired. Any impairment losses are recognised in the statement of comprehensive revenue and expense.

Breakdown of debtors and other receivables and further information

GST refund

Other receivables

Total debtors and other receivables - other

	Actual 2016 \$000	Actual 2015 \$000
GST refund	130	-
Other receivables	42	21
Total debtors and other receivables - other	172	21

The carrying value of other receivables approximates their fair value. We expect to recover the full amount of our receivables within the next 12 months.

9. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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 statement of comprehensive revenue & expense.

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 statement of comprehensive revenue & expense 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 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.

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 asset's 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 is recognised in the statement of comprehensive revenue and expense, any subsequent reversal of an impairment loss is recognised in the statement of comprehensive revenue and expense.

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.

Capital commitments

There are no capital commitments as at 30 June 2016 (2015: Nil).

Breakdown of property, plant and equipment and further information

Movements for each class of property, plant and equipment are as follows:

	Computer equipment \$000	Furniture & fittings \$000	Office equipment \$000	Leasehold improvements \$000	Total \$000
Cost					
Balance at 1 July 2014	245	109	29	298	681
Additions	31	-	-	-	31
Disposals	(6)	-	-	-	(6)
Balance at 30 June 2015	270	109	29	298	706
Balance at 1 July 2015	270	109	29	298	706
Additions	13	4	5	-	22
Disposals	(4)	-	-	-	(4)
Balance at 30 June 2016	279	113	34	298	724
Accumulated depreciation and impairment losses					
Balance at 1 July 2014	171	30	18	56	275
Depreciation	43	16	3	49	111
Eliminate on disposal	(6)	-	-	-	(6)
Balance at 30 June 2015	208	46	21	105	380
Balance at 1 July 2015	208	46	21	105	380
Depreciation	41	15	4	47	107
Eliminate on disposal	(3)	-	-	-	(3)
Balance at 30 June 2016	246	61	25	152	484
Carrying value					
At 30 June & 1 July 2014	74	79	11	242	406
At 30 June & 1 July 2015	62	63	8	193	326
At 30 June 2016	33	52	9	146	240

10. INTANGIBLE ASSETS

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised 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 recognised 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 recognised as an expense when incurred.

Costs associated with the development and maintenance of our website are recognised as an expense 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 recognised in the statement of comprehensive revenue & expense.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Acquired/ developed computer software	5 years	20%
---------------------------------------	---------	-----

Breakdown of intangible assets and further information

Acquired computer software

	Actual 2016 \$000	Actual 2015 \$000
<i>Cost</i>		
Balance at 1 July	87	87
Balance at 30 June	87	87

Accumulated amortisation and impairment losses

Balance at 1 July	57	39
Amortisation	18	18
Balance at 30 June	75	57

Carrying value

At 1 July	30	48
At 30 June	12	30



11. CREDITORS AND OTHER PAYABLES

Accounting policy

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Breakdown of creditors and other payables and further information

	Actual 2016 \$000	Actual 2015 \$000
GST payable	-	155
Accrued expenses	291	363
Total creditors and other payables	291	518

Creditors and other payables are non-interest bearing and are normally settled on less than 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

12. EMPLOYEE ENTITLEMENTS

Accounting policy

Employee benefits

Employee entitlements that we expect 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.

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.

We recognise a liability and an expense for bonuses where we are contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Breakdown of Employee entitlements and further information

	Actual 2016 \$000	Actual 2015 \$000
Accrued salaries and wages	14	-
Annual leave	109	109
Total employee entitlements	123	109

13. FUNDING LIABILITIES

Accounting policy

Provisions

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

- The expenditure has been formally approved
- The funding recipient has been advised
- There are no substantive contractual conditions for the funding recipient to fulfill
- It is probable (more likely than not) that the funded proposal will be completed and that our obligation will crystallise.

At 30 June 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 liabilities is the amount approved by the Board.

Breakdown of funding liabilities and further information

The value of our funding liabilities is as follows (all current as all expected to be paid in the next 12 months):

	Actual 2016 \$000	Actual 2015 \$000
National television	30,400	36,805
Regional television	261	305
Digital media	1,343	1,521
Special interest radio	406	211
Music & other content	2,334	2,561
Development & support	183	-
Total funding liabilities	34,927	41,403

Movements for each class of funding liabilities are as follows:

	National Television \$000	Regional Television \$000	Digital media \$000	Special interest Radio \$000	Music & other content \$000	Development & support \$000	Total \$000
Balance at 1 July 2015	36,805	305	1,521	211	2,561	-	41,403
Additional provisions made	82,310	739	4,085	6,470	3,993	397	97,994
Amounts used	(87,882)	(678)	(4,026)	(6,263)	(4,016)	(214)	(103,079)
Unused amounts reversed	(833)	(105)	(237)	(12)	(204)	-	(1,391)
Balance at 30 June 2016	30,400	261	1,343	406	2,334	183	34,927



14. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FROM OPERATING ACTIVITIES

	Actual 2016 \$000	Actual 2015 \$000
<i>Net surplus/(deficit) from operations</i>	(561)	(2,872)
<i>Add non-cash items:</i>		
Depreciation/amortisation	125	129
Total non-cash items	125	129
<i>Add/(less) movements in working capital items:</i>		
Decrease/(increase) in accounts receivable	122	4
(Decrease)/increase in GST payable	(285)	148
(Decrease)/increase in accounts payable (incl. employee entitlements)	(58)	(335)
(Decrease)/Increase in funding liabilities	(6,476)	3,884
Net movement in working capital items	(6,697)	3,701
Net cash inflow/(outflow) from operating activities	(7,133)	958

15. CONTINGENT LIABILITIES

At 30 June 2016 we have contingent liabilities totaling \$0.76m (2015: \$0.003m). These are the result of decisions made to fund certain projects. High level agreements have been entered into with providers, but individual projects have not yet been contracted.

16. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Related party transactions

NZ On Air is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect NZ On Air would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

Key management personnel compensation

	Actual 2016 \$000	Actual 2015 \$000
Board Members Remuneration	133	120
Full-time equivalent members*	0.1	0.1
Leadership Team Remuneration	1,265	1,188
Full-time equivalent members	7	7
Total key management personnel compensation	1,398	1,308
Total full time equivalent personnel	7.1	7.1

*NZ On Air Board meets 5 times per year, each meeting taking approximately 1 day. Individual pre meeting reading time is additional.

17. EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

18. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 29 categories are as follows:

	Actual 2016 \$000	Actual 2015 \$000
<i>Loans and receivables</i>		
Cash and cash equivalents	8,655	2,309
Debtors and other receivables	350	342
Investments – term deposits	28,000	41,500
Total loans and receivables	37,005	44,151
<i>Financial liabilities measured at amortised cost</i>		
Creditors and other payables	35,341	42,030
Total financial liabilities measured at amortised cost	35,341	42,030



19. FINANCIAL INSTRUMENT RISKS

Our activities expose us to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. We have a series of policies to manage the risks associated with financial instruments that seek to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature.

- Market risk - refer to note 7
- Cash flow interest rate risk - refer to note 7
- Sensitivity analysis - refer to note 7

Credit risk

Credit risk is the risk that a third party will default on its obligations to us, causing us to incur a loss. Due to the timing of our cash inflows and outflows we invest surplus cash with registered banks. Our treasury policy limits the amount of credit exposure to any one institution.

Our maximum credit exposure for each class of financial instrument is represented by the total carrying value of our cash and cash equivalents (note 6), investments (note 7) and accounts receivable (note 8). There is no collateral held against these financial instruments.

20. CAPITAL MANAGEMENT

Our capital is our equity, which comprises accumulated funds. Equity is represented by net assets.

We are subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

We have no significant exposure to concentrations of credit risk as we have a small number of debtors and we only invest with registered banks with specified Standard and Poor's or Moody's credit ratings.

Our bank deposits and short term investments are spread across six institutions.

Liquidity risk

Liquidity risk is the risk we will encounter difficulty raising funds to meet our commitments as they fall due. We expect to receive 2015/16 Crown funding in equal installments on the first working day of each month from July 2015 to June 2016. In addition, at 30 June 2016 we hold call and term deposits that will mature within the 2016/17 financial year totalling \$36.558m (2015: \$43.742m).

We have funding liabilities of \$34.927m at 30 June (2015: \$41.403m). We expect these to be paid by 30 June 2017. Most of these payments will be made on the achievement of milestones or activities whose timing is not specified rather than on contractual dates.

We manage our equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure we effectively achieve our objectives and purpose, whilst remaining a going concern.

21. EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Explanations of significant variances against budgeted figures in our Statement of Intent are as follows:

Statement of comprehensive revenue and expense

	Actual 2016 \$000	Budget 2016 \$000	Difference \$000	Explanation of significant variances
Funding expenditure	128,012	129,666	(1,654)	Significant variances are: <ul style="list-style-type: none"> Regional Television Funding (-\$716k). Station closures occurred after the budget was agreed; and Music Funding (-\$845k). Due to a budgeted programme finishing this year and lower spending on promotion as new strategies for music funding and promotions were being developed.

Statement of financial position

	Actual 2016 \$000	Budget 2016 \$000	Difference \$000	Explanation of significant variances
Total assets	37,257	40,747	(3,490)	Cash and Investments (-\$2.712m): Contract payment dates occurring slightly early than forecast. Debtors and Receivables (-\$0.65m): Lower accrued interest at year end and better collection rates.
Total liabilities	35,341	40,700	(5,359)	Funding Liabilities (-\$5.073m): Contract payment dates occurring slightly early than forecast.
Equity:				
Opening	2,477	2,285	192	Opening balance for equity lower than forecast. The forecast was completed in April 2015, before the end of the 2014/15 financial year.
Movement	(561)	(2,238)	1,676	Movement in equity variance is due to a lower deficit for the year than forecast for the reason explained above under Funding Expenditure.
Closing	1,916	47	1,869	

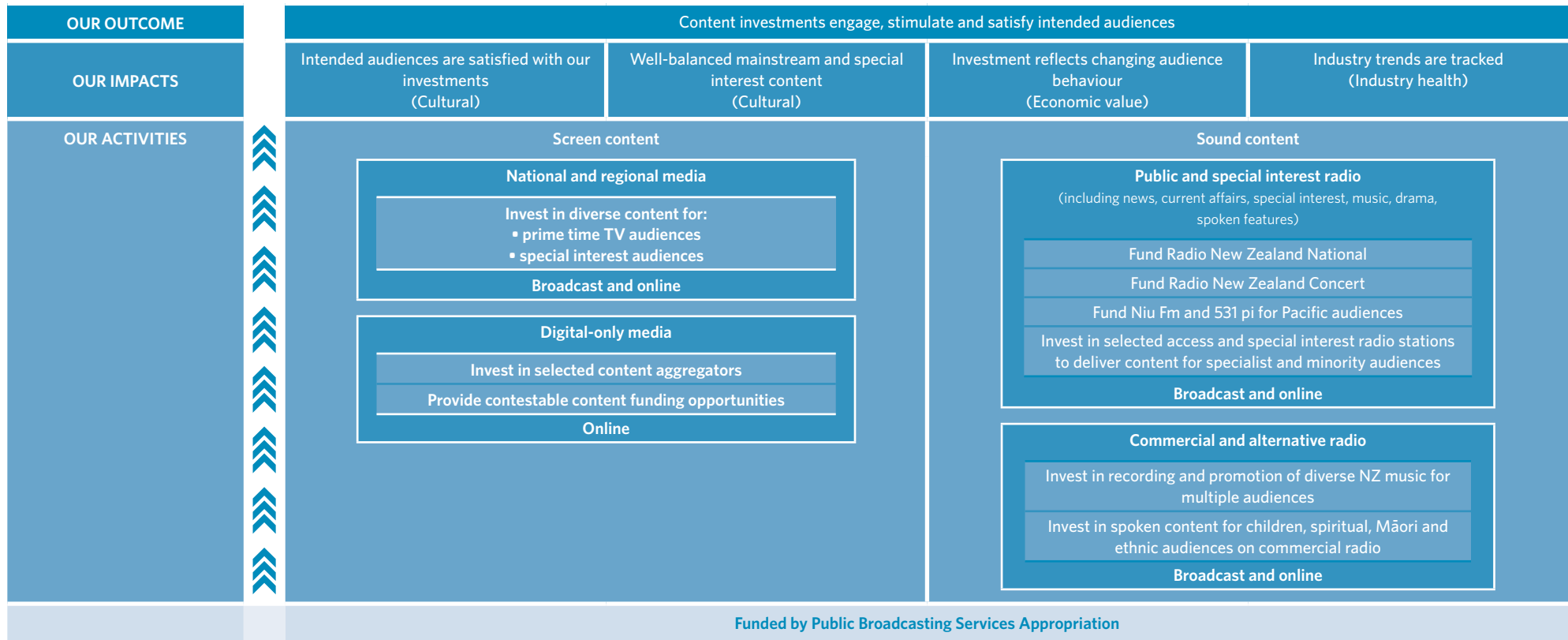


Statement of Service performance for the year ended 30 June 2016

The statements in this section provide the detailed results against targets, budgets and performance measures for the year ended 30 June 2016 as set out in our Statement of Performance Expectations for the year ending 30 June 2016. There is one output split into two activities: screen content (television and digital media) and sound content (radio and music).

Over-arching sector outcomes framework against which we develop our activities.

Figure 1: Outcomes framework



Our work contributes to wider cultural sector outcomes and current government priorities.

Government priorities	Responsibly manage the Government's finances	Build a more productive and competitive economy	Rebuild Christchurch	Deliver better public services within tight financial constraints
Cultural sector outcomes	Cultural activity flourishes (Create)	Our culture can be enjoyed by future generations (Preserve)	Engagement in cultural activities is increasing (Engage)	Cultural activities achieve excellence (Excel)

Summary of revenue and expenditure

	2015/16 Actual \$'000	2015/16 Budget \$'000	2014/15 Actual \$'000
Crown revenue	128,726	128,726	128,726
Other revenue	2,542	2,750	2,932
Total Revenue	131,268	131,476	131,658
Funding commitments	128,409	130,066	131,114
Administration expenditure	3,420	3,648	3,416
Total Expenditure	131,829	133,714	134,530

EFFECTIVENESS INDICATORS

These are qualitative indicators to measure impact. They assess how media audiences respond to a balanced range of investments. If target audiences respond well, platforms are encouraged to play more local content and more diverse local content. In turn, creative risk-taking is enhanced.

Our effectiveness measures include audience **appreciation**, the size of the audience **reach**, the **professional quality** of the content produced, **diversity** of content and target audiences, the **capability** of the sector, how we increase **knowledge** in the sector and the size of the **non-government investment** (as an indicator of industry health).

Impact 1: Cultural					
Intended audiences are generally satisfied with our investments					
Key Performance Measures	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	Link to SOI strategies
The majority of New Zealanders believe NZ On Air supports local content important to New Zealanders					<i>Better understand our intended audiences' needs</i>
Television content	75%	75%	73%	75%	
Radio content	70%	72%	68%	68%	
70% of all funded prime time content on TV One, TV2 and TV3 is watched by large audiences (>200,000)	65% ²	70%	* ³	*	
Most people aware of NZ On Air's support for television content like that content	69%	70%	*	*	<i>Maintain a balance of varied mainstream and special interest content</i>
The majority of New Zealanders agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders	84%	88%	85%	85%	
The majority of Pacific people agree that <i>Niu FM</i> and <i>531pi</i> broadcast culturally relevant content ⁴	Niu FM 84% 531pi 91%	75%	*	*	
Making Tracks funded songs will achieve a targeted average number of plays on:					<i>Seek more mileage for music</i>
Radio	258	750	256	*	
Music TV	12	150	30	*	
Online	120,783 ⁵	65,000	47,975	*	<i>Ensure a sound business case supports each funding decision</i>
Almost all completed productions are accepted for broadcast or uploading	99%	99%	99%	99%	

2 Time period 1800-2230 and excludes repeats.

3 *new measure

4 Only Pacific people surveyed who listen to *Niu FM* or *531pi* were asked this question.

5 Average YouTube + Spotify plays for 97 projects completed and released by 30 June 2016.

Impact 2: Cultural					
Well-balanced mainstream and special interest content					
Key Performance Measures	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	Link to SOI strategies
More than half of television contestable fund expenditure is for prime time content	63%	50%	64%	54%	<i>Maintain a balance of varied mainstream and special interest content</i>
Allocated funding for special interest audiences exceeds one quarter of total national television funding	37%	30%	*	*	
Surveys of a special interest audience are carried out at least every two years to assess target audience satisfaction with funded content	n/a	0 ⁶	Achieved	*	
More than half Making Tracks songs are intended for mainstream audiences	58%	60%	56%	58%	
<i>For Making Tracks projects designated Commercial:</i>					
% of songs that achieve a Radio Scope NZ40 Airplay Chart peak	47%	65%	14%	27%	
% of songs that achieve a Radio Scope Top 40 Music Television Chart peak	16%	25%	32%	20%	
<i>Making Tracks projects designated Alternative:</i>					
% of songs that achieve a Radio Scope Alt 40 Airplay Chart peak	52%	60%	50%	23%	
% of songs that achieve a Radio Scope Top 40 Music Television Chart peak	0%	20%	0%	7%	
Funded special interest radio broadcasts programmes in a range of different languages including Pacific languages	42	40 (9 Pacific)	Achieved	*	<i>Foster greater collaboration in community radio</i>

6 Next project 2016/17



Impact 3: Economic

Investment reflects changing audience behaviour

Key Performance Measures	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	Link to SOI strategies
Audience response to funded television projects is tracked to inform future investment decisions	100%	100%	100%	*	Ensure a sound business case supports each funding decision
Increase investment in online content and platforms as New Zealand audiences grow	3%	3%	2.6%	2%	Test different and diverse digital initiatives
One international funding partnership is secured for digital media funding	2	1	1	*	Explore and maximise digital opportunities

Impact 4: - Industry Health

Industry trends are tracked

Key Performance Measures	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	Link to SOI strategies
Enough qualified content partners ⁷ means demand for funding continues to exceed supply. % of successful applications for:					Ensure a sound business case supports each funding decision
Television	65%	75%	73%	*	
Music	17%	20%	19%	*	
Digital	10%	10%	9%	*	
Published research or reports inform stakeholders about media marketplace activity	4	2	Achieved	*	Be a respected source of information and expertise
First run free to air television hours not funded by NZ On Air as a % of all local content (non-Govt investment) ⁸	84%	At least 75%	77%	*	
NZ music content on commercial radio and music television achieves the NZ Music Code target ⁹	14.6%	20%	17.16%	17.47%	More mileage for music
There is an increasing % of NZ music on alternative radio ¹⁰	47.23%	40%	42.42%	38.99%	

7 Partners who meet our funding criteria

8 Calendar year. Excludes publicly-funded Māori Television

9 Target % of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code

10 Student radio and other alternative format stations

ACTIVITY 1: SCREEN CONTENT

Activity objective

Invest in diverse, relevant content; maximise available funding through skilful investment and collaboration opportunities; explore and maximise digital opportunities.

Detailed measures

The table below details the annual national television funding targets and expenditure and performance against those targets.

National television	Hours				\$'000			
	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
General contestable fund								
Drama/Comedy	97	104	114	71.5	26,876	27,445	27,894	23,027
Documentary/Factual	74.2	63	69	90	7,451	7,400	8,448	8,979
Children & Young People	370.5	354.6	379.6	368.5	14,366	13,894	15,063	15,190
Māori Programmes	38.8	31.5	39	45	3,775	3,600	4,009	4,509
Arts/Culture/Identity	23.6	11.5	52.5	29	1,832	1,084	2,214	1,982
Minorities	143.3	137.5	126	143.5	7,970	7,823	6,677	8,121
Disability services	29	18	19	19	4,962	4,754	4,526	4,690
Development	-	-	-	-	440	260	315	438
Total general fund	776.4	720.1	799.1	766.5	67,672	66,260	69,146	66,936
Platinum fund								
Drama	6	106.5	6	8	8,136	15,111	6,419	8,858
Documentary	111.5		110.5	101	6,112		8,761	5,901
Current Affairs	3		-	1	1,140		-	211
Special interest								
Total Platinum fund	120.5	106.5	116.5	110	15,388	15,111	15,180	14,970
Total national television	896.9	826.6	915.6	876.5	83,060	81,371	84,326	81,906
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	(1,583)	-	(637)	(1,114)
Total national television	896.9	826.6	915.6	876.5	81,477	81,371	83,689	80,792



Regional television

Hours

\$'000

	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
Local news and information	465 ¹¹	710	703	844	739	1,350	1,143	1,262
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	(105)	-	(5)	(23)
Total regional television	465	710	703	844	634	1,350	1,138	1,239

Digital media

\$'000

	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
Contestable digital media fund			865	949
Digital platforms	4,082	3,860	1,400	1,130
General			1,170	525
Total	4,082	3,860	3,435	2,604
Net effect of write-backs and accounting adjustments for timing differences		(234)	-	(46)
Total Digital media	3,848	3,860	3,464	2,558

¹¹ The decrease against target is due to stations closure which occurred after the budget was confirmed.

ACTIVITY 2: SOUND CONTENT

Activity objective: invest in diverse, relevant content; maximise available funding through skilful investment and collaboration opportunities; explore and maximise digital opportunities.

The impact measures above are focused on the results of our funding (outcomes). The detailed investment measures and targets below show how we allocated funding to the various sound content areas (outputs).

Sound content investment measures and targets

1. Public radio

Radio New Zealand: Qualitative measures

Ensure Radio New Zealand provides programme types specified in the Broadcasting Act 1989:

		2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
RNZ National	Māori Language and Culture (Hours)	114 ¹²	350	389	364
	Special Interest (Hours)	939	400	484	472
	NZ Drama, Fiction and Comedy (Hours)	255	250	279	302
	% of NZ music on rotate	34%	33%	34.7%	34%
	% of population able to receive transmission	94%	97%	97%	97%
RNZ Concert	% of NZ composition	4.2%	3.5%	4.4%	4.3%
	% of NZ music performance	17%	16%	16.4%	17.0%
	% of population able to receive transmission	89%	92%	92%	92%
Total Radio New Zealand funding provided (\$'000)		31,816	31,816	31,816	31,816

¹² This measure was revised during the year. The actual results for 2015/16 relate to stand-alone programmes broadcast on RNZ National focused exclusively on Māori content. Previously and in the forecast hours, the measure also included Māori language and content broadcast as part of general programming. Also, from quarter 3 2015/16 broadcast hours for Te Manu Korihi news were integrated with the mainstream news service. These were previously scheduled separately (approx 10 hours per quarter).



2. Community Radio

		Hours				\$'000			
Community Radio		2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
Access and special interest radio		24,806	24,000	25,274	24,673			2,440	2,473
Pacific Radio	Samoa Capital Radio							180	180
	Niu FM and 531pi	17,400	15,500	19,537	15,468	5,898	6,050	3,250	3,250
	Total broadcast hours			>4,160					
	Hours of programming in at least 9 Pacific languages	4,680							
Total		42,206	39,500	44,811	40,141	5,898	6,050	5,870	5,903
Net effect of write-backs and accounting adjustments for timing differences		-	-	-	-	(2)	-	(14)	(7)
Total community radio		42,206	39,500	44,811	40,141	5,896	6,050	5,856	5,896

3. Commercial and alternative radio

		Hours				\$'000			
Spoken content		2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
Children and young people		286.5	212	156	265	275	305	337	396
Spiritual		54	60	62	60	75	140	118	117
Ethnic/special interest		208	104	7	104	147	75	10	70
Māori issues (English language)		96	96	96	96	75	75	75	75
Total		644.5	472	321	525	572	595	540	658
Net effect of write-backs and accounting adjustments for timing differences		-	-	-	-	(10)	-	(20)	-
Total spoken content		644.5	472	321	525	562	595	520	658

4. New Zealand music

 Quantity¹³

\$'000

	Quantity ¹³				\$'000			
	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
Music funding								
Commercial projects funded	133	At least 120	133	139	1,995	2,000	2,054	2,028
Alternative projects funded	95	At least 80	106	99				
Music promotion	66	61	64	23	1,998	2,624	2,773	2,649
Sub-total music	294	-	303	261	3,993	4,624	4,827	4,677
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	(214)	-	(196)	(876)
Total music	294	-	303	261	3,779	4,624	4,631	3,801

¹³ Projects funded are a video or a song plus a video. We cannot separately forecast which type of application will be received.

3.1 EFFICIENCY INDICATORS

We make investment decisions using nine consistent principles to ensure good decision making in a volatile creative environment. To minimise overheads, good service delivery and processes are also crucial. This allows us to maximise investment in content.

Goal 1: We make the right decisions using good processes					
SOI strategy: Ensure a sound business case supports each funding decision					
<i>Efficiency measures</i>	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual	<i>Investment principle¹⁴</i>
Investment processes are objective, based on current policy, and include a robust assessment of the application	100%	100%	100%	100%	<i>Cultural value Content balance Risk Competition Value for money No duplication Leverage Partner capability</i>
Investment decision or process with a significant adverse judicial review or Ombudsman finding	0	0	0	0	<i>Fairness</i>
Goal 2: Our funding management processes serve industry clients efficiently and well					
% of complete applications received by deadline that are determined at the next funding round	100%	100%	100%	100%	<i>Fairness Value for money</i>
% of funding decisions notified to applicants within 5 working days of decision	100%	100%	100%	100%	
% of funding contracts correctly issued within 15 working days once conditions precedent are met	100%	100%	100%	100%	
% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	100%	100%	100%	100%	
Goal 3: We minimise overheads to maximise investment funds					
Administration costs are a low % of total revenue	2.6%	<3%	2.6%	2.6%	<i>Value for money</i>

14 See the Statement of Intent p8. <http://www.nzonair.govt.nz/corporate-document-library/statement-of-intent-2014-2018/>

3.3 ANNUAL ORGANISATIONAL HEALTH AND CAPABILITY INDICATORS

We are a small entity of 18 staff and rely on our staff being skilled, multi-functional and adaptable. We have formal good employer and personnel policies and a commitment to equal employment opportunities.

We measure ourselves against the key elements of the Human Rights Commission's Good Employer framework. This includes regular staff and management meetings, annual performance assessments, consideration of professional development needs and flexible work practices where appropriate.

Gender	2015/16	%	2014/15
Female	13	72%	12
Male	5	28%	6
Ethnicity			
Māori	2	11%	2
Pacific Island	0	0%	0
Asian	2	11%	2
Pakeha/European	14	78%	14
Age profile	Information not collected due to privacy considerations in a small team		
Disability profile	No employees disclose a disability		

Health and capability performance measures

Goal	Measure	2015/16 Actual	2015/16 Target	2014/15 Actual	2013/14 Actual
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is low	3 ¹⁵	<3	Achieved	Achieved
	Individual staff training needs are assessed annually	100%	100%	100%	100%
	External salary comparisons conducted regularly to ensure staff are paid fairly	Not commenced ¹⁶	Some positions assessed	Next review scheduled for 15-16	Some positions assessed
Ensure staff are committed to the agency and its work	Staff engagement surveys conducted at least bi-annually; results target to be in the top quartile of the cultural sector	Survey conducted May 2015	Not measured	Survey conducted May 2015	Biannual
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards attended to promptly, significant hazards attended to immediately	Achieved	Achieved	Achieved	Achieved
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if instances are reported	Achieved. No instances.	Achieve	Achieved	Achieved
	All employees have an ergonomically suitable workspace	100%	100%	100%	100%
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 included in all relevant documents and practices	100%	100%	100%	100%
	A workforce diversity summary is included in the Annual Report	Achieved	To Achieve	Achieved	*

¹⁵ Two long-serving staff members retired during the year.

¹⁶ This is being considered as part of a full organisational review currently in progress.

3.4 MINISTERIAL DIRECTION RECEIVED AND PROGRESS REPORT

As required by section 151(f) of the Crown Entities Act 2004 we report that, on 13 May 2016 we received a Ministerial Direction under section 107 of the Crown Entities Act 2004 from the Ministers of Finance and State Services. This is a Direction to support a whole of government approach and sets out requirements for agencies to implement the New Zealand Business Number (NZBN). The NZBN has been created to enable improved electronic delivery of services.

As a Tier 3 entity under the Ministerial Direction, NZ On Air must have regard to six of the requirements and give effect to four requirements.

Progress

NZ On Air is implementing the requirements of the Direction where necessary. Since receiving the Direction, there have been no system changes. System changes are planned shortly and the requirements of the Direction will be implemented where possible.



part 3

Funding details for the year 2015/16

Television

Hours of funded television by genre

	2016*	2015*	2014*	2013*	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
Drama/Comedy	104.3	121.5	79.5	110.5	94.5	121.5	105	102	92	103	89	103	108	108
Documentary/Information	134.7	119.5	130	112.9	139.5	133	216	99	123	104	131	107	109	109
Children/Young People	393.6	392.1	380.8	447.6	469.4	468	410	445	401	490	497	395	436	436
Special Interest/Other	264.4	282.5	286.2	291	262.3	261.5	201	181	188	212	253	419	298	298
Total	897	915.6	876.5	962	965.7	984	932	827	804	909	1,024	1,100	951	951

* Includes Platinum Fund investments

TV funding percentages by broadcaster

	Audience Share [^]	2016*	2015*	2014*	2013*	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003	
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	
By Broadcaster																
TVNZ	42	57	67	72	58	64	58	55	58	65	60	65	74	75	80	
MediaWorks	16	26	20	13	32	29	36	39	32	29	33	30	26	25	20	
Prime	5	11	10	11	7	3	3	2	2	1	2	3	-	-	-	
Māori TV	1	4	3	4	3	4	3	4	7	4	4	1	-	-	-	
Other		2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regional channels [±]			-	-	-	-	-	-	1	1	1	1	-	-	-	
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

TV funding percentages by producer

Independents	89.6	90.2	88.8	85.4	87.7	86.8	85.4	85.8	89	87	84.8	91	88	85
TVNZ	4.8	3	6.3	7.7	9.6	7.6	11.9	13.8	10.8	12.7	15	9	11	15
MediaWorks	5.5	6.6	4.3	6.2	2.7	5.4	2	0.1	0.2	0.2	0.2	0	1	0
Prime	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Māori TV	0.1	0.2	0.6	0.7	-	0.2	0.7	0.3	-	0.1	-	-	-	-
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Includes Platinum Fund investments (excludes Captioning/Audio Description and Development)

[±] Regional channels funded from Community Broadcasting from 2010

[^] Average 5+ Share 02:00 - 25:59, 1/7/15 to 30/6/16. Source The Nielsen Company



Top 20 NZ On Air funded TV programmes

#	Title	Genre	Channel	AUD 5+
1	Hyundai Country Calendar	Doco	TVONE	577,900
2	Gloriavale Life & Death	Doco	TV2	523,300
3	Topp Country	Factual	TVONE	512,400
4	Coast New Zealand	Doco	TVONE	503,700
5	Keeping Up With The Kaimanawas	Doco	TVONE	487,900
6	Mastermind New Zealand	Quiz	TVONE	487,300
7	Hyundai Country Calendar 50 th Anniversary	Factual	TVONE	447,800
8	House Hunt	Factual	TVONE	419,600
9	The DNA Detectives	Factual	TVONE	410,300
10	Abandoned	Drama	TVONE	392,000
11	How To Murder Your Wife	Drama	TVONE	365,200
12	The Monster Of Mangatiti	Drama	TVONE	365,100
13	Lost & Found	Factual	TV3	359,800
14	Grand Designs New Zealand	Factual	TV3	347,400
15	This Town	Factual	TVONE	331,900
16	Why Am I?	Doco	TVONE	307,900
17	The Big Ward	Factual	TV2	302,500
18	7 Days	Comedy	TV3	297,700
19	Venus And Mars	Drama	TVONE	291,800
20	Erebus Operation Overdue	Doco	TVONE	282,200

Source: The Nielsen Company

Top 10 NZ On Air funded programmes On Demand

Programme	On Demand	Average streams per episode
Westside	3Now	41,524
How To Murder Your Wife	TVNZ	39,161
Filthy Rich	TVNZ	38,294
Abandoned	TVNZ	35,987
Comedy Gala	3Now	27,548
Venus And Mars	TVNZ	22,667
Grand Designs	3Now	20,660
The Kick	TVNZ	19,722
Keeping Up With The Kaimanawas	TVNZ	17,765
7 Days	3Now	16,013

Funded TV captions and audio description

Year	NZ On Air Annual Funding	Weekly Captioning Hours Produced	Weekly Captioned Hours Broadcast*	Weekly Audio Description Hours Broadcast
2009/10	\$1,900,000	104	246	-
2010/11	\$2,271,110	109	245	10
2011/12	\$2,491,053	113	247	13
2012/13	\$2,602,933	114	253	22
2013/14^	\$2,800,000	105	251	26
2014/15	\$2,400,000	116	265	32
2015/16	\$2,800,000	139	300	40

* Average hours per week, including repeat broadcasts

^ Service transitioned from TVNZ Access Services to ABLE in Nov 2013

Television Funding

Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
TV Development	Children	<i>Maia The Brave</i>	TV2	Pickled Possum Productions		25,000
	Children's Drama	<i>The Cul De Sac 2</i>	TV2	Greenstone TV		15,000
		<i>Wilde Ride</i>	TV2	Tomorrowland		20,000
	Comedy	<i>Living Rad (In The 80'S)</i>	TV3	The Downlowconcept		10,000
		<i>One Day Closer</i>	TV3	Satellite Media Group		10,000
	Documentary	<i>Dai Another Day</i>	TV3	Commotion		18,000
		<i>Doubt: The Scott Watson Case</i>	TV One	Production Shed TV		10,000
	Drama	<i>Catching The Black Widow</i>	TV One	KHF Media		15,000
		<i>Dear Murderer</i>	TV One	Screentime New Zealand		15,000
		<i>Filthy Rich 2</i>	TV2	Filthy Productions		80,600
		<i>Fresh Eggs</i>	TV One	Warner Bros. NZ		10,000
		<i>Head High</i>	TV3	South Pacific Pictures		20,000
		<i>In A Flash</i>	TV One	Screentime New Zealand		15,000
		<i>Jonah</i>	TV One	Comedia Pictures		15,000
		<i>Katipo</i>	TV One	MF Films		10,000
		<i>One Lane Bridge</i>	TV One	Great Southern Television		10,000
		<i>Resolve</i>	TV One	Screentime New Zealand		15,000
		<i>The Exponents: Why Does Love?</i>	TV One	Great Southern Television		15,000
		<i>The Island</i>	TV One	Greenstone TV		21,000
		<i>The Twenty Nine</i>	TV One	Desert Road		25,000
	<i>Trinity Point</i>	TV3	Warner Bros. NZ		55,000	
	<i>War Stories</i>	TV One	PhoneBox		10,000	
Total TV Development						439,600
TV Platinum Fund	Children's Drama	<i>The Cul De Sac 2</i>	TV2	Greenstone TV	3.0	1,139,997
		Total			3.0	1,139,997
	Documentary	<i>Doubt: The Scott Watson Case</i>	TV One	Production Shed TV	1.5	1,027,660
		<i>Decades In Colour 2</i>	Prime	Greenstone TV	3.0	579,743
		<i>Making New Zealand 2</i>	Prime	Top Shelf Productions	3.0	523,169
		<i>Pike River: The Long Wait</i>	Prime	Screentime New Zealand	2.0	934,947
Total			9.5	3,065,519		



Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
	Drama	<i>Bombshell - The Sinking Of The Rainbow Warrior</i>	TV One	ScreenTime New Zealand	2.0	2,854,573
		<i>Catching The Black Widow</i>	TV One	KHF Media	2.0	2,039,843
		<i>Jean</i>	TV One	Lippy Pictures	2.0	3,241,700
		Total			6.0	8,136,116
	News/Current Affairs	<i>Q + A 2016</i>	TV One	TVNZ	40.0	846,000
		<i>Sunday Special: Born This Way</i>	TV One	Ruckus Media	1.0	150,000
		<i>Sunday Special: She'll Be Right</i>	TV One	Attitude Pictures	1.0	150,000
		<i>Sunday Specials (4 projects tbc)</i>	TV One	TVNZ	4.0	600,000
		<i>The Hui</i>	TV3	Great Southern Television	15.0	400,000
		<i>The Nation 2016</i>	TV3	MediaWorks TV	41.0	900,000
		Total			102.0	3,046,000
Total Platinum Fund					120.5	15,387,632
TV Production	Arts/Culture	<i>Anzac 2016</i>	Māori Television	Māori Television	1.7	77,450
		<i>Anzac Day 2016</i>	TV One	TVNZ	1.0	85,987
		<i>Heritage Rescue</i>	Choice TV	Top Shelf Productions	8.0	628,525
		<i>Mastermind</i>	TV One	Warner Bros. NZ	9.8	685,360
		<i>The New Sound Of Country</i>	Prime	Notable Pictures	1.0	189,172
		<i>NZ Music Awards 2015</i>	TV3	MediaWorks TV	2.2	165,867
		Total			23.6	1,832,361
	Children/Youth	<i>Darwin And Newts</i>	TV2	Darwin & Newts	7.3	1,523,177
		<i>Maia The Brave</i>	TV2	Pickled Possum Productions	3.3	495,426
		<i>Smokefree Rockquest 2016</i>	The Edge TV	Commotion	3.0	319,050
		<i>Sticky TV 2016</i>	FOUR	Pickled Possum Productions	154.0	2,374,290
		<i>The Adam And Eve Show</i>	TV2	Whitebait Productions	100.0	3,080,400
		<i>The Barefoot Bandits 2</i>	TV2	Mukpuddy Animation	5.0	869,054
		<i>The Moe Show 3</i>	FOUR	Pop-Up Workshop	10.4	2,202,214
		<i>University Challenge 2016</i>	Prime	Cue Productions	7.5	313,432
		<i>What Now 2016</i>	TV2	Whitebait Productions	80.0	3,189,000
		Total			370.6	14,366,043

Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
Comedy		<i>7 Days 2016</i>	TV3	MediaWorks TV	16.0	1,056,000
		<i>Aotearoha - Rising Stars</i>	TV3	MediaWorks TV	1.0	65,782
		<i>Chief Gary</i>	NZME	Chief Gary	2.0	199,999
		<i>Comedy Gala 2016</i>	TV3	MediaWorks TV	2.0	114,396
		<i>Ewen Gilmour: Westie Legend</i>	TV3	MediaWorks TV	1.0	19,180
		<i>Find Me A Māori Bride 2</i>	Māori Television	Brown Sugar Apple Grunt Productions	3.5	590,000
		<i>Funny Girls 2</i>	TV3	MediaWorks TV	3.0	366,432
		<i>Hartland</i>	NZME	NZME	2.5	149,156
		<i>Jono And Ben 2016</i>	TV3	MediaWorks TV	26.0	1,717,042
		Total			57.0	4,277,987
Documentary		<i>All In The Mind</i>	Prime	The Gibson Group	1.0	197,650
		<i>Country Calendar 2016</i>	TV One	TVNZ	20.0	566,720
		<i>Country Calendar 50th Anniversary Special</i>	TV One	TVNZ	1.0	59,800
		<i>Game Of Bros</i>	Māori Television	Tikilounge Productions	3.5	210,000
		<i>Gloriavale: A Woman's Place</i>	TV2	Pacific Screen	1.0	170,000
		<i>Grand Designs NZ 2</i>	TV3	Imagination Television	14.0	1,260,000
		<i>Great War Stories 2016 & 2017</i>	TV3	A C Productions	0.7	197,108
		<i>Karena And Kasey's Kitchen Diplomacy</i>	TV One	Imagination Television	5.0	991,333
		<i>Lost And Found 2</i>	TV3	Warner Bros. NZ	10.0	935,846
		<i>Maui's Hook</i>	Māori Television	Kura Productions	1.0	78,800
		<i>My Year With Helen</i>	TV3	GPPHC	1.0	199,000
		<i>New Zealand: A Users' Guide</i>	TV3	Hikoi NZ	3.0	572,632
		<i>Sacrifice On The Somme</i>	Māori Television	Scottie Douglas Productions	1.0	225,000
		<i>Shearing Gang 4</i>	Prime	Great Southern Television	5.0	462,450
		<i>Sisters</i>	Māori Television	Rogue Productions	3.0	341,710
		<i>Split Enz</i>	Prime	Greenstone TV	1.5	229,427
		<i>Street Hospital 2</i>	TV2	The Gibson Group	5.0	575,000
		<i>Te Araroa: Tales From The Trails 2</i>	Māori Television	Scottie Douglas Productions	7.0	295,000
		<i>The DNA Detectives 2</i>	TV One	Jam TV	6.0	1,279,725
		<i>The Loggers</i>	Prime	Great Southern Television	5.0	463,877
	<i>The Palace</i>	Māori Television	Rogue Productions	0.5	15,021	



Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
		<i>Toa Hunter Gatherer</i>	Māori Television	Awa Films	4.0	240,000
		<i>Top Country 3</i>	TV One	Diva Productions	5.0	746,007
		Total			104.2	10,312,106
	Drama	<i>Dear Murderer</i>	TV One	Screentime New Zealand	5.0	3,945,000
		<i>Dirty Laundry</i>	TV One	Filthy Productions	13.0	6,719,650
		<i>Hunt For The Wilderpeople</i>	TV2	Majestical Productions	2.0	199,999
		<i>The Brokenwood Mysteries 3</i>	Prime	South Pacific Pictures	8.0	4,036,000
		<i>Tip Top Taj Mahal</i>	Choice TV	South Pacific Pictures	2.0	199,999
		<i>Waru</i>	Māori Television	Brown Sugar Apple Grunt Productions	1.3	215,000
		<i>Westside 2</i>	TV3	South Pacific Pictures	10.0	7,497,501
		Total			41.3	22,813,149
	Special Interest	<i>Arranged</i>	TV3	Notable Pictures	2.0	171,455
		<i>Back Benches 2016</i>	Prime	TVNZ	20.0	618,946
		<i>Both Worlds 5</i>	TV3	Notable Pictures	5.0	399,901
		<i>Fresh 2016</i>	TV2	Tikilounge Productions	20.0	1,843,571
		<i>Inside Parliament</i>	Māori Television	Top Shelf Productions	4.0	471,183
		<i>Media Take 3</i>	Māori Television	Top Shelf Productions	7.5	360,285
		<i>Neighbourhood 2016</i>	TV One	Satellite Media Group	17.5	1,434,373
		<i>Portraits Of Poly Pks</i>	The Coconet TV	Tikilounge Productions	1.3	64,902
		<i>Praise Be 2016</i>	TV One	TVNZ	27.0	387,541
		<i>Pukana Subtitles 2016</i>	FOUR	Cinco Cine Film Productions	0.0	58,960
		<i>Rural Delivery 2016</i>	TV One	Showdown Productions	20.0	1,162,640
		<i>Tagata Pasifika 2016</i>	TV One	Sunpix	26.5	1,696,165
		Total			150.8	8,669,922
	Disability Services	<i>Attitude 2016</i>	TV One	Attitude Pictures	17.0	1,787,300
		<i>Ready, Set... Rio - Paralympics 2016</i>	TV One	TVNZ	12.0	374,139
		<i>TV Captioning & Audio Description 2015/16</i>		Media Access Charitable Trust (ABLE)	0.0	2,800,000
		Total			29.0	4,961,439
Total General and Platinum Fund					776.4	67,233,008

Regional TV Programmes

Programme Name	Broadcaster	Producer	Hours	NZ On Air Funding
39 Dunedin News & Southern Newsweek 2015/16	39 Dunedin Television	Allied Press	144.0	175,000
Channel North News 2015/16	Channel North TV	Northland TV Charitable Trust	53.8	90,000
Chatroom 2015/16	Television Hawkes Bay	Television Hawkes Bay	69.0	90,000
CTV News 2015/16	CTV	Go Networks Ltd	125.0	240,000
Haukainga 2015/16	Te Hiku Television	Te Reo Irirangi O Te Hiku O Te Ika (Inc)	22.5	40,000
Mainland TV - Local News 2015/16	Mainland Television	Mainland Television Ltd	50.0	85,000
Regional TV Dubbing			n/a	19,000
Total			464.3	739,000

Music

Making Tracks

Artist and Song

Music Video Only

(43 Mainstream projects, 32 Alternative projects)

A Dead Forest Index - <i>Myth Retraced</i>
All The Colours - <i>Jonathan</i>
Annah Mac - <i>Red</i>
Armed In Advance - <i>Same Old Story</i>
Aske - <i>Found</i>
Avalanche City - <i>Little Fire</i>
Bailey Wiley - <i>Take It From Me</i>
Baynk - <i>What You Need</i> featuring Olivia Nott
Benny's Videos - <i>Inside My Head</i>
Chambres - <i>Chase Me Too</i>
Dave Dobbyn - <i>Tell The World</i>
Denel - <i>The Lights</i>
Devilskin - <i>Mountains</i>
Diaz Grimm - <i>I Saw Inside</i>
Disasteradio - <i>Oh Yeah</i>
Don Mcglashan - <i>Hold Onto Your Loneliness</i>
Doprah - <i>Machinery</i>
Drax Project- <i>Seemed Like Trouble</i>
Dunes - <i>Cowgirl</i>
Eastern Bloc - <i>Pop Like</i>
Eb & Sparrow - <i>Little Hands</i>
Ekko Park - <i>Surface Breaks</i>
Electric Wire Hustle - <i>Brother Sun</i> featuring Kimbra
Esther Stephens & The Means - <i>French Kiss</i>

Artist and Song

Gareth Thomas - <i>Weird Fever</i>
Ghost Wave - <i>Blues Signal '79</i>
Ghost Wave - <i>Don't Ask Why</i>
Great Danes - <i>Where The Down Bit Starts</i> featuring Kimbra
Groeni - <i>Truce</i>
Hollie Smith - <i>Water Or Gold</i>
Ill Semantics - <i>4 Thought</i> featuring Giant Killa
Ill Semantics - <i>I'm Ill</i> featuring Flowz & K.One
Jackie Bristow & Jason Kerrison - <i>Warrior Spirit</i>
Jason Kerrison - <i>All Of Us</i>
Joe Blossom - <i>The Breaking</i>
Joseph & Maia - <i>I Know</i>
Kane Strang - <i>Things Are Never Simple</i>
Kings - <i>What We Supposed To Do</i>
Laura Lee - <i>Dreamers</i>
Levi Patel - <i>Since Last Letters</i>
Manalion - <i>Dirty Roots</i>
Maya Payne - <i>Breathe Again</i>
Mermaidens - <i>Undergrowth</i>
Miloux - <i>Pocket</i>
Nadia Reid - <i>Reaching Through</i>
Noah Slee - <i>Rampant Wild Free</i>
October - <i>Warm Blood</i>
Openside - <i>Letting It Out</i>
Opiuo - <i>Sneakers</i>
Orchestra Of Spheres - <i>Trapdoors</i>
P.H.F - <i>Soft</i>



Artist and Song
Pause Applause – <i>Islands</i>
Ranea – <i>Tihei Mauri Ora</i>
Rhian Sheehan – <i>The Upper Sky</i>
Rob Ruha – <i>Kariri</i> featuring Tiki Taane
Sammy J – <i>I'm The One For You</i>
Shayne P Carter – <i>I Know Not Where I Stand</i>
Silence The City – <i>Identity</i>
Silence The City – <i>Voices</i>
Sneakers – <i>Come Around Sundown</i>
Sons Of Zion – <i>Hungover</i>
Space Above – <i>Fall Through</i>
Spycc – <i>Other Lover</i> featuring High Hoops
Tami Neilson – <i>Holy Moses</i>
Team Dynamite – <i>Marvin (Beam Me Up)</i>
The Beths – <i>Lying In The Sun</i>
The Nudge – <i>Dark Arts</i>
Tipene – <i>Comfortable</i> featuring Pieter T
Tom Lark – <i>Never Be Your Man</i>
Tomorrow People – <i>Train To Nowhere</i> featuring Paua
Toni Huata – <i>Mohaka</i>
Two Cartoons – <i>Males</i>
Wallace – <i>Negróni Eyes</i>
Yoko-Zuna – <i>One's Cycle</i> featuring Bailey Wiley
Young Lyre – <i>Winter</i>
Recording & Music Video (84 Mainstream projects, 68 Alternative projects)
Aaradhna – <i>Brown Girl</i>
Aaradhna – <i>Empty Hall</i>

Artist and Song
Alien Weaponry – <i>Ruana Te Whenua</i>
Anna Coddington – <i>Apples</i>
Arma Del Amor – <i>Taking Back The Sea</i>
Asti-Loren – <i>Psychedelic Rose</i>
B O K E H – <i>Forget The Rules</i>
Bakers Eddy – <i>Wallbreaker</i>
Beastwars – <i>Some Sell Their Souls</i>
Beastwars – <i>Witches</i>
Ben Mollison – <i>Time Has Slid By (Rockquest Solo Winner)</i>
Bespin – <i>East Of Her</i>
Black Fox Trio – <i>Giants</i>
Boyboy – <i>Vices</i>
Brooke Duff – <i>Fast Car</i> featuring Sidney Diamond
Cairo Knife Fight – <i>A-Six</i>
Cavalcade – <i>Dead In The Water</i>
Charity Children – <i>Whispering Still</i>
Chelsea Jade – <i>Life Of The Party</i>
Chia – <i>Someday We Are Gonna Live In The Same Place</i>
Chores – <i>Telling Lies</i> featuring Boswell
Clap Clap Riot – <i>Help Me</i>
Clicks – <i>Resolution</i>
Symbol 303 – <i>Slipping</i> featuring Tamagotchii
Dave Dobbryn – <i>Angelina</i>
David Dallas – <i>Can't Get Enough</i>
Decades – <i>If It Kills Me</i>
Decades – <i>Terrified</i>
Delaney Davidson – <i>Something's Wrong</i>

Artist and Song
Delaney Davidson – <i>Such A Loser</i>
Die! Die! Die! – <i>I Love How You Listen To The Radio</i>
Dion Lunadon (Nee Palmer) – <i>Com/Broke</i>
Divorcees – <i>Divorcees</i>
Divorcees – <i>Triangular</i>
Earth Tiger – <i>Lucky Ones</i>
Eden Mulholland – <i>Little Lego Ship</i>
Ekko Park – <i>Probable Cause</i>
Electric Wire Hustle – <i>Ex Machina</i>
Emily Edrosa – <i>Drinking During The Day</i>
Esteré – <i>Grandmother</i>
Esteré – <i>Rent</i>
Ezra Vine – <i>Say My Name</i>
Fazerdaze – <i>Take It Slow</i>
Fazerdaze – <i>Lucky Girl</i>
Finlay Tate – <i>Control</i>
Finlay Tate – <i>Let Free</i>
Fly My Pretties – <i>Old Friend</i>
Fraser Ross – <i>In The Rain</i>
French For Rabbits – <i>The Weight Of Melted Snow</i>
Fungi – <i>Waste Me Taste Me (She Can't Come In)</i>
Giantkilla – <i>Down Low</i>
Glass Vaults – <i>Brooklyn</i>
Glass Vaults – <i>Life Is The Show</i>
Glass Vaults – <i>Mind Reader</i>
Grace Wood – <i>Young, Naive & Reckless</i>
Grayson Gilmour – <i>One Hundred Waters</i>
Groeni – <i>Hinde (Redbull Winner)</i>

Artist and Song
House Of Shem – <i>Anything You Ask For</i>
Indi – <i>Precipice</i>
Israel Starr – <i>We're In This Love</i> featuring Majic
Itty Bitty Beats – <i>Tbc (Apra Children's Music Awards)</i>
Jesse Sheehan – <i>Droplets</i>
Joe's Van – <i>Shroomy Sam (Rockquest Band Winner)</i>
Jon Lemmon – <i>It's Gonna Be Alright</i>
Jonathan Bree – <i>No Reminders</i>
K.One – <i>Save Me</i> featuring Sam Allen
Kamandi – <i>What About You</i>
Kinetic – <i>Living The Illusion</i>
Kinetic – <i>Invincible</i>
Knives At Noon – <i>We Live In An Airport Now</i>
Ladi6 – <i>Beffy</i>
Lake South – <i>Renters</i>
Lisa Crawley – <i>Up In The Air</i>
Natalie Te Paa & Cam Dawson – <i>Long White Cloud (NZ Paralympic Song)</i>
Lontalius – <i>Glow</i>
Lord Echo – <i>Do U</i> featuring Mara Tk
Lord Echo – <i>Low To The Street</i> featuring Lisa Tomlins
Louis Baker – <i>Fade</i>
Louis Baker – <i>Rainbow</i>
Maala – <i>Hush</i>
Maala – <i>Kind Of Love</i>
Mae Valley – <i>Brightside</i>
Mae Valley – <i>Glitter</i>

Artist and Song

Marino Mariner – <i>Here We Are</i>
Marley Sola – <i>Fill Me Up</i>
Marley Sola – <i>On My Own</i>
Miss June – <i>Anxiety On Repeat</i>
Nakita – <i>Second Chances</i>
Nakita – <i>Where Are You?</i>
Name UL – <i>Nice Guys Finish Thirst</i>
New Reptiles – <i>Friends</i>
Nomad – <i>Oh My My</i>
Pacific Heights – <i>Breath And Bone</i> featuring Deanne Krieg
Pacific Heights – <i>Realms</i> featuring Deanne Krieg
Race Banyon – <i>Surface</i>
Racing – <i>Let It Slip</i>
Reciprocate – <i>Serenade (Pacifica Beats Winner)</i>
Rei – <i>Hundy Club</i>
Rei – <i>Out Dancing</i>
Rei – <i>The Chief's Speech</i>
Riley Richards – <i>My Freedom</i>
Rousseau – <i>Petra Says (Wildcard Winner)</i>
Ruckus Garvey – <i>Chip On My Shoulder</i>
Ryan Enzed – <i>Crawling</i> featuring Sahara Skye
Ryan Enzed – <i>She Said</i> featuring Helen Corry
Sachi – <i>No More</i> featuring Zoe & Sysyi
Sachi – <i>South Central</i> featuring Duckwrth
Sam Verlinden – <i>Out Of My League</i>
Scuba Diva – <i>Weed It Out</i>
Shakes – <i>Strange Tides</i>

Artist and Song

Shapeshifter – <i>Oculus</i>
Shapeshifter – <i>Stars</i>
Shapeshifter & Opiuo – <i>Slug A Bug</i>
She's So Rad – <i>You And I</i>
Sir T – <i>Legend</i>
SJD – <i>Turn On The Sun</i>
Skelter – <i>Get Outta My Face</i>
So Below – <i>Far</i>
Sola Rosa – <i>Back To You</i> featuring Noah Slee
Sola Rosa – <i>So Fly</i>
Sons Of Sofa – <i>So Young</i>
Sons Of Zion – <i>All Or Nothing</i>
Streets Of Laredo – <i>99.9%</i>
Streets Of Laredo – <i>Trap For Young Players</i>
Sweet Mix Kids – <i>With You</i> featuring Vince Harder
Tali – <i>How To Get High</i>
Tamagotchii – <i>Don't Feel</i>
Taste Nasa – <i>Do What You Feel</i>
Terrible Sons – <i>Tears Don't Fall</i>
The All Seeing Hand – <i>Cro Magnon Corp.</i>
The Beths – <i>Whatever</i>
The Deluxe Project – <i>On & On</i>
The Document – <i>Nothing Was The Same</i>
The Eversons – <i>Hippie Girl</i>
The Miltones – <i>Pursed Lips</i>
The Oneill Twins – <i>Boss As Chick</i>
The Upbeats – <i>Ultraviolet</i> featuring Mara Tk
The Veils – <i>Axolotl</i>

Artist and Song

Theia – <i>Roam</i>
Thomas Oliver – <i>Shine Like The Sun</i>
Tiki Taane – <i>No Place Like Home</i>
Tomorrow People – <i>Writing On The Wall</i> featuring Fran Kora
Trei – <i>Rebels</i> featuring Tali
Tsorf – <i>Hold On To Me</i>
Ty – <i>Discover</i> featuring Mikey Mayz
Unknown Mortal Orchestra – <i>First World Problem</i>
Unknown Mortal Orchestra – <i>Shakedown Street</i>
Weird Together – <i>Ready For This</i>
Will Slugger – <i>Tilt Of His Hat</i>
Will Slugger – <i>Waterslide</i>
Young Tapz – <i>Didn't Know</i>
Yumi Zouma – <i>Keep It Close To Me</i>
Yumi Zouma – <i>Text From Sweden</i>

Music Promotion

NZ Music Promotion	NZ On Air funding
Music Digital	74,095
Music Advertising	50,622
Kiwi Hit Disks	59,784
NZ Music Month	6,755
Local Music Promotions	53,298
Radioscope	17,333
Total NZ Music Promotion	261,887



Music Radio & TV Programmes

Contract Type	Station	Programme	NZ On Air Funding
Alternative Radio Features	95bFM	<i>Live & Direct</i>	
		<i>Out On the Freak</i>	
		<i>Rewind</i>	
		<i>NZ Music Month Live To Airs</i>	
		<i>Artists Recommend</i>	
		<i>Taite Music Prize Profiles & Simulcast</i>	
		<i>Fancy New Band Weekly</i>	
		<i>Fancy New Band Showcase Simulcast</i>	
		<i>The Rocking Chair</i>	
		<i>Main Centred</i>	
		<i>The Breakfast Club</i>	
		<i>Long Player</i>	
Base FM		<i>Turn It Up</i>	
		<i>Indigenous Dubs</i>	
		<i>Native Tongues</i>	
		<i>In The Neighbourhood</i>	
		<i>Local Eyes</i>	
		120,000	
The Most FM		<i>Kiwiana Music Show</i>	
		<i>Under The Mic</i>	
		<i>Most FM Making Tracks</i>	
		60,000	

Contract Type	Station	Programme	NZ On Air Funding
	Radio Control	<i>The Local Show</i>	
		<i>The Kiwi Big Breakfast</i>	
		<i>Live To Airs & Control Cave Sessions</i>	
		<i>One On One</i>	
		<i>I Made You A Mixtape</i>	
		<i>NZ Top Ten</i>	
		75,000	
Radio Active		<i>The Garden Shed</i>	
		<i>The NZ Music Show</i>	
		<i>NZ Music Live To Airs</i>	
		<i>NZ Music Month</i>	
		<i>Hatched: A New Slice Of Kiwi</i>	
		<i>Re-Charted</i>	
		140,000	
RDU 98.5FM		<i>The Sheep Technique</i>	
		<i>The Green Room</i>	
		<i>RDU Sessions</i>	
		<i>Te Ahi Top Ten</i>	
		<i>The Guest List</i>	
		<i>Friday Drive Home Grown Half Hour</i>	
		<i>RDU 40 - Disturbing The Mainstream</i>	
		<i>RounDUp Simulcast</i>	
		140,000	
Pulzar FM		<i>Grid City Grooves</i>	
		<i>Nzelectronica</i>	
		40,000	

Contract Type	Station	Programme	NZ On Air Funding
	Radio One	<i>Battle Of The Bands</i>	
		<i>NZ Music Week</i>	
		<i>Remote Control Session</i>	
		<i>The Local</i>	
		<i>Just Landed</i>	
		<i>Dud Slides</i>	
			120,000
Commercial Radio Features	The Hits	<i>As Kiwi As</i>	40,000
	Mai FM	<i>Backyard Beats</i>	40,000
	Flava FM	<i>Fresh Produce</i>	30,000
	Radio Rhema & Life FM	<i>Homegrown</i>	30,000
	The Rock	<i>Kiwi Rock Soundcheck</i>	50,000
	Radio Hauraki	<i>Locals Only</i>	30,000
	George FM	<i>The Jump</i>	20,000
	The Edge	<i>The Slab</i>	50,000
	ZM	<i>The Word</i>	50,000
	More FM	<i>Wired</i>	50,000
Music Television Features	The Edge TV	<i>Decent Exposure</i>	90,000
	The Edge TV	<i>Live Acoustic Sessions</i>	54,000
	The Edge TV	<i>Smash!</i>	53,000
	The Edge TV	<i>The Slab</i>	53,000

Digital media

Digital media funding

Contract Type	Activity	Contractor Name	NZ On Air Funding
General	<i>Fresh Voices: The Wireless</i>	Radio New Zealand	200,000
	<i>Loading Docs: Change</i>	Notable Pictures	189,169
	<i>TheCoconet.TV 2016</i>	Tikilounge Productions	200,000
Innovation	<i>Life Stylers</i>	Bella Pacific Media	49,875
	<i>Moe And The Unexpected Bully</i>	Pop-Up Workshop	50,000
	<i>My Guardian</i>	Pixelati	47,250
	<i>The Outlook For Someday 2015</i>	Connected Media Trust	20,000
Interactive	<i>Conversations With Young Mums</i>	Trouble Free Films	175,000
	<i>How A City Rises/ Christchurch Dilemmas</i>	Frank Film	174,956
	<i>POI360</i>	Through The Fire	175,000
	<i>Together We Make A Nation</i>	Story Inc	176,860
International	<i>Curious Critters Club</i>	Yoozoo Ltd	228,994
	<i>Fierce Girls</i>	Awatea Tech	228,984
	<i>Mythical Creatures</i>	Kiwa Digital	144,174
WebSeries	<i>Aroha Bridge</i>	Piki Films	100,000
	<i>Bright Summer Night</i>	Good Times Company	100,000
	<i>Friday Night Bites</i>	Flat3 Productions	100,000
	<i>High Road 3</i>	Tomorrowland	100,000
	<i>Lucy Lewis Can't Lose</i>	Redletter TV Ltd	64,720
	<i>Reset</i>	Girl Viking	100,000
	<i>The Civilian</i>	NZME Vision	100,000
	<i>The Water Cooler</i>	Breakdown Productions	100,000
NZ Music	<i>iHeart Radio 2016</i>	NZME Radio	60,000
Digital Media Trust	<i>NZ On Screen and AudioCulture Websites 2015/16</i>	Digital Media Trust	1,257,027
Total			4,142,009



Radio

Community Radio

Funding Recipient	Station	Contract Type (Total Amount Approved)			
		Access Radio Capital Fund	Access Radio Stations	Pacific Radio Station	Total NZ On Air Funding
Access Community Radio Auckland Inc	Planet FM		250,000		250,000
Access Radio Taranaki Trust	Access Radio Taranaki		178,000		178,000
Access Radio Wairarapa Charitable Trust	Arrow FM	7,096	137,500		144,596
Coast Access Radio Trust	Coast Access Radio		135,000		135,000
Hills Radio Trust	Otago Access Radio		178,000		178,000
Manawatu Access Radio Charitable Trust	Access Manawatu		170,000		170,000
National Pacific Radio Trust	Niu FM and 531pi			3,250,000	3,250,000
NZ Radio For The Print Disabled	Radio Reading Service		110,348		110,348
Radio Kidnappers Charitable Trust	Radio Kidnappers		170,000		170,000
Southland Community Broadcasters	Radio Southland		175,000		175,000
Siufofoga o le Laumua Trust	Samoa Capital Radio			190,000	190,000
Tasman Broadcasting Trust	Fresh FM		195,000		195,000
The Canterbury Communications Trust	Plains FM		230,000		230,000
Waikato Community Broadcasting	Free FM	56,814*	237,500		294,314
Wellington Access Broadcasting Society Inc	Wellington Access Radio		220,000		220,000
Total		63,910	2,386,348	3,440,000	5,890,258

* On behalf of Access Internet Radio - 10 stations

Commercial Radio Programmes

Genre	Programme Name	Broadcaster	Producer	NZ On Air Funding	Total Hours
Children and Young People	<i>That's The Story 2015/16</i>	Radio Rhema	Loud Mouth Productions	88,400	173.5
	<i>The Great Big Kids' Show 2015/16</i>	Various Stations	Treehut	108,365	46.0
	<i>Sealed Section 2015/16</i>	NZME. Radio	NZME. Radio	49,000	60.0
	<i>Te Puutake Youth Radio Show 2015/16</i>	Various Stations	Stretchmark Productions	29,333	7.0
	Total			275,098	286.5
Spiritual	<i>Christmas 2015</i>	Radio Network	Christian Broadcasting Association	20,477	18.0
	<i>Easter 2016</i>	NewstalkZB	Christian Broadcasting Association	18,000	12.0
	<i>Real Life With John Cowan 2015/16</i>	NewstalkZB	Christian Broadcasting Association	36,900	24.0
	Total			75,377	54.0
Ethnic/special interest	<i>The Nutters Club Radio Show 2015</i>	NewstalkZB	The Key to Life Charitable Trust	73,280	104.0
	<i>The Nutters Club Radio Show 2016</i>	NewstalkZB	The Key to Life Charitable Trust	73,340	104.0
	Total			146,620	208.0
Māori	<i>Paakiwaha 2015/16</i>	UMA Broadcasting	UMA Broadcasting	75,000	96.0
	Total			75,000	96.0
Total				572,095	644.5



Targeted audiences

Māori

Funding Type	Genre	Description	Broadcaster	Producer	Hours	2016 Funding	2015 Funding	2014 Funding
Television	Documentary	<i>Game Of Bros</i>	Māori Television	Tikilounge Productions	3.5	210,000		
		<i>Karena and Kasey's Kitchen</i>	TV One	Imagination TV	5.0	991,333		
		<i>Diplomacy</i>						
		<i>Maui's Hook</i>	Māori Television	Kura Productions	1.0	78,800		
		<i>Sacrifice On The Somme</i>	Māori Television	Scottie Douglas Production	1.0	225,000		
		<i>Sisters</i>	Māori Television	Rogue Production	3.0	341,710		
		<i>The Loggers</i>	Prime	Great Southern Television	5.0	463,877		
		<i>The Palace</i>	Māori Television	Rogue Production	0.5	15,022	279,183	
		<i>Toa Hunter Gatherer</i>	Māori Television	Awa Films	4.0	240,000		
		<i>Making Good Men</i>	Prime	Te Amokura Productions	-		177,000	
		<i>Kiingitanga – The Untold Story</i>	Māori Television	Enter The Dragon	-		574,540	
		<i>Songs From The Inside 3</i>	Māori Television	Awa Films	-		285,000	
		<i>Te Taki A Merata Mita</i>	Māori Television	Arama Pictures	-		99,999	
		<i>The Crayfishers</i>	Prime	Great Southern Television	-		647,200	
		<i>The Price Of Peace (additional)</i>	Māori Television	Conbrio Media	-		10,000	
		<i>Waka Warriors</i>	Māori Television	Zoomslide Media	-		746,430	
		<i>Hikoī: The Land March</i>	TV One	Scottie Douglas Production	-			232,513
		<i>Poi E</i>	Māori Television	Jawbone Pictures	-			189,000
		<i>Te Araroa: Tales From The Trails 2</i>	Māori Television	Scottie Douglas Production	7.0	295,000		280,000
		<i>Through The Lens</i>	Māori Television	Māori Television	-			122,082
		<i>Target Zero</i>	Māori Television	Top Shelf Productions	-			122,203
		<i>The Ghosts We Brought Home</i>	Māori Television	Blue Bach Productions	-			124,990
		<i>The New Zealand Way Of Death</i>	Māori Television	Pou Media	-			125,000
		<i>Freezing Works</i>	Māori Television	Monsoon Pictures International	-			135,020
		<i>Get Your Arse Off The Table</i>	Māori Television	Itinui Productions	-			124,965
		<i>Mending The Makotuku</i>	Māori Television	Tawera Productions	-			124,790
		<i>Murupara Dreaming</i>	Māori Television	Bates Productions	-			125,596
		<i>Shovels And Guns</i>	Māori Television	Kahawai Productions	-			124,200
		<i>The Silent Soldiers</i>	Māori Television	Whitiora Productions	-			125,053

		<i>What Are We Going To Do About Mum?</i>	Māori Television	Ponsonby Productions	-			125,000
Drama		<i>Waru</i>	Māori Television	Brown Sugar Apple Grunt Productions	1.3	215,000		
		<i>Born To Dance</i>	Māori Television	Sector 7 Productions	-		110,000	
		<i>Pukana Subtitles</i>	FOUR	Cinco Cine Film Productions	-	58,960	54,901	53,130
News/Current Affairs		<i>The Hui</i>	TV3	Great Southern Television	15.0	400,000		
Youth		<i>Fresh*</i>	TV2	TVNZ	7.5	699,681		
		<i>2Kaha</i>	TV2	Whitebait Productions	-		1,025,000	1,025,000
Arts/Culture		<i>Behind The Brush 2</i>	Māori Television	Awa Films	-			175,000
		<i>Happy Hour</i>	TV One	Pango Aotearoa	-			1,182,822
Total Television					53.80	4,234,383	3,730,070	4,516,364
Radio Programme	Māori	<i>Paakiwaha</i>	UMA Broadcasting	UMA Broadcasting	96	75,000	75,000	75,000
	Youth	<i>Te Puutake Youth Radio Show</i>	Various Stations	Stretchmark Productions	7	29,333	170,000	190,000
Total Radio Programme					103.0	104,333	245,000	265,000
Digital	Innovation	<i>My Guardian</i>		Pixelati		47,250		
	Interactive	<i>POI 360</i>		Through The Fire Ltd		175,000		
	International	<i>Fierce Girls</i>		Awatea Tech		228,984		
		<i>Mythical Creatures</i>		Kiwa Digital		144,174		
	Webseries	<i>Aroha Bridge</i>		Piki Films		100,000		
	Māori webseries	<i>Kete Korero</i>		Tumanako Productions				99,485
		<i>Mahinga Kai</i>		Te Runanga o Ngai Tahu				100,000
		<i>Mai A Mua</i>		Screentime New Zealand				100,000
		<i>Nia's Extra Ordinary Life 2</i>		Brown Sugar Apple Grunt Productions				100,000
		<i>Only In Aotearoa</i>		Kura Productions				100,000
		<i>Less - Te Mangai Paho contribution</i>						(200,000)
Total Digital						695,408	0	299,485
Music		Making Tracks projects by Māori artists funded (26 in 2016, 29 in 2015, 19 in 2014)				216,000	258,000	154,000
		Backyard Beats on Mai FM & Fresh Produce on Flava FM (based on 50% Māori)				35,000	35,000	30,000
Total Music						251,000	293,000	184,000
Total Māori broadcasting funding					157.80	5,285,125	4,268,070	5,264,849



Pacific

Funding Type	Genre	Programme Name	Broadcaster	Producer	Hours	2016 Funding	2015 Funding	2014 Funding
Television	Special Interest	<i>Tagata Pasifika</i>	TV One	Sunpix	26.5	1,696,165	1,641,392	1,598,872
		<i>Real Pasifik 2</i>	TV One	Zoomslide Media	3.5			350,000
	Youth	<i>Fresh</i>	TV2	Tikilounge Productions	12.5	1,143,890	1,143,890	1,143,848
Total Television					42.5	2,840,055	2,785,282	3,092,720
Radio	Pacific		Niu FM & 531 pi	National Pacific Radio Trust		3,250,000	3,250,000	3,250,000
	Pacific		Samoa Capital Radio	Siufofoga ole Laumua Trust		190,000	180,000	180,000
Total Radio Programme						3,440,000	3,430,000	3,430,000
Digital		<i>TheCoconet.TV</i>		Tikilounge Productions		200,000	200,000	
Total Digital						200,000	200,000	0
Music		Making Tracks projects by Pacific artists funded (22 in 2016, 21 in 2015, 32 in 2014)				184,000	174,000	276,000
		Backyard Beats on Mai FM & Fresh Produce on Flava FM (based on 50% Pacific)				35,000	35,000	30,000
Total Music						219,000	209,000	306,000
Total Pacific broadcasting funding					42.50	6,699,055	6,624,282	6,828,720

* Fresh is counted in both Māori and Pacific hours
 Māori hours - 7.5 (\$699,681)
 Pacific hours - 12.5 (\$1,143,890)
 Total Māori + Pacific hours - 20 (\$1,843,571)

Industry Development

Description	Funding Recipient	NZ On Air Funding
ACAB Conference 2015	Access Radio Wairarapa Charitable Trust	3,500
Big Screen Symposium 2016	Big Screen Symposium	30,205
Documentary Edge Gala Awards 2016	The Documentary NZ Trust	10,000
Global Music Summit	Independent Music NZ	2,000
Going Global Music Summit 2016	Independent Music NZ	2,000
Music Month Summit 2016	Music Managers' Forum	2,000
New Zealand Songhubs 2016	APRA	25,000
NZ Game Developers Conference 2016	NZ Game Developers Assn.	8,000
NZ Music Awards 2016	Recorded Music NZ	125,000
NZ Radio Awards 2016	Radio Broadcasters Assn	7,500
NZ Web Fest 2016	NZ Web Fest	10,000
Pacific Music Awards 2016	Pacific Music Awards Trust	16,000
Screen Edge Forum 2016	The Documentary NZ Trust	15,000
Screensafe	Screensafe	40,000
Script to Screen Writers' Room 2015	Script to Screen	10,000
SPADA conference 2015	SPADA	15,000
Story Edge	The Documentary NZ Trust	25,000
SWANZ Script Writer Awards 2015	SWANZ	2,000
Taite Music Prize 2016	Independent Music NZ	10,000
TV Drama Director Attachment 2016	DEGNZ	10,000
Waiata Music Awards 2015	Waiata Māori Awards Charitable Trust	12,000
WeCreate 2016	WeCreate	10,000
WIFT NZ Awards 2016	WIFT	7,000
Total		397,205



part 4

Statement of Performance Expectations

for the year ending 30 June 2017



OUR MISSION IS TO **CHAMPION LOCAL CONTENT THAT ENGAGES, STIMULATES AND SATISFIES INTENDED AUDIENCES**

Overview

In this Statement of Performance Expectations we set out what we will do in 2016-2017, and how we will measure our success.

Our current over-arching strategic framework is set out in our Statement of Intent 2014-2018.¹⁷ This informs both our funding decisions and our operating processes.

As a public media¹⁸ entity NZ On Air is charged with increasing the quality and diversity of local content available to a variety of New Zealand audiences. The content we support is generally different to local content funded commercially. Most projects have a particular cultural or social value, as well as being entertaining, informative or innovative. They may be of a genre that is often expensive to make, such as drama.

Most importantly our funded content tells New Zealand stories to a variety of New Zealand audiences which have an endless supply of international content readily available to them.

The media environment is changing rapidly and we need to remain flexible and nimble in response. A key element of our work programme this year is a full review of the strategies set out in our Statement Of Intent 2014-2018 published in 2014. We will publish a fresh Statement of Intent next year for 2017-2021.

Our focus on providing great content for a range of New Zealand audiences remains unchanged.

However audience behaviour continues to be fluid and options for accessing content continue to increase. Many audiences are shifting from traditional appointment viewing and listening, to enjoying content anywhere, anytime. We need to make sure that the content we fund continues to reach New Zealand audiences where they wish to find it.

In the coming year we will develop a single multi-platform content strategy to replace a number of current strategies and policies. It will have different funding mechanisms that are flexible enough to enable us to deliver local content to audiences on the platforms they are using. We will still focus on finding and funding the best ideas for particular audiences but we will simplify and streamline how we do this in an environment where both demand and platform options are increasing.

Therefore, as this is a transition year, our activities and measures remain largely unchanged. We expect that some activities and measures may not be replicated next year, as we launch the new strategy, and we have adapted a small number of descriptors and measures in anticipation.

¹⁷ <http://www.nzonair.govt.nz/corporate-document-library/statement-of-intent-2014-2018/>

¹⁸ Core objectives of public media are to support a strong civil society, enrich cultural knowledge, extend public education and strengthen community life.... accessible to all for free.... http://pmintegrity.org/pm_docs/PrinciplesofPublicMedia_001.pdf

The year ahead at a glance

In 2016/17 we will focus on -



Fully developing a new content strategy and planning its implementation from July 2017



Engaging with our industry during 2016-2017 about our change plan to incorporate advice and input



Maintaining outputs in a static funding environment through wise investment



Continuing to encourage third party investment in projects we fund to make our funds go further



Using public media principles to ensure we fund valuable content that would otherwise not be made



Maintaining our overheads at less than 3% of revenue to ensure the maximum amount of our budget is available for funding content



Monitoring the changing environment and ensuring our new strategy can fulfil our objectives amid fast change



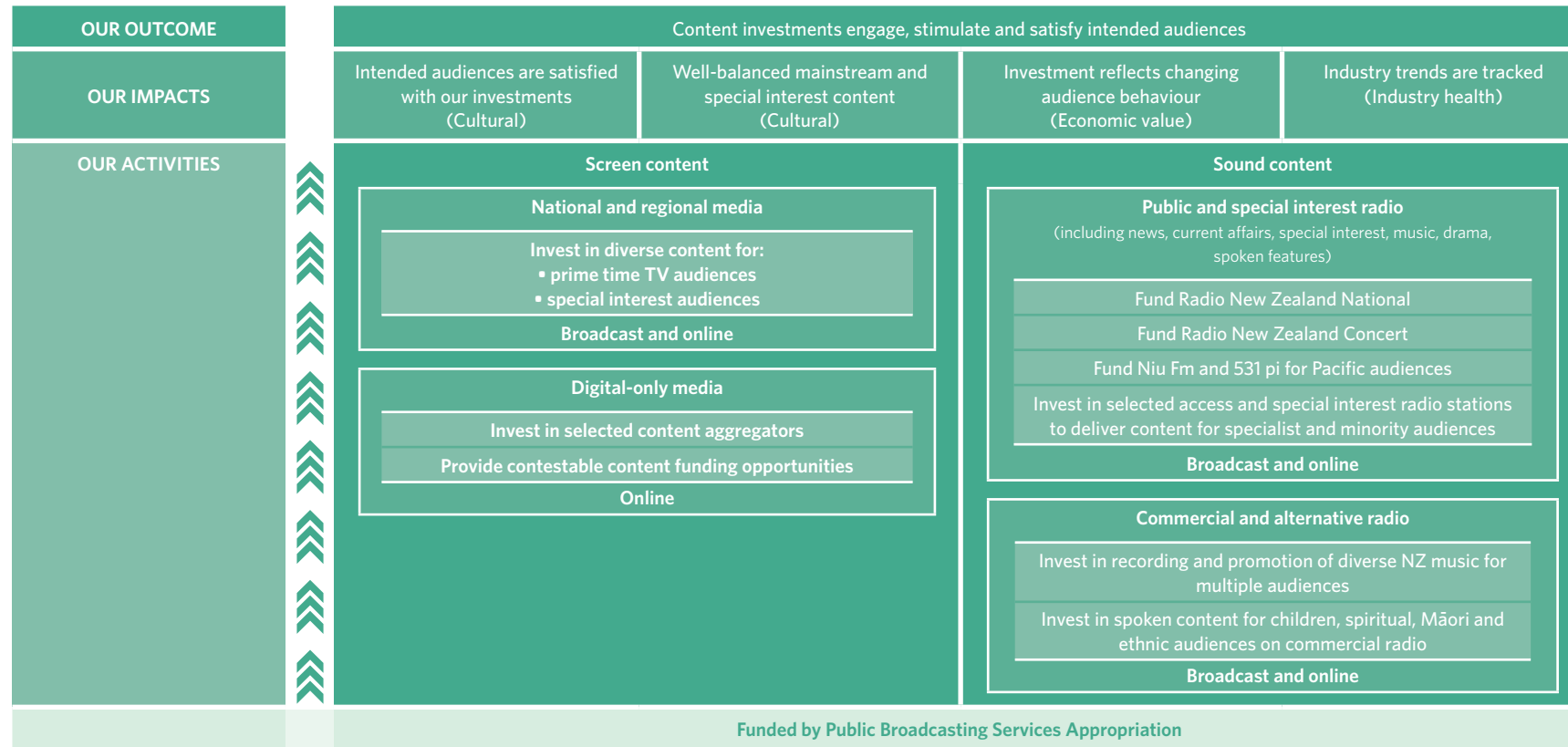
1. OUTCOMES FRAMEWORK



1. Outcomes framework

This section sets out our outcomes framework, impacts and activities, and shows how we contribute to these wider outcomes and measure progress.

Outcomes framework



Our work contributes to wider cultural sector outcomes and current government priorities.

Government priorities	Responsibly manage the Government's finances	Build a more productive and competitive economy	Rebuild Christchurch	Deliver better public services within tight financial constraints
Cultural sector outcomes	Cultural activity flourishes (Create)	Our culture can be enjoyed by future generations (Preserve)	Engagement in cultural activities is increasing (Engage)	Cultural activities achieve excellence (Excel)

Three subjects of measurement

We measure our impacts in three areas.





CULTURAL: intended audiences reached, balanced output, diversity of voices, awards, critical acclaim, national and international awareness and appreciation for New Zealand content and talent, strong presence in traditional and digital media, accessibility of local content on diverse screens

ECONOMIC VALUE: investments have a clear market and business case, co-investment is mainly secured, national and international sales, contribution to GDP, value to NZ On Air and to other players in the economic chain

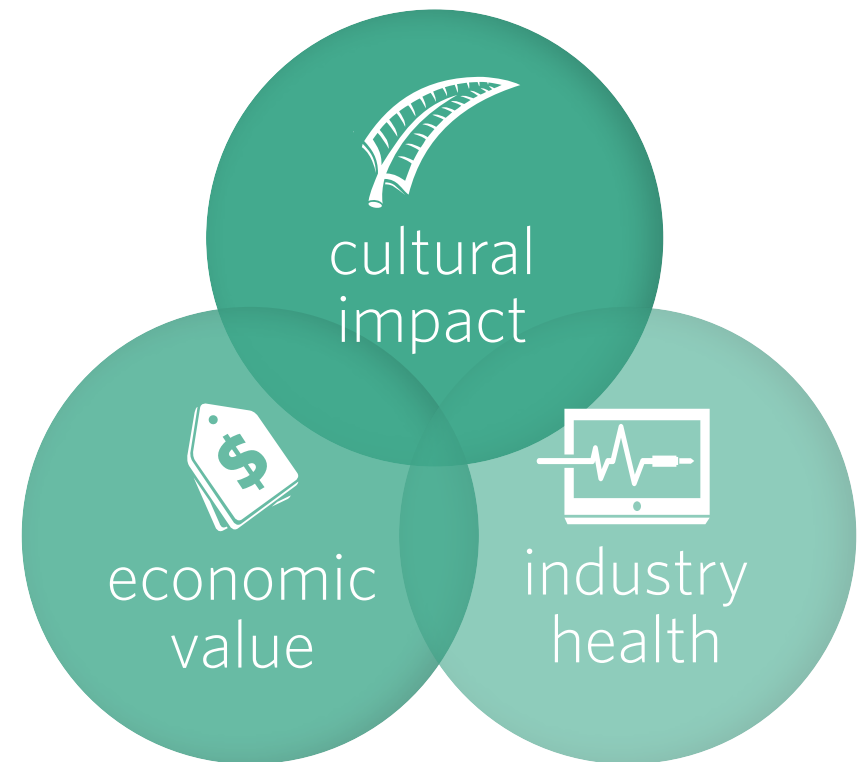
INDUSTRY HEALTH: no shortage of skilled content partners, number and nature of jobs in the sector measured, volume of production, being mindful of industry financial health, efficient NZ On Air processes

These subjects of measurement help us set our impacts.

Our impacts are:

Intended audiences are satisfied with our investments	CULTURAL	
Well-balanced mainstream and special interest content	CULTURAL	
Investment reflects changing audience behaviour	ECONOMIC VALUE	
Industry trends are tracked	INDUSTRY HEALTH	

We use the measures and targets on Page 85 to demonstrate how well we are achieving these impacts.





Impact measure	2016/17 Target	2015/16 Estimated actual	2015/16 Target	2014/15 Actual	Impact
The majority of New Zealanders believe NZ On Air supports <i>local content</i> important to New Zealanders					
Television content	75%	75%	75%	73%	Cultural
Radio content	72%	72%	72%	68%	
60% of all funded prime time content on TV One, TV2 and TV3 is watched by large New Zealand audiences (>200,000)	60%	70%	70%	70%	Cultural Economic value Industry health
10% of all funded prime time content on TV One, TV2 and TV3 is watched by large New Zealand audiences (100,000 - 200,000)	10%	New measure	New measure	New measure	Cultural Economic value Industry health
The majority of New Zealanders aware of our support for local television content like that content	70%	70%	70%	71%	Cultural
The majority of New Zealanders agree that <i>Radio New Zealand</i> broadcasts programmes of interest to a wide cross-section of New Zealanders ¹⁹	88%	88%	88%	85%	Cultural
The majority of Pacific people agree that <i>Niu FM</i> and <i>531Pi</i> broadcast culturally relevant content	Biannual measure - next due in 2017/18	75%	75%	-	Cultural
Completed productions are accepted for broadcast or uploading	99%	99%	99%	99%	Industry health
More than half of television contestable fund expenditure is for prime time content	At least 50%	61%	50%	64%	Economic value Industry health
Allocated funding for special interest audiences exceeds 30% of total national television funding	At least 30%	38%	30%	-	Cultural
Funded music is balanced between mainstream/alternative audience appeal	60/40	58/42	60/40	56/44	Cultural
Enough qualified content partners means demand for funding continues to exceed supply. % of successful applications for:					Industry health
Television ²⁰	65%	67%	75%	73%	
Music	20%	17%	20%	19%	
Digital	10%	8%	10%	9%	

¹⁹ Radio New Zealand reports separately against its own Statement of Performance Expectations.

²⁰ The percentage of successful television applications is highest due to the 'gatekeeper' role undertaken by broadcasters. NZ On Air will only consider television proposals that have secured a provisional broadcaster presale (to ensure funded content is actually broadcast). A much larger number of programme proposals do not pass this first step.

Impact measure	2016/17 Target	2015/16 Estimated actual	2015/16 Target	2014/15 Actual	Impact
First run free-to-air television hours not funded by NZ On Air as a % of all local content ²¹	At least 75%	At least 75%	At least 75%	77%	Economic value Industry health
NZ music content on commercial radio is at least 20% ²²	20%	16%	20%	17.16%	Cultural Economic value Industry health
NZ music on alternative radio is at least 40%	40%	42%	40%	42.42%	Cultural Economic value Industry health
All funded content is available online for at least one month	100%	New measure			Cultural Industry health

We anticipate changes to these measures in 2017-2018 when the new content strategy commences.

A new content strategy

As noted previously, a significant stream of work this year, adding to a busy schedule, is the development of a new content strategy.

Based on research, and responding to the fast-changing media environment, we will be changing the way we operate so that we can better serve New Zealand audiences. We are developing a single multi-platform content strategy which will be broad and flexible enough to enable us to deliver content to audiences on the platforms they are using.

Following industry consultation, the draft new content strategy will be fully developed for the 2017-2018 Statement of Performance Expectations, ready to be implemented on 1 July 2017.



²¹ Measured by previous calendar year: ie 15/16 year results are from Local Content Report 2015. Excludes publicly-funded Māori Television.

²² Target % of NZ music on radio stations bound by the Radio Broadcasters Association agreement with the Government.



2. SERVICE PERFORMANCE

2. Service performance

This section provides information on the activities purchased by the Minister of Broadcasting under the appropriation Public Broadcasting Services.²³ We deliver these through two areas of content:

- Screen Content (national television, regional and digital media)
- Sound Content (radio and music)

The targets are demand-driven as they are subject to receiving satisfactory funding applications from viable entities. If such applications are not received we adjust targets accordingly to ensure taxpayer funds are spent wisely.

How we expect our revenue and expenses to be allocated is set out in the table below.²⁴

Summary of forecast output expenditure

Forecast revenue and expenditure		2016/17	2015/16	2015/16	2014/15		
Revenue		Budget \$000	Estimated Actual \$000	Budget \$000	Actual \$000		
Crown revenue		128,726	128,726	128,726	128,726		
Other revenue		2,230	2,332	2,750	2,932		
Total revenue		130,956	131,058	131,476	131,658		
Output expenses		%					
Funding expenditure	Screen content	National television audiences	62	80,680	82,079	81,371	83,689
		Regional media audiences			720	1,350	1,138
		Digital-only media audiences	3	3,860	4,076	3,860	3,464
	Sound content	Public radio audiences	24	31,816	31,816	31,816	31,816
		Special interest radio audiences			5,891	6,050	5,870
		Commercial and alternative radio audiences	5	6,645	564	595	506
		NZ music audiences	3	4,000	4,134	4,624	4,631
	Total content funding		97	127,001	129,280	129,666	131,114
	Industry development			400	400	400	-
	Administration services		3	3,715	3,648	3,648	3,416
Total output expenses		100	131,116	133,328	133,714	134,530	

It is important that rigorous processes continue to surround our funding decisions. Reserves have been wound down in recent years resulting in a \$2.2m drop in available funding.

²³ The non-departmental output expense, Public Broadcasting Services, sits within Vote Arts, Culture and Heritage, administered by the Ministry for Culture and Heritage.

²⁴ 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)



2.1 Performance targets

We measure our performance through -

- quantitative screen content and sound content targets
- qualitative targets to measure how well we deliver our services.

Screen content (national television, regional and digital media)

The targets and budgets in the tables below show how we intend to allocate funding to screen content categories. The following pie chart and graph show the breakdown of target hours and funds by genre. Cost proportions are often driven by genre needs; for example it is usually more expensive to produce a drama than a factual programme.

The overall national TV budget is reduced by \$2.1m, with a resulting decrease in national TV hours.

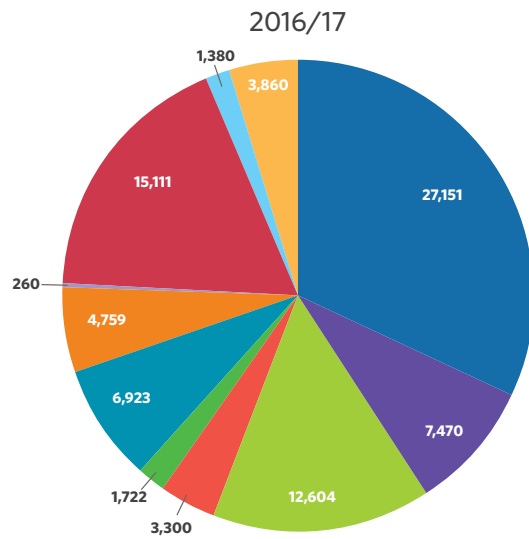
Total national television and regional media	Screen content hours ²⁵				Screen content \$000			
	2016/17 Target	2015/16 Estimated Actual	2015/16 Target	2014/15 Actual	2016/17 Budget	2015/16 Estimated Actual	2015/16 Budget	2014/15 Actual
	1,143	1,357 ²⁶	1,537	1,617	80,680	82,799	82,721	84,827

Digital-only media	Digital content \$000			
	There are no target hours for Digital-only media.			
	2016/17 Budget	2015/16 Estimated Actual	2015/16 Budget	2014/15 Actual
	3,860	4,076	3,860	3,435

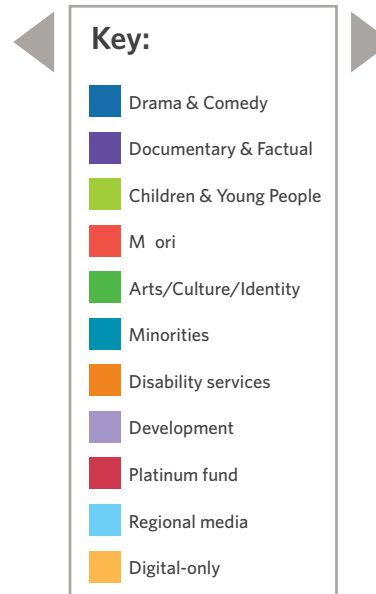
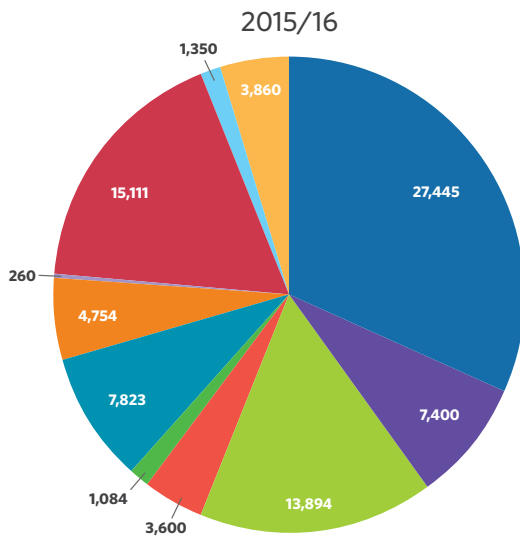
²⁵ Target hours are indicative only, given our funding work is predominantly contestable.

²⁶ Some regional television channels closed in 2015, accounting for the drop in funded hours

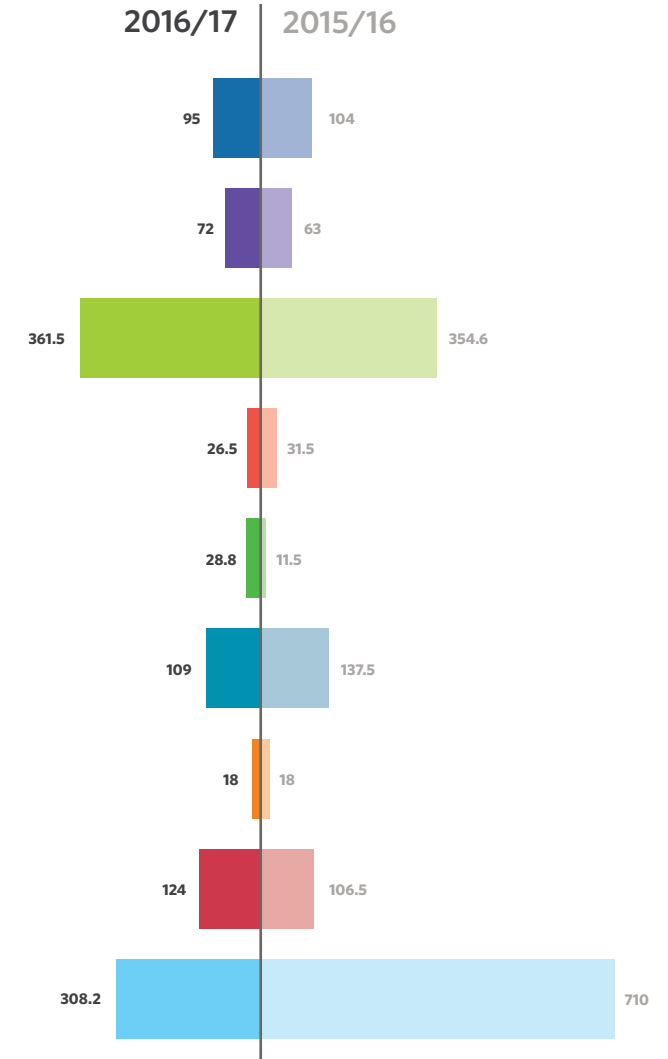
2016/17 Screen Content Budget \$'000



Point of note:
The budget for **Children & Young People** is down \$1m on 2015/16 budget. This reflects that children's drama will now be supported from the **Platinum Fund**.



Target Hours



There are no target hours for the categories of Digital-only media and Development as outputs are not measured by hours.

Sound content (radio and music)

The targets in the tables below show how we intend to allocate funding to four Sound Content categories: public radio, community radio, commercial and alternative radio, and music.

1. Public and special interest radio

1a. Public radio

RNZ is in the process of business transformation as it rolls out a multi-platform strategy. Consequently, its operational measures are changing and new measures will be developed next year.

Radio New Zealand: Quantitative measures		Hours			
Ensure Radio New Zealand (RNZ) provides content types specified in the Broadcasting Act 1989:		2016/17 Target	2015/16 Estimated Actual	2015/16 Target	2014/15 Actual
RNZ National	Māori Language and Culture (broadcast hours) ²⁷			350	389
	(stand alone programmes) ²⁷	80	110		
	Māori Language and Culture (number of items uploaded to website) ²⁸	1,000	New measure		
	Māori Language and Culture (online page views – Google Analytics) ²⁸	1 million	New measure		
	Special Interest (Hours) ²⁹	900	960	400	484
	NZ Drama, Fiction and Comedy (Hours) ²⁹	250	245	250	279
	% of NZ music on rotate	33%	33%	33%	34.7%
RNZ Concert	% of population able to receive transmission	97%	97%	97%	97%
	% of NZ composition	3.5%	3.5%	3.5%	4.4%
	% of NZ music performance	16%	16%	16%	16.4%
	% of population able to receive transmission	92%	92%	92%	92%
Total Radio New Zealand funding provided (\$'000)		31,816	31,816	31,816	31,816

1b. Special interest radio

Special Interest Radio	Hours				\$000				
	2016/17 Target	2015/16 Estimated Actual	2015/16 Target	2014/15 Actual	2016/17 Budget	2015/16 Estimated Actual	2015/16 Budget	2014/15 Actual	
Access and special interest radio	24,000	23,500	24,000	25,274					
Pacific Radio	Samoa Capital Radio				6,050	5,891	6,050	5,870	
	Niu FM and 531pi Total broadcast hours	19,500*	19,442*	15,500*					19,537
	*Including programming in at least 9 Pacific languages								
Total community radio	43,500	42,942	39,500	44,811	6,050	5,891	6,050	5,870	

27 During 2015/16 this measure was revised. From the 2015/16 actual figure onwards this measure relates to stand-alone programmes broadcast on RNZ National focused exclusively on Māori content. Previously the measure also included Māori language and content broadcast as part of general programming. Also, from quarter 3 2015/16 broadcast hours for Te Manu Korihi news were integrated with the mainstream news service. These were previously scheduled separately (approx 10 hours per quarter).

28 These new measures recognise the growing importance of online content. The targets relate to audio, written and visual material published specifically in the Te Manu Korihi and Te Ahi Kaa sections of the RNZ website.

29 RNZ is reviewing its Spoken Features and Drama production departments with the aim of creating a multi-media story-telling unit, drawing on commissioned and in-house expertise. Consequently the results may differ from the targets.

2. Commercial and alternative radio

	Hours				\$000			
	2016/17 Target	2015/16 Estimated Actual	2015/16 Target	2014/15 Actual	2016/17 Budget	2015/16 Estimated Actual	2015/16 Budget	2014/15 Actual
Spoken content								
Children and young people	280	287	212	159	305	275	305	337
Spiritual	79	54	60	62	140	75	140	118
Ethnic/special interest	104	208	104	4 ³⁰	75	150	75	9
Māori issues (English language)	96	96	96	96	75	75	75	75
Subtotal	559	645	472	321	595	575	595	539
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	-	(11)	-	(33)
Total spoken content	559	645	472	321	595	564	595	506

3. New Zealand music

	Quantity ³¹				\$000			
	2016/17 Target	2015/16 Estimated Actual	2015/16 Target	2014/15 Actual	2016/17 Budget	2015/16 Estimated Actual	2015/16 Budget	2014/15 Actual
Music funding								
Commercial music funded	At least 120	130	At least 120	133	2,000	2,000	2,000	2,054
Alternative music funded	At least 80	94	At least 80	106				
Music promotion	60	61	61	64	2,000	2,224	2,624	2,773
Subtotal music	-	-	-	303	4,000	4,224	4,624	4,827
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	-	(90)	-	(196)
Total music	-	-	-	303	4,000	4,134	4,624	4,631

30 Plus 104 hours of The Nutters Club funded in previous year.

31 'Music funded' is a video, or a recorded song plus a video. We cannot separately forecast which type of application will be received.

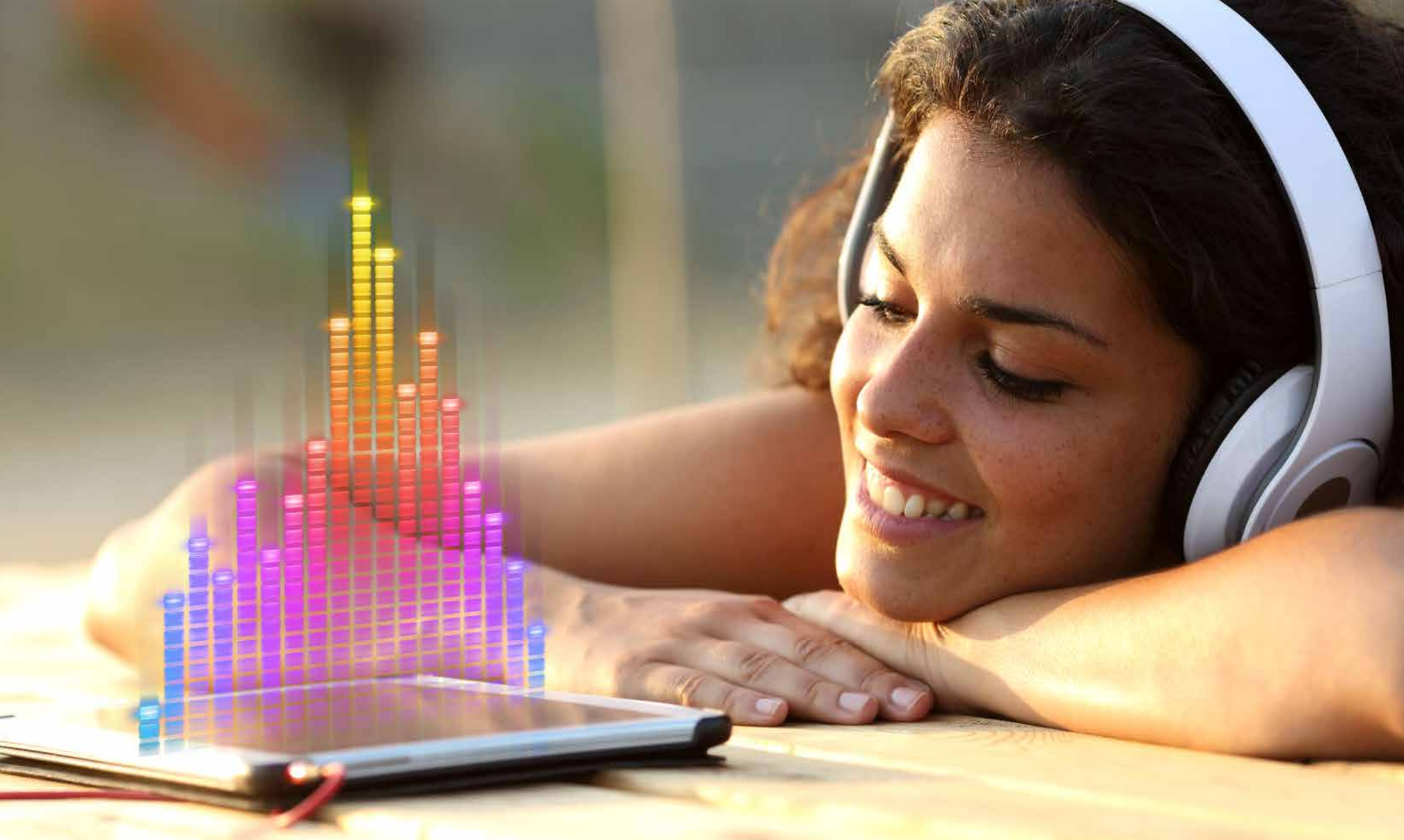


2.2 Operational measures

Our SOI strategy requires that *a sound business case supports each funding decision*. We make investment decisions using nine consistent principles to ensure good decision-making in a volatile creative environment.³² To minimise overheads, good service delivery and processes are also crucial, allowing us to maximise investment in content.

Measures	2016/17 Target	2015/16 Estimated Actual	2015/16 Target	2014/15 Actual	Investment principle
Goal 1 - We make the right decisions using good processes					
Investment processes are objective, based on current policy, and include a robust assessment of the application	100%	100%	100%	100%	Cultural value Content balance Risk Competition Value for money No duplication Leverage Partner capability
No investment decision or process has a significant adverse judicial review or Ombudsman finding	0	0	0	0	Fairness
Goal 2 - Our funding management processes serve industry clients efficiently and well					
% of complete applications received by deadline determined at the next funding round	100%	100%	100%	100%	Fairness Value for money
% of funding decisions notified to applicants within 5 working days of decision	100%	100%	100%	100%	
% of funding contracts correctly issued within 15 working days once conditions precedent are met	100%	100%	100%	100%	
% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	100%	100%	100%	100%	
Goal 3 - We minimise overheads to maximise investment funds					
Administration costs are a low % of total revenue	<3%	<3%	<3%	2.6%	Value for money

³² See the Statement of Intent p8. <http://www.nzonair.govt.nz/corporate-document-library/statement-of-intent-2014-2018/>



3. ORGANISATIONAL HEALTH AND CAPABILITY



3. Organisational health and capability

We are a small entity of 18 staff and rely on our staff 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.

Health and capability performance measures

Goal	Measure/Target	2016/2017 Target	2015/16 Estimated actual	2014/15 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 three people per annum	Achieve	Achieved	Achieved
	Individual staff training needs are assessed annually	Achieve	Achieved	Achieved
	External salary comparisons are conducted regularly to ensure staff are paid fairly	Some positions assessed	Deferred	Not measured (biannual)
Ensure 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 cultural sector (next survey 2017)	Achieve	Not measured (biannual)	Achieved
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards are attended to promptly, significant hazards are attended to immediately	Achieve	Achieved	Achieved
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if any instances are reported	Achieve	Achieved	Achieved
	Each new employee has an ergonomically suitable workspace within one month of beginning work	Achieve	Achieved	Achieved
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	Achieve	Achieved	Achieved
	A workforce diversity summary is included in the Annual Report	Achieve	Achieved	Achieved



4. FORECAST FINANCIAL STATEMENTS



4. Forecast financial statements

Statement of forecast comprehensive revenue and expense

For the year ending 30 June 2017

	2016/17 Budget \$'000	2015/16 Budget \$'000	2015/16 Estimated Actual \$'000
Revenue			
Crown revenue	128,726	128,726	128,726
Other revenue	2,230	2,750	2,332
Total revenue	130,956	131,476	131,058
Operating expenditure			
Administration services	3,715	3,648	3,648
Total operating expenditure	3,715	3,648	3,648
Funding expenditure			
Screen content			
National television	80,680	81,371	82,079
Regional media		1,350	720
Digital-only media	3,860	3,860	4,076
Sound content			
Public radio	31,816	31,816	31,816
Special interest radio	6,645	6,645	6,455
NZ Music and other content	4,000	4,624	4,134
Development and support			
Industry development	400	400	400
Total funding expenditure	127,401	130,066	129,680
Total expenditure	131,116	133,714	133,328
Net deficit for the year	(160)	(2,238)	(2,270)
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense	(160)	(2,238)	(2,270)

Statement of forecast financial position

as at 30 June 2017

	2016/17 Budget \$000	2015/16 Budget \$000	2015/16 Estimated Actual \$000
Current assets			
Cash and cash equivalents	3,000	1,860	2,500
Investments	20,000	37,507	24,000
Debtors and other receivables - interest	150	600	200
Debtors and other receivables - other	150	400	150
Total current assets	23,300	40,367	26,850
Non-current assets			
Property, plant and equipment	350	380	265
Intangible assets	-	-	17
Total non-current assets	350	380	282
Total assets	23,650	40,747	27,132
Current liabilities			
Trade and other payables	300	540	335
Employee entitlements	150	160	150
Funding liabilities	23,153	40,000	26,440
Total current liabilities	23,603	40,700	26,925
Net assets	47	47	207
Equity			
Equity at 30 June	47	47	207
Total Equity	47	47	207



Statement of forecast changes in equity

For the year ending 30 June 2017

	2016/17 Budget \$000	2015/16 Budget \$000	2015/16 Estimated Actual \$000
Balance at 1 July	207	2,285	2,477
Total comprehensive revenue and expense for the year	(160)	(2,238)	(2,270)
Balance at 30 June	47	47	207

Statement of forecast cash flows

For the year ending 30 June 2017

	2016/17 Budget \$000	2015/16 Budget \$000	2015/16 Estimated Actual \$000
Cash flows from operating activities			
Receipts from the Crown	128,726	128,726	128,726
Receipts from other revenue	680	700	624
Interest received	1,600	2,100	1,700
Payments to funded activities	(130,688)	(127,006)	(144,643)
Payments to suppliers and employees	(3,627)	(3,728)	(3,667)
Net cash from operating activities	(3,309)	792	(17,260)
Cash flows from investing activities			
Net receipts from investments	4,000	-	17,500
Receipts from the sale of property, plant and equipment	-	-	-
Purchases of property, plant and equipment	(191)	(100)	(49)
Net cash flows from investing activities	3,809	(100)	17,451
Net increase in cash and cash equivalents	500	692	191
Cash and cash equivalents at 1 July	2,500	1,168	2,309
Cash and cash equivalents at 30 June	3,000	1,860	2,500



4.1 Statement of accounting policies

for the year ending 30 June 2017

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 2017.

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 the purposes of Financial Reporting.

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.

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.

Revenues are derived and recognised as follows:

- (a) NZ On Air is primarily funded by the Crown. This funding is restricted in use for the purpose of NZ On Air meeting its objectives specified in the Broadcasting Act 1989 and the scope of the relevant appropriation of the funder. NZ On Air considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.
- (b) Sales revenue from NZ On Air funded programmes and music is recognised when it is earned to the extent that information is available to us at that time
- (c) Interest income is recognised using the effective interest method
- (d) Other income is recognised when it is earned

Cash and cash equivalents

Cash and cash equivalents include cash on hand and funds deposited with banks, with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payment are all considered indicators that the debtor is impaired. Impairment losses are recognised in the statement of comprehensive revenue and expense.

Investments

At each balance date we assess whether there is any objective evidence that an investment is impaired.

Bank Deposits

Investments in bank deposits are measured at fair value plus transaction costs.

For bank deposits, impairment is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payment are all considered indicators that the deposit is impaired.

Property, plant and equipment

Property, plant and equipment refers to 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 us 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 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 statement of comprehensive revenue and expense.

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 statement of comprehensive revenue and expense 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 is recognised in the statement of comprehensive revenue and expense. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive revenue and expense.

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 assets ability to generate net cash inflows and where we would, if deprived of the asset, replace its remaining future economic benefits or service potential.

Creditors and other payables

Creditors and other payables are measured at fair value.

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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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.

We recognise 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.

Superannuation schemes

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

Provisions for funding expenditure

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

- (a) The expenditure has been approved.
- (b) The funding recipient has been advised.
- (c) There are no substantive contractual conditions for the funding recipient to fulfill.
- (d) It is probable (more likely than not) that the funded proposal will be completed and that our commitments will crystallise.

At 30 June forecast therefore, funding liabilities in the statement of financial position include both contracted liabilities and uncontracted liabilities that have no substantive contractual conditions unfulfilled. The amount recorded for the uncontracted liability is the value approved.

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.

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 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.

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 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 comprehensive revenue and expense.

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 comprehensive revenue and expense. 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 comprehensive revenue and expense. 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 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 the funding to broadcasters and programme producers.

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).

Critical judgments in applying our accounting policies

Our provisions for funding expenditure policy include four conditions on recording a funding liability. Two of these conditions require us to make critical judgments in applying this policy to the preparation of forecast financial statements:

There are no substantive contractual conditions for the funding recipient to fulfill.

A substantive contract condition that disallows a funding commitment from being recorded as a liability is where Board approval is subject to third party funding, and that funding is not in place at balance date. We have assumed the value of such commitments at 30 June 2017 is \$0.475m, based on previous history of such balances.

It is probable (more likely than not) that the funded proposal will be completed and that our commitment will crystallise.

Although from time to time an approved commitment with no substantive contractual conditions to fulfill does not go ahead, such projects are a very small proportion of the total approved. Based on historic activity, we judge that it is probable that all commitments at 30 June 2016 and 30 June 2017, without substantive contractual conditions to fulfill, will be completed.



who we are:
Directory

Members

Miriam Dean - of Auckland, Chair
Ross McRobie - of Wanaka
Kim Wicksteed - of Havelock North
Ian Taylor - of Dunedin
Helen Grattan - of Napier
John McCay - of Wellington

Staff

Jane Wrightson - Chief Executive
 Nicky Andrew - Executive Assistant
Allanah Kalafatelis - Communications Manager
Brenda Leeuwenberg - Head of Digital
Clare Helm - Chief Financial Officer
 Hui-Ping Wu - Accountant
 Siamonne Mounlath - Assistant Accountant
 Robyn Diamantis - Receptionist/Administrator (shared with BSA)
David Ridler - Head of Music & Radio
 Sarah Crowe - Assistant Music Manager
 Jeff Newton - Broadcast Promotions Executive
 Tania Dean - Repertoire Coordinator
 Hannah Brewer - Online Promotions Assistant
Glenn Usmar - Head of Television
 Benedict Reid - Assistant Head of Television
 Anna Currie - Television Funding Executive
 Gemma Fulton - Television Payments Coordinator
Keith Collins - Community Broadcasting Manager

Contact us

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