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Chairman's Overview



Annual Report
v2004-05

NZ On Air's core business is to support the development, production and broadcast of locally produced programmes and music for radio and television, and to ensure that they are indeed produced and broadcast, in an environment where the commercial realities faced by broadcasters might mean that such programmes would not otherwise be made.

The Board's constant preoccupation is how to make the best use of the finite resources available for free-to-air broadcasting. The Annual Report enables us to give an account of activities and decisions over the past twelve months, so that the New Zealand public itself can judge whether that intention has been met.

In our 2003 strategic plan, we identified four strategic goals, which remain central to our work. The goals are to:

- Secure Government support for a strengthened role for NZ On Air.
- Develop and strengthen wider strategic partnerships throughout the industry.
- Be a recognised and respected source of broadcasting information and expertise.
- Encourage risk taking, creativity and innovation in local content that will engage and stimulate diverse audiences across the broadcasting spectrum.

Last year in the NZ On Air Annual Report, we reported good progress under these headings, and it is my belief that progress has been even better in the twelve months just past.

The Government has continued to emphasise the value and importance of NZ On Air, and the work the agency does. This has been reinforced by increased funding, which has enabled us to support an enhanced range of diverse and exciting products and services for New Zealand's television and radio users.

We are a member of a broadcasting "family" that includes many others, and building and strengthening relationships within this group, and also in the wider community, has become a focus for NZ On Air, so that we can help to ensure that maximum value is delivered through public broadcasting, for the significant investment New Zealanders make in it.

A foundation of our contribution to New Zealand broadcasting is the programme of research and consultation we undertake every year. In the 2004/2005 year, we commissioned a major project to study developments in digital broadcasting technology in selected OECD countries, to determine what New Zealand should be doing to prepare for an imminent revolutionary change. The report's findings are summarised in the Chief Executive's Report on page 4.

The implications of digital broadcasting will be significant and, for this reason, we will be at the forefront of developments as they occur. To this end, we have entered into a joint venture with the Ministry for Culture & Heritage, which has resulted in the secondment of our Chief Executive to the Ministry to undertake a wide ranging project on digital broadcasting in New Zealand.

We anticipate that this project will enable both the Ministry and NZ On Air to be in a better position to advise Government in our respective areas of responsibility as the digital environment expands. We expect the digital world to be very different from the analogue one, so that preparation for the changeover cannot be delayed.

Early in 2004 the NZ On Air Board and senior staff reconvened for a strategic planning meeting, which refocused our agency on its five-year strategic plan. This meeting reconfirmed the organisation's aim to be an independent leader in the promotion of local content and diversity in broadcasting, the vision we had outlined two years ago. It also took into account the changes we will be presented with, both in the face of developing technology, and in the context of the Minister of Broadcasting's programme of action (POA), published earlier this year.

The POA made clear that NZ On Air would continue to have a vital role to play in New Zealand broadcasting, supporting programmes and broadcasts that reflect New Zealand and New Zealanders as a South Pacific nation proud of its heritage and culture. Nevertheless, the precise nature of that role remains to be defined, a gap which we hope will be filled over the next twelve months.

We know New Zealand audiences enjoy and want more locally produced programmes. They tell us they believe that these programmes are of a quality to rival the best in the world. We need to define just what that quality is, and to promote and recognise it. We also need to ensure that the institutions which will provide those programmes, and the funding processes that will underpin them, are strong and durable.

Last year, I paid tribute to the NZ On Air Deputy Chairman, Albert Wendt, who left the Board to take up a prestigious university posting in Hawaii. We were fortunate to have Albert replaced on the Board by writer, media commentator and former TVNZ Board Member, Paul Smith, who has contributed immensely to the Board's work this year. I want to take the opportunity to thank Paul, and the entire Board, Judy Callingham (our new Deputy Chair), James Coleman, Edie Moke and Gaylene Preston for their work this year, and also extend my gratitude to NZ On Air's outstanding staff.



FINANCIAL SITUATION

From a financial perspective, 2004/2005 was a successful year for NZ On Air, with just over \$95 million (exc. GST) available for broadcast funding. That funding contributed to more than 1,000 hours of television, and thousands of hours of top class public radio both from Radio New Zealand and a host of community access stations. It ensured that more New Zealand television and radio was archived for the benefit of future generations.

It also lent support to 150 music videos, 43 New Recording artists, 19 albums and more than 2,000 hours of music television.

As in the past, NZ On Air supplemented Crown Revenue by using reserves of public equity, which has been built up through a combination of sales revenue, interest income, residual public broadcasting fee collections and programme writebacks.

We had thought that in the course of the year, those additional sources of revenue would be reduced, thus limiting our ability to maintain current levels of support. Fortunately, this has not proved to be the case.

Counterbalancing this, NZ On Air’s Statement of Intent for 2005/2006 details how the level of funding will increase, thanks partly to additional funding allocated in the Government’s Budget. That funding includes more for television production, for Radio New Zealand and non-commercial community radio, for archiving and, for the first time, to contribute to regional television. It is a welcome boost across the board for NZ On Air, and it will help to provide more public service broadcasting outcomes in the year ahead.

OUTLOOK

With increases in funding in the past few years, NZ On Air has been fortunate to be able to maintain production at the healthy levels achieved since 2000. However, there are a number of factors that influence our ability to continue to do this. Not the least, of course, are increasing costs within the broadcasting and production industries. With this in mind, NZ On Air needs to manage carefully, the available funding if the achievements of recent years are to be sustained, and ideally, enhanced.

Pressure on available funding means that there will need to be a trade-off between quality and quantity, which is likely to make necessary, a revision of future production targets. This is something that we will have to take up with Government in the forthcoming year.

In the year ahead, once again, NZ On Air will draw on remaining public equity reserves to ensure current levels of support are sustained.

We will continue to work to establish secure, innovative and appreciated public broadcasting. We believe that risk-taking is a key to innovation in broadcasting, and we will encourage producers and broadcasters to push the boundaries to deliver the shared experiences New Zealanders are looking for, and deserve.

Research and consultation will continue to underpin NZ On Air’s development of strategies that will result in those shared experiences, and we will be investing a great deal of time and effort into defining a clear, focused way of moving forward in a broadcasting environment that is changing more rapidly and more comprehensively than ever before.

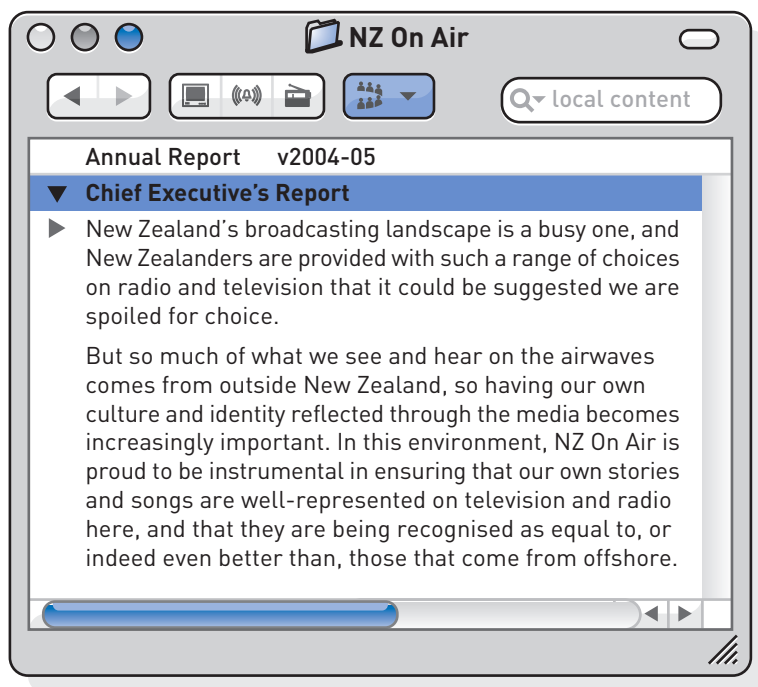
The secondment of Jo Tyndall to the position of Director, Digital Broadcasting Strategy, within the Ministry for Culture & Heritage sends as strong a signal as possible that NZ On Air is committed to continuing to support quality public service broadcasting by whatever means it may be delivered in future, to reach as many New Zealanders as possible, no matter where they are watching or listening.

Don Hunn
NZ On Air Chairman

Chief Executive's Report



Annual Report
v2004-05



HIGHLIGHTS OF THE YEAR

During the second school term of 2005, NZ On Air ran an essay competition for intermediate and secondary school students, to explore their ideas and thoughts about the importance of locally made television programmes.

It was done for two key reasons – to get young New Zealanders thinking about our culture and identity and what influence the mass media has on it, and to engage with a group of New Zealanders who are not often consulted for their views on what shapes a pervasive part of people's everyday activities – broadcasting.

It is fair to say that the response was overwhelming, with almost 1,000 entries, which contained highly articulate arguments, written and discussed in a mature and confident fashion. The competition judges' decision-making task was not an easy one, but they prevailed, and congratulations are due to the winners in the three age groups, Rachael Amundsen of Richmond, Jehan Casinader of Lower Hutt, and Milika Tuinukuafu of Auckland.

A notable out take from the competition is the value the entrants placed on local content on television. While it might have been expected that these young people could have preferred the offerings from Australia, the UK and US, the essays clearly showed that the vast majority didn't. They liked seeing their unique "Kiwi" culture on screen.

With this generation taking its place as the decision-makers, parents, consumers and citizens of the future, it is pleasing to observe their appreciation of and support for locally made television and their pride in themselves as New Zealanders.

RESEARCH

In addition to the information gleaned from these young people, NZ On Air once again undertook a comprehensive programme of research and consultation during the year, consistent with Section 37(a) of the Broadcasting Act. This research is critical to the formulation of NZ On Air's funding policies, and it also contributes to the Government's development of wider policy approaches to broadcasting.

Again, this year's research clearly confirmed New Zealand audiences' enjoyment of local programmes, and eight out of ten people agreed that programmes supported by NZ On Air are important to New Zealanders. Three quarters of those surveyed also said they thought it important that radio stations should play more New Zealand music.

With NZ On Air's focus on the digital broadcasting future, as mentioned in the Chairman's overview, an important study was commissioned to gauge digital developments overseas, and their implications for New Zealand. Updating a report published in 2001, this year's study **Public Broadcasting in the Digital Age: Issues for New Zealand**, examined developments in OECD countries, with particular emphasis on Australia, Canada and the UK.

The research suggested that New Zealand has some way to go by comparison with these countries, especially the UK, which is leading the way with a diverse range of public broadcasting content over a variety of digital TV and radio channels. A key question for NZ On Air to consider is around its obligations to fund locally-produced programmes that are available to increasingly fragmented audiences who will be using different means to access them.

NZ On Air's annual TV Local Content Report (this time measuring 2004) was published in May 2005. It confirmed that the high levels achieved in 2003 have been maintained. 32.6% of the programmes transmitted between 6am and midnight on TV One, TV2 and TV3 in 2004 were locally produced.

The TV Local Content Group, which uses the report as a gauge, reported the three channels effectively met or exceeded agreed targets for 2004. Local content on TV One reached 51.6%, TV2 24.3% and TV3 21.6%, against targets of 52%, 19% and 20% respectively.

Qualitative research published in March 2005 revealed that audiences perceive locally produced television drama as world-class and that while New Zealand comedy has improved, it still needs to be better. That report, **Attitudes to Television and Radio Comedy and Drama**, showed there is a growing demand for home-grown drama and a perception that the quality of writing, acting and production have all improved.

Focus group participants also believed more work needs to be done on developing locally produced comedy. A follow-up comedy symposium concluded that NZ On Air can be instrumental in fostering comedy talent and encouraging groundbreaking work by funding comedy through development and production in order to deliver diversity and a sustained local comedy presence on screen.



TELEVISION

In the 2004/2005 funding year NZ On Air once again contributed to a diverse range of locally produced programmes to ensure the needs of the New Zealand audience were being met. \$62.5 million of funding resulted in 1,024 hours of local television content, exceeding the target hours set in our Statement of Intent.

Drama continues to be an important element in our genre mix and, as we had hoped, the year saw us overcome delays in the commissioning of local drama that, for a number of reasons, we had experienced in the previous year.

This is encouraging, and it will be important to maintain this momentum, as local drama production plays an important foundation role in the local television production sector.

New TV One action drama **Orange Roughies** focuses on a squad of police and customs officers working together on border security around New Zealand's shores, while **Outrageous Fortune**, a drama featuring the Wests – a one-family crime wave – was commissioned for screening on TV3. Also for screening on TV3, is seven-part political thriller **Doves Of War**, and following the success of multi-award winning TV2 drama **Insiders Guide To Happiness**, funding was approved for a prequel series entitled **Insiders Guide To Love**.

The Market, a 13-part series set in the colourful environs of Auckland's Otara Market was funded for TV2 and Prime entered the local drama arena with funding approval granted for its inaugural local drama **Interrogation**.

Comedy, one of the year's success stories, saw the debut of the ambitious and edgy animated series **bro' Town** on TV3 and the politically incorrect **Seven Periods With Mr Gormsby** on TV One. Both series found favour with the New Zealand audience, and **Eating Media Lunch** and **Facelift** both made a welcome return to our screens during the year.

The continuing evolution of the comedy genre is important to NZ On Air and to the audience. Building and strengthening what can be a difficult genre is a major consideration and consultation with our stakeholders is a large part of this. The Comedy Symposium held in March was a key step in the process, as we continue to formulate and develop our strategy for the future.

Our research shows New Zealanders still love local documentaries and in the 2004/2005 year NZ On Air continued to support a wide range of projects. The long-running **Inside New Zealand** continued on TV3 and **Documentary New Zealand (DNZ)** on TV One. However, during the year TVNZ reviewed its approach to the DNZ strand, and the documentary genre generally, and while our support for the genre remains firm, some changes will be evident over the coming year.

Outside the documentary strands, some of the highlights were the short documentary series **The House Trap** on TV3, **The Big Experiment** soon to screen on TV One and **Great Escapes**, which features seven brave New Zealanders and their amazing World War II escape stories. **Leo's Pride**, profiling Dame Sister Mary Leo and **The Piano Man**, profiling acclaimed pianist Michael Houstoun are two biographical documentaries that were funded during the year for screening within TV One's **Festival** documentary slot – a slot NZ On Air is proud to have an association with.

We were also proud to support **Give It Another Whirl**, a follow up to the local music history series **Give It A Whirl**, which will screen on TV One. **He Matapaki**, a series of seven half-hour Māori documentaries for TV One received funding, as did **Extraordinary Kiwis** and **NZ's Top 100 History Makers**, both of which will screen on Prime.

Funding programming for children remains a priority for NZ On Air and support continued for firm favourites **What Now?**, **Sticky TV**, **Studio 2** and **Squirt**. **The Go Show**, a new pre-school series strongly aligned to the NZ early childhood curriculum joins them, and is set to screen in late 2005. Funding was also approved for a new children's comedy series **Jandals Away**, which features a dysfunctional Polynesian family who perform rescues, in return for free satellite TV.

Secret Agent Men, with their high-tech gadgets and larger than life villains, returned to TV3 and NZ On Air was a minority investor in the large-scale children's drama **Maddigan's Quest**, based on an adventurous tale by celebrated author Margaret Mahy. Support was also given to a new children's drama **The Killian Curse**, a horror-comedy series set in a school where 21 pupils must fight the curse on their classroom in order to save their souls.

Special interest programming for and about minority groups that is both diverse and informative, is an important focus for NZ On Air. The year saw the continuation of the long running, and successful, **Asia Down Under** on TV One and **Open Door**, with its 'access television' approach on TV3. After a joint review, by NZ On Air and TVNZ, of programming for people with disabilities, **Attitude** made its first appearance on TV One and is finding a place with its audience.

Queer Nation ended its extensive run and new gay programmes, **The Outhouse** and **Kiwifruit**, will debut on TV2 in the latter part of 2005. NZ On Air also made a commitment to a series for Pacific Island youth, **Pacific Beat Street**, which screens on TV3.

Seven Periods With Mr Gormsby



► Well-known writer, political commentator and cartoonist Tom Scott combined with writer-director Danny Mulheron to create this highly successful situation comedy, starring David McPhail as the appalling teacher Mr Gormsby, an anachronism so politically incorrect there is not even a phrase to describe him. Gormsby's intolerance of the political correctness of the others surrounding him is the source of much of the silliness and irreverence which has drawn considerable critical and audience acclaim for this series. **Seven Periods With Mr Gormsby** features some biting social commentary and extreme subject matter as Gormsby himself serves as a lens to illuminate the hypocrisy of the other characters. The series is a welcome addition to the developing strength of local television comedy.

Frontseat returned to our screens this year and remains an unashamed celebration of New Zealand art and culture. Funding was also allocated to a third series of **The Living Room** on TV3 and a diverse range of performance was supported including; **John Rowles In Concert**, **Blood Brothers**, **Goldenhorse With The NZSO** and **TV2 Christmas From St Matthews**.

A 'mockumentary' series called **The Pretender**, won Innovation funding as part of an initiative to stimulate diversity and innovation and create demonstrably different programming. Screening on TV3 in the build up to the 2005 Election, this satire follows the campaign trail of multi-millionaire property developer and "candidate" Dennis Plant.

Another initiative that was introduced during the year was **Springboard**, which is designed to support experienced producers, with a proven track record, in managing preliminary development of projects, in line with NZ On Air objectives, before approaching broadcasters or funders.

The 2004/2005 year was a good one for local content and one in which some challenging and innovative programming, reflecting New Zealand culture and identity, made it to our television screens. However, NZ On Air is mindful of the need to adapt to the changing broadcasting environment, and the importance of strategic partnerships, as we strive to ensure a diverse range of locally made programmes is available to New Zealand audiences - wherever they are watching.

A review of the top ten NZ On Air funded programmes for the year demonstrates that the effort delivers results, which are appreciated by New Zealand audiences.

▼ Top Ten		
Title	Genre	Viewers
National Bank Country Calendar	Documentary	611,200
A Question Of Justice	Documentary	564,600
Intrepid Journeys	Documentary	506,900
King Of Speed	Documentary	464,000
Explorers	Documentary	442,800
Some Of My Best Friends Are...	Documentary	440,700
bro'Town	Comedy	428,900
Documentary New Zealand	Documentary	424,800
Best Of Zoo Babies	Documentary	410,900
Teen Sex	Documentary	401,700

Source: ACNielsen. Programmes screened between 1 July 2004 and 30 June 2005.

RADIO

NATIONAL RADIO AND CONCERT FM

NZ On Air entered into a new three-year funding agreement with Radio New Zealand, which allocated a total of \$26.675 million funding for the flagship services provided by National Radio and Concert FM.

Additional funding of \$700,000 enabled the continued roll out of National Radio to broadcast on FM throughout the country and by the end of the year could be heard on 101MHz in Whangarei, Auckland, Hamilton and the Waikato, Tauranga, Rotorua, Taupo, Taranaki, Hawkes Bay, Palmerston North and Manawatu, Kapiti, Wellington and Lower Hutt, Nelson, Blenheim, Greymouth, Christchurch, Timaru and South Canterbury, Alexandra, Dunedin, and Southland.

Concert FM extended its coverage to include Westport and Greymouth.

Among many highlights for the year on National Radio were special coverage of the Australian election, and the Pitcairn Island sex trials. Radio New Zealand's regional news coverage also received a boost with the appointment of specialist regional correspondents in Tauranga, Queenstown and New Plymouth.

A wide range of thought-provoking debates and lectures were broadcast during the year. They included Treaty of Waitangi debates hosted by Dr Claudia Orange, and former NZ On Air Deputy Chairman Professor Albert Wendt's MacMillan Brown lectures on the Samoan experience of life in New Zealand.

National Radio continued its tradition of broadcasting radio drama from at home and abroad, with the seventh annual **Worldplay** series profiling the best from overseas, and the innovative **Open Story Season** giving an otherwise unheard voice to individuals and communities throughout New Zealand.

Concert FM highlights included a 22% increase in cumulative audience in Radio New Zealand's annual audience survey. The network's music news programme **Upbeat** also doubled its regional coverage early in 2005 with outside broadcasts from Auckland, Queenstown, Christchurch and Gisborne.

Radio New Zealand programmes and staff were once again well represented in the winners list at the Qantas Media and New Zealand Radio Awards – well-deserved acknowledgement of the standard of Radio New Zealand's programming.

ACCESS RADIO AND PACIFIC ISLAND RADIO

NZ On Air funds 11 access radio stations, located in Southland, Dunedin, Christchurch, Nelson/Tasman Bays, Wellington, Kapiti/Horowhenua, Wairarapa, Palmerston North, Hawkes Bay, Hamilton and Auckland. These stations provide a vehicle for community groups and minorities to make and broadcast their own programmes to their own communities.

NZ On Air funding also supported two Pacific Island community radio services, one each in Auckland and Wellington, and NZ Radio for the Print Disabled's radio reading service based in Levin.


In July 2004, for the fifth time, NZ On Air hosted the managers of the access stations at a two-day retreat, where they had an opportunity to discuss and share issues of mutual concern.

NZ On Air provides support for these stations in other ways too. The access radio manual, **Radio Diversity** gives stations a clear steer on NZ On Air's access radio principles, and during the year, its use by station governors, management and broadcasters was encouraged and monitored.

Pacific Island community radio stations 531pi in Auckland and Samoa Capital Radio in Wellington were once again funded, under NZ On Air's long-standing policy to fund dedicated Pacific Island radio services in areas of greatest Pacific Island population.

A full list of the access and Pacific Island radio services funded by NZ On Air this year may be found on page 23.

That's The Story



► Produced and presented by Ronnie Mackie (pictured), **That's The Story** is a programme for young New Zealanders that airs every Sunday morning from seven until eight on the Classic Hits network. It's made up of 100% original kiwi stories, written, voiced and produced, with music composed and sound effects added, fresh every week.

Each episode of **That's The Story** features never-before-heard New Zealand songs and stories, including one each week contributed by New Zealand children, chances to win cash and prizes, and letters and messages (of which they receive hundreds every week) from kids all over the country - young and old.

Local and international celebrities read the stories written by children for the programme's weekly competition.

That's The Story is a vehicle for New Zealand children's writers to have their creativity heard, but it is also an inspiration to young New Zealanders to give it a go and be heard on their radio station.

COMMERCIAL RADIO PROGRAMMES

To achieve its objectives as derived from Sections 36(a) and (c), and Section 37(d) of the Broadcasting Act, NZ On Air allocates funding to a range of radio programmes. Priority is given to programmes that reflect the interests of young people and the diverse ethical and spiritual beliefs of New Zealanders, and to a series which discusses Māori issues in English. Music and drama and/or comedy programmes are also supported.

In 2004/2005 youth programmes **Te Puutake** and **Upload** were funded, along with the music quiz **Pop! Goes The Weasel**. These programmes were broadcast on a variety of radio stations and networks nation wide, including Channel Z (now Kiwi), George FM and other independent stations around the country.

NZ On Air also allocated funding to two series for children. **Small World** continued its successful run on the Solid Gold FM network, and a new series featuring original stories and music for children, **That's The Story**, made its debut on the Classic Hits FM network, to overwhelming audience satisfaction.

The English-language Māori issues programme **Paakiwaha** was once again funded for broadcast on iwi and access stations.

Scrubcutter, a series with a focus on spiritual and ethical values was funded for broadcast on the Newstalk ZB and Radio Rhema networks, and Easter and Christmas specials were broadcast on the Newstalk ZB and Radio Sport networks.

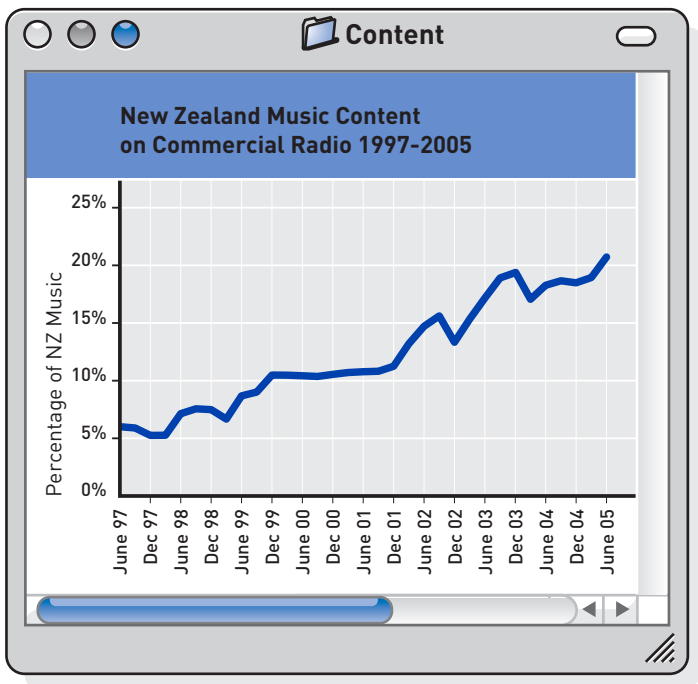
A series of NZ On Air-funded comedy vignettes taking a satirical look at the dance-club culture in New Zealand – **The Late Night Adventures Of Vernon & Miles** – kept George FM listeners amused, and spawned a spin-off with the working title **Thane** by the end of the financial year.

New Zealand music programmes are covered in the NZ Music part of this Annual Report.

NZ MUSIC

It has been another good year for New Zealand music on New Zealand radio. The growth that has been seen over the last ten years continued this year and new record local content levels were achieved.

At 30 June 2005, the year to date figure for New Zealand music content on mainstream commercial radio was 20.30%. That represents an increase from 18.57% in 2004, and 17.75% in the previous year.



The 20.30% figure at 30 June was 2.8% ahead of the 2005 calendar year target of 17.50% agreed by the radio industry under the NZ Music Code. Since the Code began in January 2002, radio has consistently beaten the annual target by more than 2%.

Radio's support for New Zealand music has been outstanding. Thanks must go to the programmers for their commitment but also to the Radio Broadcasters Association (RBA) and in particular, David Innes, for their contribution to this result.

NZ On Air's strategic aim has always been to work with the radio industry and the music industry to achieve a substantial presence for New Zealand music on commercial radio in New Zealand.

It is always pleasing when radio not just meets, but beats, the annual Code targets. That says that radio is playing more New Zealand music, not just because they have to (under the Code), but because they want to (because it is good and the audience wants it).

The NZ On Air funding schemes and promotional strategies continued this year, with investments in 19 albums by radio hit-making artists, 43 radio singles by new artists, 150 music videos, plus New Zealand music shows on all six b.net student radio stations and on most of the big commercial networks. More music television was funded, via C4 and Juice TV. NZ On Air produced 15 hit discs that were delivered to every radio station in the land and again contracted three independent radio pluggers to make sure that New Zealand music (and the hit discs in particular) are not lost in the CD clutter that characterises radio programmers' daily lives.

So far, since 2000, NZ On Air has funded 77 albums under the Phase Four plan, of which 44 had been released as at 30 June. Those 44 albums had delivered 168 radio singles, of which 151 had gone on to be radio hits – a 90% radio hits strike-rate. So far, 213 radio singles have been funded via the Phase Four New Recording Artists scheme. Of the 158 that had been released at 30 June, 95% had featured on the RadioScope NZ Airplay Chart, 50% had made the Top 40 and 40% had made the Top 30.

One of the most significant developments on the New Zealand music front this year was the re-branding of Channel Z as Kiwi – a 100% New Zealand music radio network. Canwest's decision to devote three valuable main-centre commercial frequencies to New Zealand music was a brave move and a milestone, demonstrating just how far New Zealand music has come from the dark days of less than 2% local content.

NZ Music Month in May this year was a major success. The launch – Shihad's free outdoor show in Aotea Square in Auckland – got the month off to a spectacular start. The iconic tee-shirt – on sale to the public for the first time – was everywhere. New Zealand music content on the radio averaged 22.79% through the month and, remarkably, 28.71% of the albums sold at retail were New Zealand titles. NZ Music Month is a partnership between NZ On Air, the NZ Music Industry Commission, the Australasian Performing Right Association (APRA), the RBA (representing the radio industry) and the Recording Industry Association of NZ (RIANZ) and Independent Music NZ (IMNZ) – representing the record companies, with the Music Commission at the hub.

Last year, NZ On Air signalled an intention to explore ways in which the agency might extend its work internationally. The result is the so-called Phase Five Five-Point Plan, a strategy designed to raise the profile of New Zealand music and musicians in the international music media (especially, radio and music television) and at the same time, keep up the New Zealand music momentum at home. The Phase Five plan will supplement and complement the work that the NZ Music Industry Commission will be doing in funding international marketing ventures by New Zealand music repertoire-owners.

ⓘ The Bleeders



▼ **From New Recordings To New Jersey**

Back in December 2003, we heard a song called **All That Glitters** in our New Recording Artists funding round. It was from an indie label called 1157 Records and it was by an Auckland band called The Bleeders. A bit punk, a bit rock, a bit hardcore and a hard call but it stood out as pretty special. We put \$5,000 into turning the demo into a finished record, put music video funding behind the song and took it to radio on Indie Hit Disc 27. It went on to be a modest radio hit - #28 on the RadioScope NZ Airplay Chart.

But it was enough to reward our faith in the band and to suggest that they had radio hits in them. So we repeated the process with a second song called **So Lonely** which went on to reach #15 on the NZ Airplay Chart. Two singles, two radio hits.

That earned the band the chance of album funding. With Universal Music now on board, we have invested \$50,000 in the Bleeders' debut album. As we go to print, the Bleeders are in New Jersey recording with international legendary hardcore and punk producer Sal Villanueva.

According to singer Angelo Munro, "the New Recording grant ... enabled us to get on the radio and that led to where we are today which is really pleasing."

The five Phase Five strategies are –

- Producing special targeted New Zealand music samplers for distribution overseas and to selected New Zealand media;
- Building an international radio and music media "tastemaker" network;
- Taking space in key international radio industry trade magazines to profile New Zealand music;
- Contracting agents in the target territories to service the samplers and maintain the tastemaker network and to "plug" New Zealand music on radio overseas;
- Producing radio shows showcasing New Zealand music for national and international radio syndication.

In April, the Government announced funding of \$5.4 million over four years for the campaign to market New Zealand music internationally. That funding covered a new marketing grants scheme – provisionally called "NZ Out There" – that will be run by the Music Commission but also includes NZ On Air's Phase Five plan. NZ On Air will receive \$850,000 a year for the plan.

The Music Commission will spearhead the drive to put New Zealand music on the world map. NZ On Air's work, focussing principally on radio and music television promotion, will support the Music Commission's work.

A full list of the New Zealand music projects funded by NZ On Air this year can be found on pages 53 to 56.

MĀORI BROADCASTING

Underpinning NZ On Air's work in support of Māori programming, the Rautaki Māori continued this year. It is a multi-faceted strategy whose aim is to enhance the on-screen outcomes of mainstream Māori programming for television.

A key part of the strategy is Tainui Stephens' work as NZ On Air's Kai Urungi providing assistance and a liaison point for those making Māori stories for television. It has again resulted in a diverse range of Māori programmes being encouraged.

During the year a range of documentaries with significant Māori input, made with NZ On Air funding, screened within both the Documentary New Zealand and Inside New Zealand strands. From October 2004, they were joined by new TVNZ series **One Life** and **NZ Stories**, which made provision for more Māori projects to be produced.

Funding was allocated to a range of programmes that featured Māori content. These included the documentaries **DNA Discoveries** and **Tame Iti**, and programmes such as **Mai Time** and the irreverent animated comedy **bro'Town**.

A hui for Māori television producers was held in Auckland in November 2004, with 60 participants. It provided a forum to acknowledge the value of Māori production, and to discuss issues of importance to the broader television industry.

The Māori Television Service (MTS), launched in March 2004, continued to go from strength to strength, and add a welcome new dimension to New Zealand's broadcasting environment. While NZ On Air acknowledges that Te Māngai Pāho is the primary funder of Māori Television, it is important to recognise that NZ On Air also has a vital role in supporting programmes predominantly in English and for transmission on the main free-to-air channels, to ensure there remains a healthy presence of Māori programming within the general television diet for New Zealanders.

NZ On Air funding also supports the interests of Māori on radio.

Radio New Zealand, under the terms of its funding agreement with NZ On Air, undertakes to produce and broadcast a set target level of programmes promoting Māori language and culture on National Radio. In 2004/2005, a total of 373 hours of such programming were broadcast, exceeding the agreed target of 350 hours.

Throughout its daily schedule, National Radio broadcasts a number of programmes covering issues affecting Māori, such as **Mana Tangata** and **Mana News**. There are also programmes in te reo Māori, such as Ana Tapiata's **Rourou**. Māori music is celebrated in **Waiata**, a programme that began in 2004, adding diversity to Māori programming.

Radio programmes promoting Māori language and culture, funded by NZ On Air, but broadcast on other radio stations include the English language, Māori issues-based series **Paakiwaha**, and the award-winning youth programme, **Te Puutake**.

This year, NZ On Air continued to produce its Māori language and kaupapa music compilations – the **Iwi Hit Disc**. The discs, featuring contemporary Māori music artists, are sent out to every radio station in the country four times a year. This year the 17th **Iwi Hit Disc** was produced.

Māori artists also feature on the regular **Kiwi Hit Disc** compilations and in NZ On Air's regular music funding schemes like music videos and the New Recording Artists scheme.

Last year, NZ On Air funded its first three Te Reo Radio Hits projects. The Te Reo Radio Hits project is an attempt to achieve a genuine commercial radio hit with a song in te reo.

This year, we partnered with Livingstone Productions and MTS to offer Te Reo Radio Hits funding as part of the prize package for the winner of the **Toru** television talent quest. The winners were Learnerz from Gisborne with a song called **Respect**.

The plan is to use these songs – the **Toru** winner and the three songs funded last year by Whirimako Black, Dam Native and Ruia – as "pilot projects" and to develop the scheme further on the basis of experience with the pilot.

And NZ On Air's research during the year confirmed once again, the importance of NZ On Air funding children's programmes reflecting Māori language and culture, documentaries about Māori people, drama and comedy made by and about Māori, and Māori radio and television with a reo component.

ARCHIVES

The New Zealand Film Archive (NZFA) provides television programme archiving services, and Sound Archives/Ngā Taonga Kōrero (SA/NTK) looks after radio archiving. With both archives being mid-contract, funding remained constant at \$1.104 million.

During the year the NZFA selected 1,320 hours of television programmes for archiving and carried out preservation work on another 250 hours. SA/NTK selected 1,816 hours of radio programmes and carried out preservation work on another 1,307 hours.

While the NZFA met its contractual targets for the year, SA/NTK underachieved its preservation target by just under 400 hours because of issues surrounding the installation and implementation of a new digital archiving tool Quadriga, which, once fully operative, is expected to accelerate the rate of preservation. However, this underachievement was compensated for by the significant overachievement of SA/NTK's target for selection.

An archiving symposium was held for stakeholders in November 2004. The symposium addressed current gaps in the archiving environment, looked at ways of improving coordination between stakeholders and considered the wider issues affecting audio/visual archiving. NZ On Air is continuing to evaluate possibilities for better coordination between organisations responsible for audio-visual archiving.

TRANSMISSION

NZ On Air budgeted \$0.09 million to maintain non-commercial radio transmission services to remote areas of New Zealand. As no applications were forthcoming, no commitment was made during the year.

It is NZ On Air policy to provide one-off capital funding to ensure the availability of a primary strength community radio service, to communities of 400+ people.

TV One and TV2 are now simultaneously broadcast via a digital satellite platform. NZ On Air therefore no longer has a mandate to maintain television transmission services to remote areas of New Zealand. Since July 2003, the \$1.15m allocated annually for this purpose has been deducted from Crown revenue to NZ On Air, and is being paid directly to TVNZ via the Ministry for Culture & Heritage, in recognition of the networks' ongoing responsibility for maintaining the analogue transmission system to remote areas.

STAFF CHANGES

As the Chairman has noted, the year just past has been one of change for NZ On Air in a number of areas, including personnel. Television Manager, Neil Cairns, left us early in 2005 to pursue new opportunities after more than five years' sterling service, and was replaced, in July, with Simon Phillips, a television professional with considerable experience in both commercial and public broadcasting. A native of Australia, Simon came to us from Alaska, where he has worked most recently for the US Public Broadcasting Service.

During the period between Neil's departure and Simon's appointment, Kathryn Quirk, usually our Client Relations Manager in Auckland, held the television fort in Wellington, with support from Christina Milligan, who agreed to join us on a temporary basis, to take up Kathryn's duties in Auckland for the period.

Antony Shaw, the Manager, Project & Financial Analysis, decided it was time to explore the world, and we farewelled him in April. Another Simon came on board to look after Antony's patch. This Simon – Simon Ball – quickly settled in for a seamless transition in this valuable area of our work.

In May, Deputy Television Manager, Sally Courché took time out to have her second daughter, and during her parental leave, Shona Geary – previously with the Minister of Broadcasting's office – joined NZ On Air in the position of Policy & Research Manager, after a review and restructuring of the television section.

And as the Chairman has noted above, Jo Tyndall, agreed to take up a secondment to the Ministry for Culture & Heritage as Director, Digital Broadcasting Strategy. As Deputy Chief Executive, I moved in to try to fill the (figuratively speaking) enormous shoes she had vacated.

The year in review in this Annual Report was expertly overseen by Jo, and while I sign off on this Chief Executive's Report, it is her work that I describe.

I will close by thanking her, and the highly skilled and dedicated team of people at NZ On Air, who are passionate about the work we do, and committed to NZ On Air's vision. To a person, they have done amazing work this year and achieved outstanding results.

Bernard Duncan
Chief Executive (Acting)

Statement of Accounting Policies

for the year ended 30 June 2005



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▼ **Statement of Responsibility for the year ended 30 June 2005**

► The Board and management of the Broadcasting Commission (NZ On Air) are responsible for –

- the preparation of these financial statements and the judgements used therein; and
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and management, these financial statements for the year ended 30 June 2005 fairly reflect the financial position and operations of NZ On Air.

Don Hunn

Don Hunn
Chairman

Bernard Duncan

Bernard Duncan
Chief Executive (Acting)

28 September 2005

The following accounting policies have been applied in the preparation of the financial statements for the year ended 30 June 2005.

Reporting entity

The Broadcasting Commission (NZ On Air) was established by the Broadcasting Act 1989, and is a Crown Entity in terms of the Public Finance Act 1989. The functions and procedures of NZ On Air are set out in the Broadcasting Act 1989. The financial statements are prepared in accordance with the First Schedule of the Broadcasting Act and the Public Finance Act 1989.

Measurement base

The measurement base adopted is that of historical cost.

Accounting policies

The following accounting policies that materially affect the measurement of the financial performance, financial position, cashflows, commitments and contingencies have been applied –

Accounts receivable

Accounts receivable are shown at their estimated net realisable value after allowing for doubtful debts.

Non-current assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The provision for depreciation is calculated on a straight-line basis to write down the cost of the assets by equal instalments to an estimated nil residual value at the end of the economic life of the asset.

• Computer equipment	3 years
• Office equipment	5 years
• Furniture and fittings	6 years
• Leasehold alterations	6 years

Budget figures

The budget figures are those approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by NZ On Air.

Goods and services tax (GST)

The financial statements have been prepared on a GST exclusive basis.

Taxation

NZ On Air is exempt from the payment of income tax in accordance with Section 51 of the Broadcasting Act 1989.

Broadcasting services

The allocation of funds to broadcasting services is treated as expenditure when the allocation is approved by the Board and committed against the current year's income. Expenditure therefore includes funds committed but not paid out at the year-end, which are recorded as funding liabilities.

Cost allocation policy

All expenditure not used to fund broadcasting services has been allocated to administration expenditure. The Government approves the level of administration expenditure in accordance with Section 49 of the Broadcasting Act 1989.

Cash and bank, and short term deposits

These investments are recorded at cost.

Employee entitlements

Provision is made in respect of NZ On Air's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Operating leases

Operating lease payments, where the lessor retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Revenue

Crown revenue is recognised as revenue when received. Other revenue is recognised on an accruals basis in the Statement of Financial Performance.

Income from broadcast production funding

Income from the sale of programmes is treated as income as and when received.

Direct collection costs

Direct collection costs are incurred in enforcing payment of existing Public Broadcasting Fee-payers.

Financial instruments

NZ On Air is party to financial instrument arrangements including cash and bank, short-term deposits, and accounts receivable as part of its everyday operations, which are recognised in the Statement of Financial Position. Revenue and expenditure in relation to all financial instruments are recognised in the Statement of Financial Performance. Except for those items covered by separate accounting policies, all financial instruments are shown by estimated fair value.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits, and highly liquid investments in which NZ On Air invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of NZ On Air and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise those activities relating to the change in equity and debt capital structure of NZ On Air.

Commitments

Funding expenditure approved by the Board by 30 June that relates to future years' income is recorded in the Statement of Commitments. Other future payments are also disclosed as commitments at the point a contractual obligation arises, to the extent that they are unperformed obligations.

Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Changes in accounting policies

There have been no changes in accounting policies. All policies are applied on a basis consistent with previous years.

Statement of Financial Performance

for the year ended 30 June 2005



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	Notes	Actuals 2004/2005 (\$000)	Budget 2004/2005 (\$000)	Actuals 2003/2004 (\$000)
Income				
Crown Revenue	1	94,213	93,790	89,388
Other Income	2	3,473	1,500	2,429
Total Income		97,686	95,290	91,817
Operating Expenditure				
Administration and consultation	3	2,487	2,450	2,494
(Recovery) in provision for doubtful debts	4	(173)	-	(198)
Total Operating Expenditure		2,314	2,450	2,296
Funding Expenditure				
Television	5	60,450	61,978	57,233
Radio	6	29,344	29,424	27,418
Transmission coverage	7	-	90	16
New Zealand music	8	4,203	3,936	3,749
Archiving	9	1,104	1,100	1,104
Total Funding Expenditure		95,101	96,528	89,520
Total Expenditure		97,415	98,978	91,816
Net Surplus for the year		271	(3,688)	1

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Movements in Equity

for the year ended 30 June 2005

	Actuals 2004/2005 (\$000)	Budget 2004/2005 (\$000)	Actuals 2003/2004 (\$000)
Public Equity at beginning of the year	5,669	4,988	5,668
Plus: Net Operating Surplus/(Deficit)	271	(3,688)	1
Total recognised revenues and expenses for the period	271	(3,688)	1
Total Public Equity at the end of the year	5,940	1,300	5,669

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Financial Position

as at 30 June 2005


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Statement of Financial Position				
	Notes	Actuals 2004/2005 (\$000)	Budget 2004/2005 (\$000)	Actuals 2003/2004 (\$000)
Current Assets				
Cash and bank	10	51,429	42,000	45,910
Accounts receivable – General		172	100	29
Accounts receivable – Interest		919	–	575
Total Current Assets		52,520	42,100	46,514
Non-Current Assets				
Fixed assets	11	107	150	149
Total Non-Current Assets		107	150	149
Total Assets		52,627	42,250	46,663
Current Liabilities				
Accounts payable		194	300	406
GST payable		131	–	271
Employee entitlements		125	–	103
Funding liabilities	12	46,237	40,650	40,214
Total Current Liabilities		46,687	40,950	40,994
Public Equity		5,940	1,300	5,669
Total Liabilities and Public Equity		52,627	42,250	46,663

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2005

Statement of Cash Flows				
	Note	Actuals 2004/2005 (\$000)	Budget 2004/2005 (\$000)	Actuals 2003/2004 (\$000)
Cash flows from operating activities				
Cash provided from:				
Net Public Broadcasting Fee		135	-	153
Crown Funding		94,213	93,790	89,388
Interest Received		2,638	-	1,440
Other Income Received		348	1,500	546
Cash applied to:				
Funding to broadcasters and programme producers		(89,077)	(93,840)	(84,528)
Payment to suppliers and employees		(2,579)	(2,450)	(2,283)
Net GST paid		(140)	-	(26)
Net cash inflows/(outflows) from operating activities	13	5,538	(1,000)	4,690
Cash flows from investing activities				
Cash applied to:				
Purchase of Fixed Assets		(19)	-	(45)
Net cash (outflows) from investing activities		(19)	-	(45)
Net increase/(decrease) in cash held				
		5,519	(1,000)	4,645
Opening cash		45,910	43,000	41,265
Closing cash		51,429	42,000	45,910
Actual Cash Balance represented by:				
Current Accounts		57	25	25
Call Deposits		51,372	41,975	45,885
		51,429	42,000	45,910

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Commitments

as at 30 June 2005



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Statement of Commitments		
	2005 (\$000)	2004 (\$000)
Lease Commitments		
Less than 1 year (2005/2006)	123	116
1 year to 2 years (2006/2007)	123	38
2 years to 5 years (2007/2010)	123	38
Total Lease Commitments	369	192
Programme and Project Funding Commitments		
Less than 1 year (2005/2006)	34,993	33,704
1 year to 2 years (2006/2007)	26,611	574
2 years to 5 years (2007/2010)	-	-
Total Programme and Project Commitments	61,604	34,278
Total Commitments	61,973	34,470

At balance date, NZ On Air has an operating lease for the premises on the 2nd floor, Lotteries Commission Building, Wellington and also a lease for the premises at One Beresford Square, Auckland.

Statement of Contingent Liabilities

as at 30 June 2005

As at 30 June 2005, NZ On Air has a contingent liability of up to \$160,261. This relates to the possible overpayment to NZ On Air for its share of sales of a NZ On Air-funded television programme. NZ On Air, in conjunction with the two other funders of this programme, commissioned an auditor to check the records of the programme's distributor to determine the amount of any overpayment. The audit is now complete and NZ On Air awaits a response from the distributor (2004: \$160,261).

Statement of Resources

for the year ended 30 June 2005

	2005	2004
Personnel		
Members of the Commission (part-time)	6	6
Staff (full-time equivalents)	13	13

Broadcasting Equipment

Several years ago, NZ On Air purchased broadcasting equipment at a cost of \$287,622, which is currently being used by Fifeshire FM, Port FM and Radio Scenicland for the extension of non-commercial community radio coverage. NZ On Air expensed the cost of this equipment at the time the equipment was purchased.

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2005



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▼ 1. Crown Revenue		
<p>Following the Government's budget announcement in May 1999 that the Public Broadcasting Fee (PBF) was to be phased out by 30 June 2000, NZ On Air's main source of revenue is Crown funding.</p> <p>Crown revenue is \$0.423m more than budget for the year ended 30 June 2005. This is the result of additional funding from the Government for the implementation of the Phase Five international airplay strategy.</p>		
▼ 2. Other Income		
	Actuals 2005 (\$000)	Actuals 2004 (\$000)
Share of income from the sale of television programmes	319	299
Interest received	2,981	1,880
Other income	173	250
Total Other Income	3,473	2,429
▼ 3. Administration and Consultation		
	Actuals 2005 (\$000)	Actuals 2004 (\$000)
Personnel costs	1,121	1,009
Legal, public relations and expert advice	534	490
Office overheads	149	196
Consultation and research	150	257
Travel and communications	230	222
Board Members' fees	95	95
Rent	85	83
Public Broadcasting Fee collection costs	37	45
Depreciation		
Furniture & Fittings	6	11
Leasehold Alterations	17	19
Computer Equipment	25	31
Office Equipment	12	11
Audit fees for the audit of the financial statements	26	25
Total Administration and Consultation Expenditure	2,487	2,494

▼ 4. (Recovery) in Provision for Doubtful Debts		Actuals 2005 (\$000)	Actuals 2004 (\$000)		
(Recovery) in provision for doubtful debts					
Accounts receivable – Public Broadcasting Fee		862	1,035		
Less provision for doubtful debts		(862)	(1,035)		
Total accounts receivable – PBF		-	-		
<p>NZ On Air’s PBF collection process will continue in 2005/2006 while residual activity is wound-down. However, there is significant uncertainty as to how much money will be collected. Therefore NZ On Air has taken a conservative approach, and maintained a provision for doubtful debts of approximately \$0.862 million that represents all of the outstanding PBF debtors as at 30 June 2005.</p> <p>In 2004/2005 the amount of Public Broadcasting Fee (PBF) cash received was \$0.173m. This reduced the doubtful debt provision to \$0.862m at year-end.</p>					
▼ 5. Television Programme Funding		2005 Hours	2005 Funding (\$000)	2004 Hours	2004 Funding (\$000)
Drama/Comedy		103	29,088	115	27,858
Documentaries/Information/Innovation		107	9,619	158	9,880
Children & Young Persons’ programmes		395	11,337	383	11,251
Arts, Culture & Performance		223	3,367	292	3,656
Special Interest programmes		197	8,498	153	7,579
Total Production Funding		1,025	61,909	1,101	60,224
Less Writebacks of previous years’ commitments			(2,101)		(3,469)
Plus Development Funding			642		478
Total Television Funding			60,450		57,233

▼ 6. Radio	Actuals 2005 (\$000)	Actuals 2004 (\$000)
Radio New Zealand		
National Radio	21,860	20,300
Concert FM	4,815	4,642
	26,675	24,942
Access and special interest community radio		
Auckland Access Radio	200	200
Radio 531pi (Auckland Pacific Island Radio)	125	125
Hamilton Access Radio	150	150
Hawkes Bay Access Radio*	110	55
Wairarapa Access Radio	96	90
Manawatu Access Radio	100	100
Print Disabled Radio (Levin)	91	90
Kapiti Coast Access Radio	99	99
Wellington Access Radio	200	200
Samoa Capital Radio (Wellington)	150	150
Tasman Bays Access Radio	174	174
Christchurch Access Radio*	200	100
Otago Access Radio	138	135
Southland Access Radio	135	135
Access Radio Retreat	15	15
Pacific Island Initiatives	-	-
Access Radio Development**	32	3
	2,015	1,821
Programmes on Commercial Radio	654	655
Total Radio Funding	29,344	27,418
<p>* The significant movements in Hawkes Bay and Christchurch Access Radio Stations' funding levels from 2004 are a result of bringing these stations' funding cycles into line with NZ On Air's financial year of July to June. Actual funding levels for these stations have not changed.</p> <p>** Funding for access radio development saw an increase following one-off allocations to support two studio relocations.</p>		
▼ 7. Transmission Coverage	Actuals 2005 (\$000)	Actuals 2004 (\$000)
Community Radio transmission coverage*	-	16
Total Transmission Coverage	-	16
<p>* There were no applications for transmission coverage and as such no funding was allocated.</p>		
▼ 8. New Zealand Music	Actuals 2005 (\$000)	Actuals 2004 (\$000)
New Zealand music on radio	3,453	3,129
New Zealand music videos	750	620
Total New Zealand Music	4,203	3,749

▼ 9. Archives			
	Actuals 2005 (\$000)	Actuals 2004 (\$000)	
Television			
New Zealand Film Archive	574	574	
Radio			
Sound Archives/Ngā Taonga Kōrero	530	530	
Total Archives	1,104	1,104	
▼ 10. Cash and Bank			
	Actuals 2005 (\$000)	Actuals 2004 (\$000)	
Cash comprises deposits with registered banks and treasury bills			
Current account	57	25	
Call deposits	51,372	45,855	
Total Cash at Bank	51,429	45,910	
▼ 11. Fixed Assets			
	Original (\$000)	Accumulated Depreciation (\$000)	Book Value (\$000)
2005			
Computer equipment	262	234	28
Furniture & fittings	180	165	15
Leasehold improvements	212	180	32
Office equipment	93	61	32
Total Fixed Assets – as at 30 June 2005	747	640	107
2004			
Computer equipment	263	219	44
Furniture & fittings	181	159	22
Leasehold improvements	212	163	49
Office equipment	83	49	34
Total Fixed Assets – as at 30 June 2004	739	590	149
▼ 12. Funding Liabilities			
<p>At the time funds are committed against the current year's income to a programme or a particular project, the commitment is recorded as a liability and the liability is then reduced as the funds are advanced according to the terms of the funding agreement. Funds are normally paid by instalments to meet the cash flow requirements of the programme or the particular project. At year-end, funds had yet to be drawn down for the following activities –</p>			
	Actuals 2005 (\$000)	Actuals 2004 (\$000)	
Television programmes	42,852	37,002	
Radio, music, archiving, and non-commercial transmission coverage	3,385	3,212	
Total Funding Liabilities	46,237	40,214	
It is expected that these funding liabilities will all be paid during the next 12 months.			

▼ 13. Reconciliation of Net Surplus with Net Cashflows from Operating Activities		
	Actuals 2005 (\$000)	Actuals 2004 (\$000)
Net surplus from operations	271	1
Add non-cash items:		
Depreciation	60	72
	331	73
Add (less) movements in working capital items:		
(Increase) in accounts receivable	(487)	(443)
(Decrease) in GST payable	(140)	(26)
(Decrease)/Increase in accounts payable (including employee entitlements)	(190)	94
Increase in funding liability	6,024	4,992
	5,207	4,617
Net cash inflow/(outflow) from operating activities	5,538	4,690
▼ 14. Financial Instruments		
<p>Interest rate risk</p> <p>Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. NZ On Air's investments include on-call deposits and short-term deposits. NZ On Air does not hold financial derivatives providing interest rate protection. NZ On Air is primarily a short-term investor and carries any interest rate risk itself.</p> <p>Concentration of credit risk</p> <p>Credit risk is the risk that a third party will default on its obligation to NZ On Air, causing NZ On Air to incur a loss. NZ On Air has a minimal credit risk in its holding of various financial instruments. These instruments include cash, bank deposits, and accounts receivable.</p> <p>NZ On Air places its investments with institutions that have a high credit rating. There is no significant concentration of credit risk.</p> <p>Foreign currency risk</p> <p>There is no exposure to foreign currency risk.</p>		
▼ 15. Employee Remuneration		
<p>During the year, the number of employees of NZ On Air, not being members, who received remuneration and other benefits in excess of \$100,000 were –</p>		
	Number of Employees 2004/2005	Number of Employees 2003/2004
Salary Band		
\$100,000 to \$110,000	1	3
\$110,000 to \$120,000	1	–
\$210,000 to \$220,000	1*	1*
<p>* Chief Executive's total remuneration.</p>		

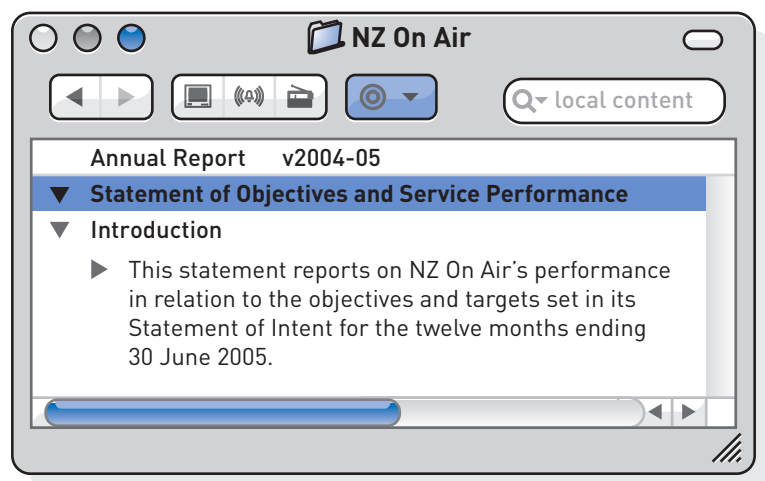
▼ 16. Board Fees	Actuals 2005 (\$000)	Actuals 2004 (\$000)
Don Hunn	29	29
Prof Albert Wendt (Deputy Chairperson to June 2004)	-	12
Judy Callingham (Deputy Chairperson from October 2004)	14	14
James Coleman	14	14
Edie Moke	14	14
Gaylene Preston	12	12
Paul Smith (from October 2004)	12	-
▼ 17. Related Party Transactions		
<p>NZ On Air is a wholly owned entity of the Crown. The entity enters into a number of transactions with State Owned Enterprises and Crown entities (for example, Television New Zealand Limited and Radio New Zealand Limited). These transactions are carried out on a commercial and arms length-basis (or as required by Ministerial directions made in accordance with Section 44 of the Broadcasting Act) and do not fall within the intended scope of related party disclosures.</p> <p>Where a member of the Board has an interest in a NZ On Air project, this interest is disclosed and the member does not take part in decisions relating to that project.</p> <p>Board member James Coleman declared interests in projects related to C4 Television, Juice Music Television, Kiwi and The Down Low Concept. In the year ended 30 June 2005 NZ On Air funded \$400,000 to C4 Television, \$100,000 to Juice Music Television, \$45,000 to Kiwi and \$347,770 to The Down Low Concept.</p> <p>Chief Executive Jo Tyndall declared interests in projects related to Screen Works Limited. In the year ended 30 June 2005 NZ On Air funded \$3,533,592 to Screen Works Limited.</p> <p>Television Manager Neil Cairns declared a perceived conflict of interest in a project related to Screen Works Limited, because of his acquaintance with a writer working on a television project.</p> <p>NZ Music Manager Brendan Smyth declared an interest in a project related to Play It Strange. In the year ended 30 June 2005 NZ On Air funded \$64,391 to Play It Strange.</p>		
▼ 18. Comparative Numbers		
Certain prior year numbers have been restated to ensure consistent comparison with the current year numbers.		
▼ 19. Post Balance Date Events		
There have been no material events subsequent to 30 June 2005 (2004: nil).		

Statement of Objectives and Service Performance

for the twelve months ended 30 June 2005



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1.0 PROGRAMME FUNDING

1.1 TELEVISION PROGRAMMES

Objectives

To achieve a diverse range of excellent locally produced programmes that are pervasive on New Zealand screens and that New Zealanders will enjoy watching.

To be recognised as the independent, expert agency with primary responsibility for funding and monitoring public service broadcasting on television.

Outcomes

There will be a strongly visible presence of New Zealand content across a range of free-to-air broadcasting services.

Locally produced programmes will be well received by their intended audiences, with audience satisfaction levels maintained or increased.

Television broadcasters will be encouraged to take more risks with programmes made with NZ On Air funding.

A stronger sense of New Zealand identity will be fostered and promoted through funding creative and innovative local production, including programming that reflects our bicultural base, our multi-cultural society and our place as a South Pacific nation.

Performance Targets

Quantity and Cost

In keeping with the objectives and strategic actions on the previous page, NZ On Air will allocate funding to the specific genres as follows:

Programme Type	Budget 2004/2005		Actual as at 30 June 2005	
	Target Hours	Funding \$ millions	Actual Hours	Funding \$ millions
Drama	53	19.00	54.5	19.09
Comedy	32	4.90	33	5.20
Children's Drama	16	4.80	16	4.80
Documentaries [Note 1]	105	9.00	103.5	9.08
Special Interest programming:				
- Children and young people [Note 2]	400	11.40	395	11.34
- Arts, culture and performance [Note 3]	163	3.60	223	3.37
- People with disabilities (including Teletext) [Note 4]	85	2.57	85	2.77
- Ethnic minorities [Note 5]	64	3.21	66	3.66
- Other minorities [Note 6]	51	2.20	45.5	2.06
- Innovation [Note 7]	10	0.60	3	0.54
Development	-	0.70	-	0.64
TOTAL	979	61.98	1,024.5	62.55

- Note 1** Due to an overspend in the documentary category the hours target was slightly under-achieved.
- Note 2** The children & young people category is slightly under-achieved but this is not significant given the total hours. **Mai Time** changed to a 0.5 hour format, **Sticky TV** increased its hours and a number of other shows also varied from the original plan.
- Note 3** The arts and performance category is considerably overachieved due to NZ On Air's contribution towards the **Top Of The Pops** stable of shows.
- Note 4** The hours total for people with disabilities, including Teletext, includes funding to Teletext for reversioning 65 hours of **Te Karere**. This captioning service had previously been funded from the (discontinued) scheme to re-version Māori language programmes into English, but is now subsumed within NZ On Air's funding contract for Teletext.
- Note 5** The hours total for this category was slightly over-achieved due to the commitment to a second series of **Pacific Beat Street** offsetting **Te Kopara** not proceeding.
- Note 6** The hours total for other minorities was under-achieved by 4.5 hours due to the longer than expected fruition of the new gay programming.
- Note 7** The Innovation target was under-achieved by 7 hours. The nature of this genre, and the wide range of proposals submitted, make it very difficult to accurately project the number of hours that will be achieved.

Quality

Levels of audience support for the programmes and services funded by NZ On Air will be maintained or increased. This will be measured against benchmarks established in 2000/2001:

Around 70% or more of respondents in a major survey believe it is important for NZ On Air to fund programmes such as children's programmes, in-depth documentaries, programmes for people with disabilities, drama and children's drama.

75% or more of respondents in a major survey agree that NZ On Air supports programmes and services that are important to New Zealanders.

62% of respondents in a major survey believe that the amount of New Zealand-made TV programmes should increase.

60% of NZ On Air fully funded programmes are re-screened on national or regional channels.

At least two symposia focusing on areas of interest to NZ On Air television funding will be held.

Actual Performance 30 June 2005

The results of the Public Information and Opinion Monitor were published in September 2004.

Respondents in the 2004 survey said it is important for NZ On Air to fund programmes such as children's programmes (78%), in-depth documentaries (83%), programmes for people with disabilities (76%), New Zealand music (75%) and teletext subtitling for the deaf and hearing impaired (78%).

In a qualitative research project into comedy and drama programming it was found that:

- There is a strong interest in NZ comedy;
- NZ comedy has shown marginal overall improvement since 2002 with the exception of *bro'Town* which is a standout success;
- There is a strong desire for a successful NZ sitcom that is based on everyday situations and for comedy to operate at an intellectual, as well as entertainment, level;
- Recent NZ drama has made considerable gains in terms of quality; and
- There is interest in drama that provides intellectual challenge and adventure as well as entertainment.

79% of respondents in the 2004 survey agree with this statement.

56% of respondents in the 2004 survey agree that the amount of New Zealand-made TV programmes should increase. When the percentage of respondents who want it to stay the same is added in, this rises to 91%.

Of the 13 programmes fully funded by NZ On Air this year to date, 7 have been or are being screened. Of these, 30% have re-screened on regional channels or the Māori Television Service. Data provided by the Regional Television Broadcasters Association for the 2004 Television Local Content Survey shows that 7 of the 12 regional channels are re-screening NZ On Air fully funded programmes.

A drama consultation was held at the end of October with key industry stakeholders. A drama symposium involving participation from a wider group was scheduled to take place in July 2005.

A symposium on programming for people with disabilities was held in Wellington in July 2004.

A comedy symposium was held in March 2005.

A hui for Māori television producers was held in November 2004.

1.2 RADIO SERVICES

NATIONAL RADIO & CONCERT FM

Objectives

To ensure that a wide range of quality programmes that promote New Zealand culture and identity – including the unique dimension of Māori language and culture – are broadcast on National Radio and Concert FM.

To promote innovation and diversity in the programming on Radio New Zealand’s networks.

Performance Targets

Quantity

The Charter functions and programme hours devoted to the fulfilment of these functions are –

Outcomes

New Zealanders will have access to a wide range of quality radio services that provide a diversity of programming reflecting New Zealand identity and culture.

The skill base of the creative industries will be enhanced through experience and exposure on New Zealand’s public radio services.

National Radio and Concert FM								
Charter Functions (Note 1)	Target Hours 2004/2005				Actual Hours as at 30 June 2005			
	National Radio (Note 2)		Concert FM (Note 2)		National Radio (Note 2)		Concert FM (Note 2)	
	Broadcast Hours	% Total Hours	Broadcast Hours	% Total Hours	Broadcast Hours	% Total Hours	Broadcast Hours	% Total Hours
A. Intellectual, scientific and cultural development. Informed debate and critical thought.	7,446	85%	[Note 3]		7,384	85%	[Note 3]	
B. Information, special interest and entertainment. Reflect cultural diversity including Māori language and culture.	7,534	86%	[Note 3]		7,889	90%	[Note 3]	
C. Varied interests within the community. Information, educational, special interest and entertainment.	1,664	19%	8,760	100%	1,582	18%	8,760	100%
D. Musical, dramatic and performing arts. New Zealand and international composers, performers and artists.	2,014	23%	8,497	97%	2,193	25%	8,472	97%
E. Nationwide service, highest quality. Sense of citizenship and national identity.	8,760	100%	[Note 3]		8,760	100%	[Note 3]	
F. Comprehensive, independent, impartial, balanced news and current affairs. Regional perspective.	2,452	28%	175	2%	2,360	27%	215 [Note 4]	2%
G. Comprehensive, independent, impartial, balanced international news and current affairs.	1,084	12%	85	1%	1,128	13%	72 [Note 4]	1%

- Note 1** Particular programmes produced and broadcast by either National Radio or Concert FM have been assessed in terms of the contribution that the programme makes to Radio New Zealand’s statutory Charter functions. Most programmes contribute to more than one Charter function.
- Note 2** NZ On Air negotiates output targets annually with Radio New Zealand. This table contains the targets agreed for 2004/2005. Targets C & D for National Radio have increased from those agreed last year, and the remaining targets are the same as 2003/2004.
- Note 3** While Concert FM’s programmes may broadly meet the intentions of Charter functions A, B and E, its primary role is to provide services intended by function D.
- Note 4** A minor change in Concert FM’s format during the year shifted the emphasis of the news content on the network. Percentage performance targets have been met or exceeded.

The funding agreement also requires Radio New Zealand to deliver services to NZ On Air to meet its responsibilities under the Broadcasting Act 1989. They are –

Types of Programmes and Services	Target Hours 2004/2005		Actual Hours as at 30 June 2005	
	National Radio (Note 1)	Concert FM (Note 1)	National Radio	Concert FM
Total broadcasting hours including:	8,760	8,760	8,760	8,760
NZ content programmes which include:	7,505	–	7,882	–
– Māori language and culture	350	–	373	–
– Special interest	339	–	340	–
– NZ drama	194	–	258	–
% of New Zealand music on rotate (Note 2)	33%	–	37%	–
% of New Zealand composition	–	3%	–	4%
% of New Zealand music performance	–	13%	–	13%
% of population able to receive transmission (Note 3)	97%	94%	97%	92% (Note 4)

Note 1 NZ On Air negotiates output targets annually with Radio New Zealand. This table contains the targets agreed for 2004/2005. There is little significant change from the previous year.

Note 2 In addition to the New Zealand music content on rotate, National Radio produces and broadcasts feature programmes on New Zealand music.

Note 3 This is the proportion of the population able to receive National Radio and Concert FM via terrestrial transmission. As a result of an arrangement with Sky Television, 100% of the country is able to access a National Radio or Concert FM signal via a Sky satellite dish and decoder.

Note 4 Radio New Zealand received additional funding in the 2004/2005 financial year to enable an increase in the transmission coverage area of Concert FM on the South Island West Coast. While that work has now been completed, the additional number of listeners able to receive Concert FM in that area is such that the increase in the percentage of the population covered is likely to remain in the vicinity of 92%.

Quality

Overall audience satisfaction levels, as measured in Radio New Zealand's annual independent surveys, should not fall below 80% in the case of National Radio and 75% in the case of Concert FM based on a realistic assessment of levels achieved in the 2000/2001 year. Other qualitative benchmarks should not fall below the levels achieved in the last survey in 2003.

A peer review that compares Radio New Zealand's performance with international public broadcasters will, if conducted, serve to establish additional benchmarks against which future performance can be measured.

Cost

National Radio	\$21,160,000
Concert FM	\$4,815,000
National Radio FM Roll Out	\$700,000

Total Cost of National Radio and Concert FM \$26,675,000

All targets have been effectively met, or exceeded.

Actual Performance 30 June 2005

Radio New Zealand conducted its annual qualitative and quantitative survey in mid-2004. The survey found that both National Radio and Concert FM's cumulative audiences have increased when compared to 2003, and recorded audience satisfaction levels of 89% and 78% for National Radio and Concert FM respectively – up from 83% and 65% last year. Results from a similar survey for 2005, and additional research, will be available in the second half of 2005.

NZ On Air and Radio NZ are continuing to discuss what, if any, sort of international comparative measurement might be appropriate and valuable to establish benchmarks. Radio NZ is currently party to an international public broadcasting Key Performance Indicator measurement system developed in the past three years.

Actual Committed Expenditure 30 June 2005

National Radio	\$21,160,000
Concert FM	\$4,815,000
National Radio FM Roll Out	\$700,000

Total Cost of National Radio and Concert FM \$26,675,000

ACCESS & PACIFIC ISLAND RADIO

Objectives

To ensure that a range of broadcasts are provided that reflect the interests of women, youth, children, persons with disabilities and minorities (including ethnic minorities).

Performance Targets

Quantity

NZ On Air will fund 11 access radio stations, which serve communities of 50,000-plus populations in Auckland, Hamilton, Hawkes Bay, Manawatu, Wairarapa, Kapiti Coast/Horowhenua, Wellington, Nelson/Tasman Bays, Christchurch, Dunedin and Invercargill. A Radio Reading Service for the print-disabled, based in Levin, will also be funded.

An annual retreat for access radio managers will be held.

Pacific Island community radio services, provided by Radio 531pi in Auckland and Samoa Capital Radio in Wellington, will continue.

NZ On Air will encourage re-transmission of Pacific Island and Māori programmes to a wider audience.

Quality

An average of 60% of the programmes broadcast across the funded access radio stations will meet the needs of the groups specified in Section 36(c) of the Broadcasting Act.

Outcomes

Diverse public radio programming will be available across a range of public radio outlets.

The interests of women, youth, children, persons with disabilities, minorities in the community (including ethnic minorities and those reflecting the diverse religious and ethical beliefs of New Zealanders) and non-profit community groups will be adequately represented in radio; and

Special interest audiences – including Pacific Island audiences – will be catered for in areas of significant population.

Actual Performance 30 June 2005

Funding for the 2004/2005 year was allocated to the 11 access stations listed in June 2004, and the NZ On Air Board approved funding for NZ Radio for the Print Disabled at its October 2004 meeting.

NZ On Air hosted managers from access radio stations at a retreat in Masterton in July.

At the July retreat managers discussed a variety of issues, including:

- Maximising agency sales revenue
- Relationships with Government, governing Trusts and funders
- Financial reporting
- Funding and FM frequencies

Funding for the 2004/2005 year for Radio 531pi and Samoa Capital Radio was approved by the NZ On Air Board at its June 2004 meeting.

Te Puutake (broadcast on George FM and iwi and high school stations) is also broadcast on access radio. **Urban Fale**, funded for broadcast on Niu FM, was made available to access stations, and a number broadcast it. **Paakiwaha** is also broadcast on at least four access radio stations.

While the level of Section 36(c) programming broadcast varies from station to station, and across the year, an average of close to 70% of the programmes broadcast across the access radio group meets NZ On Air's objectives under Section 36(c) of the Broadcasting Act 1989.

The guidelines in **Radio Diversity**, the handbook for New Zealand community access radio developed by NZ On Air, will be consulted and followed by access radio trusts, boards, management, volunteers and staff.

Access stations will be assisted with the transition from AM to FM broadcasting where necessary and desirable, in a cost-effective manner.

Pacific Island radio services will provide a range of programming suitable for Pacific Island audiences as determined through consultation.

Cost

Access Radio	\$1,817,900
Pacific Island Radio	\$275,000
Total Cost of Access and Pacific Island Radio	\$2,092,900

Station management report frequent consultation of **Radio Diversity** to guide station operation, particularly when issues surrounding governance and management arise. New Trust members, staff and volunteers at stations have found **Radio Diversity** a useful guide to quickly understand the hows and whys of access radio in New Zealand. A recently established community group in Wanganui is using **Radio Diversity** to inform its strategic planning with a view to establishing a new access station there.

No access radio FM frequencies have been allocated during this reporting period.

Both Radio 531pi and Samoa Capital Radio provide a range of programmes for Pacific Island audiences in Auckland and Wellington. 531pi broadcasts programmes in at least eight Pacific Island languages.

Actual Committed Expenditure 30 June 2005

Access Radio	\$1,739,798
Pacific Island Radio	\$275,000
Total Cost of Access and Pacific Island Radio	\$2,014,798

COMMERCIAL RADIO PROGRAMMES

Objectives

To ensure that programmes for young New Zealanders are broadcast on mainstream commercial radio.

To ensure that a range of radio programmes, focusing on spiritual/ethical beliefs, Māori issues, drama and comedy are produced and widely broadcast.

Performance Targets

Quantity

At least one hundred and fifty hours of youth-focused programming will be produced for broadcast on at least 20 radio stations each or on commercial radio networks with equivalent audience reach; and

At least one spiritual/values-based radio series, and Easter and Christmas specials will be produced and broadcast on at least 20 radio stations each or on commercial radio networks with equivalent audience reach; and

Up to two radio drama and/or comedy series will be produced and broadcast on commercial radio and up to two development projects will be funded; and

At least one English-language current affairs series, which is produced from a Māori perspective, will be broadcast.

Quality

Target audience feedback, audience numbers, numbers of radio outlets and award nominations and commendations will measure audience acceptance and high-standards. This will be monitored throughout the year.

Drama and/or comedy projects will be widely broadcast and audience feedback will be monitored.

NZ On Air symposia will address and include radio issues and initiatives.

Cost

Total Cost of Commercial Radio Programmes \$656,000

Outcomes

The interests of youth will be reflected through dedicated radio shows broadcast on mainstream commercial radio.

Spiritual and ethical values will be promoted and reflected on commercial radio.

Locally produced drama and/or comedy will be broadcast on mainstream commercial radio in New Zealand.

New Zealand audiences, including Māori, will be better informed on current issues from a Māori perspective.

Actual Performance 30 June 2005

Funding for a 1-hour weekly radio series for young people, **That's The Story** (for broadcast on the Classic Hits network) was first approved at NZ On Air's August 2004 meeting. Previously funded youth programmes **Upload**, **Te Puutake**, **Pop! Goes The Weasel**, and children's series **Small World**, are broadcasting on a variety of stations. As at 30 June, around 175 hours of programming for young people has been commissioned.

Funding was again allocated for **Scrubcutter**, a values-based series, and also for Christmas and Easter Radio Specials.

Funding for radio comedy series **The Late Night Adventures Of Vernon & Miles** (for broadcast on George FM) was approved at the August 2004 NZ On Air meeting. Funding for a spin-off series, **Thane**, was approved at the June 2005 meeting.

The NZ On Air Board approved funding for the English-language Māori issues series **Paakiwaha** to continue through the 2004/2005 financial year.

Actual Performance 30 June 2005

Feedback from stations broadcasting NZ On Air-funded programmes continues to be positive. Radio programme **Te Puutake** received the award for Best Ethnic and Access Music Programme in the 2005 New Zealand Radio Awards.

Monitoring continues. Focus group research conducted at the end of 2004 concluded that while awareness of new comedy on radio is still relatively low, there is an audience appetite for short-form scripted comedy on radio, particularly among males.

Radio comedy issues were discussed at a NZ On Air comedy symposium held in Auckland on 31 March.

Actual Committed Expenditure 30 June 2005

Total Cost of Commercial Radio Programmes \$654,050

1.3 NZ MUSIC

Objectives

To get more New Zealand music played on New Zealand radio, focusing on a presence on commercial radio as a strategic priority.

To exploit opportunities to expose diversity in New Zealand music so that those making music outside the commercial mainstream are also heard.

Performance Targets

Quantity

At least 20 new albums by New Zealand artists with a proven commercial radio track record (matching funding of up to \$50,000 from the record company involved with the project) will be funded.

Up to 40 radio singles by new New Zealand artists who have commercial radio airplay potential will be funded, and up to six te reo singles with commercial radio airplay potential will be part-funded (with Te Māngai Pāho).

Partnerships will be established with music television providers that will increase the opportunities for music videos to play on free-to-air television.

An international radio (and music television) airplay plan will be developed, in cooperation with local and international music and broadcasting industry interests.

At least 140 music videos by New Zealand artists will be funded for broadcast on every music video outlet on air.

At least one regular daily or weekly New Zealand music feature will be broadcast on all major commercial radio networks and dedicated New Zealand music shows will be funded on all seven b.net student radio stations.

At least six volumes of *Kiwi Hit Disc*; up to six volumes of *Indie Hit Disc*; at least four volumes of *Iwi Hit Disc*; and at least one volume of the *A/C Hit Disc* will be produced for distribution to every radio station in the country.

Record companies will be assisted with the costs of radio remixes of up to 5 songs that have the potential to get more commercial radio airplay in a remixed form.

Outcomes

There will be more New Zealand music on New Zealand radio so that more New Zealanders hear more New Zealand music.

New Zealand music will be vigorously promoted at commercial radio so that New Zealand music cannot be ignored.

Effective partnerships with key radio industry and music industry interests are forged.

There are outlets on the radio dial that champion diversity and provide an opportunity for New Zealand music other than commercial music to be heard.

Actual Performance 30 June 2005

Funding for nineteen album projects was approved. No more applications fitting the funding criteria were received during the year.

Funding for 43 New Recording Artist projects was approved. Funding for new Te Reo Radio Hits will be considered following an appraisal of the three pilot projects funded in 2004 but one special project was funded in collaboration with the Māori TV talent quest, *Toru*.

Funding for the C4 music television channel was provided for the year to October 2005, with minimum levels of NZ music content and increased weekly hours a condition of funding.

An international airplay plan – called the Phase Five Five Point Plan – has been developed and has been published in NZ On Air's 2005/2006 Statement Of Intent. Funding has been confirmed and the plan will be implemented in 2005.

Funding for 150 music videos was provided during the year.

New Zealand music shows funded by NZ On Air are currently playing on the ZMs (*The Word*), *The Edge (The Slab)*, *The Rock (Off The Record)*, and on 20+ independent radio stations (*Keeping It Kiwi*). New Zealand music features funded by NZ On Air are also playing on all six b.net student radio stations.

This year, six volumes of *Kiwi Hit Disc*, six of the *Indie Hit Disc*, three of the *Iwi Hit Disc* and one *A/C Hit Disc* were produced and delivered to radio.

Funding for five Radio Remix projects was provided.

Radio Hits funding will be provided for up to 20 records that have picked up “significant airplay” on commercial radio (provided those records have not already been funded through the Phase Four Albums or New Recordings tiers).

Three pluggers (New Zealand music promotion people) will be contracted to promote the use of NZ On Air’s hit disc catalogue at commercial radio.

A New Zealand music promotions campaign will be run, including publishing up to 12 issues of the **Fresh NZ Music** magazine for distribution to every radio station in the country; partnering with the NZ Music Industry Commission to promote NZ Music Month and the NZ Music Showcase at the annual Radio Broadcasters Association conference; partnering with key commercial radio networks in promotions that increase the presence of New Zealand music on air; and mounting at least four New Zealand music showcases for key commercial radio programmers.

Quality

New Zealand music content on commercial radio will exceed the annual overall targets in the NZ Music Code by at least 2%. In 2004, that means 18% local music overall on commercial radio. In 2005, it means 19.5% overall.

Each NZ On Air-funded album will produce at least four commercial radio hits, and at least 60% of the radio singles funded via the New Recording Artist scheme will be commercial radio hits. A radio hit is defined as a song that achieves a Radioscope NZ Airplay chart Top 30 placing.

Cost

Total Cost of New Zealand Music (Note 1)	\$3,936,300
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Funding for 20 Radio Hits projects was provided.

Three independent radio pluggers were contracted for the twelve months ending 30 June 2005.

During the year, 12 issues of the **Fresh NZ Music** magazine were produced. NZ On Air also partnered with Flava FM on a New Zealand music promotion and with RadioWorks on a New Zealand music showcase, held in conjunction with the company’s annual bootcamp in January 2005.

Actual Performance 30 June 2005

New Zealand music content on commercial radio in the 2004 calendar year was 18.57% – 2.57% ahead of the Code target of 16% for the year. At 30 June, New Zealand music content for the 2005 year-to-date was 20.30% – 2.8% ahead of the 17.5% Code target for the 2005 calendar year.

At 30 June, 44 Phase Four albums had been released. Those 44 albums had delivered 168 radio singles, of which 151 (90%) had gone on to be radio hits. At 30 June, 158 New Recording Artist songs had been presented to radio. Of those 158 singles, 95% had registered on the RadioScope NZ Airplay Chart, 50% had made the Top 40 and 40% had made the Top 30.

Actual Committed Expenditure 30 June 2005

Total Cost of New Zealand Music	\$4,203,456
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Note 1 Additional funding of \$425,000 was allocated during the year for the implementation of the Phase Five international airplay strategy.

1.4 MĀORI BROADCASTING

Objectives

To ensure programmes and broadcasts, predominantly in English and reflecting a Māori perspective, have a presence in mainstream broadcasting.

To maximise the broadcast opportunities across a range of channels for Māori programmes.

Performance Targets

Quantity

Upwards of 15% of hours funded within a television 'umbrella' funding arrangement will involve substantial Māori creative participation on a topic of relevance to Māori language and culture.

Other television programmes featuring Māori and Māori interests intended for a general audience – such as a documentary strand, a drama project and language interstitials – will be supported as funds permit.

Children's programmes funded by NZ On Air will promote Māori language and culture as an essential aspect of the programme.

National Radio will be contracted to produce and broadcast at least 350 hours a year of programmes reflecting Māori language and culture.

Outcomes

There will be a good presence of Māori programmes and songs, predominantly in English, on a variety of broadcast outlets, and opportunities for re-transmission will be exploited.

Māori programmes, broadcasts, and songs will be well-received by their intended audiences, and considered a normal part of New Zealanders' television and radio diet.

Good synergies and partnerships will be developed amongst funding bodies, and with broadcasters.

Actual Performance 30 June 2005

TVNZ revised its documentary strategy, with funding approval in October, for a series of 23 documentaries across three strands – **DNZ**, **One Life** and **NZ Stories**. There is provision for four of these documentaries to be Māori projects. One of the nine documentaries contracted to date is a Māori project.

Two out of eight documentaries in the **TV2 Documentary** strand are required to be Māori projects, as is one out of 10 in the **TV2 Documentary Innovation** strand.

Two out of 15 documentaries in the **Inside NZ** strand are also required to be Māori projects. This target has been exceeded with three projects being Māori.

Examples of Māori documentaries within these strands, for which funding has been approved in the 12 months to 30 June are:

- DNA Discoveries
- Dad's Story
- Tame Iti
- New Brighton Road
- Politics & P

During the twelve-month period, funding has been allocated to the following programmes that feature Māori content:

- Korero Time 2004 & 2005
- bro'Town
- Māori Sports Awards
- Mai Time

Funding has also been allocated to 7 x half hour documentaries for **He Matapaki**, a Māori documentary series for TV One.

During the twelve-month period funding was allocated to **Sticky TV 2005** and **Studio 2**, which will both promote Māori language and culture.

National Radio has exceeded this target, having broadcast 373 hours of programmes reflecting Māori language and culture in the year to date.

Upwards of 15% of the music videos funded by NZ On Air during the year, 15% of the tracks on **Kiwi Hit Disc**, and 15% of the New Recording Artists grants will be by Māori artists.

Up to four volumes of **Iwi Hit Disc** will be produced for distribution to every radio station in the country.

NZ On Air, in partnership with Te Māngai Pāho, will fund at least six te reo radio singles that have commercial radio airplay potential.

Quality

Up to two well-attended Māori broadcasting hui will be held during the year in order to survey progress made by NZ On Air in meeting the Māori broadcasting performance targets outlined above.

At least one internal review of the implementation of NZ On Air's Te Rautaki Māori will be conducted.

NZ On Air's audience research will confirm that levels of support for and appreciation of funded Māori programmes are at least maintained, or are improved, using benchmarks established in 2002.

Cost

Total Cost of general mainstream programmes featuring Māori **\$3,700,000**

During the year, 22 of the 150 (15%) music videos funded by NZ On Air and 9 of the 43 (21%) New Recording Artist grants went to Māori artists. Fifteen of the 99 (15%) tracks on the six volumes of **Kiwi Hit Disc** released so far this year are by Māori artists.

Three volumes of the **Iwi Hit Disc** were produced and delivered to radio during the year and at year's end, a fourth was in production.

An evaluation of the success of the Te Reo Radio Hits scheme will be made, based on the first three pilot projects funded in 2004, before the project is developed further. In the meantime, however, Te Reo Radio Hits funding was offered to the act that won the Māori TV **Toru** music talent quest as part of the prize package. The grant will be used to record a te reo radio single for commercial radio.

Actual Performance 30 June 2005

A hui for Māori television producers was held in Auckland in November 2004. Approximately 60 people attended the hui.

Te Rautaki Māori was reviewed in June 2004. A further review will be conducted in 2005.

In 2002, over 50% of respondents (both Māori and non Māori) thought it was important for NZ On Air to fund children's programmes reflecting Māori language and culture, documentaries about Māori people, Māori radio and television in English, drama and comedy made by and about Māori, and Māori radio and television partly in te reo. Over 70% of Māori respondents thought this was important.

In 2004, again over 50% of respondents (both Māori and non Māori) thought it was important for NZ On Air to fund those areas listed above, and over 80% of Māori respondents thought it was important.

Actual Committed Expenditure 30 June 2005

Total Cost of general mainstream programmes featuring Māori (see Note 1) **\$4,801,466**

Note 1 Breakdown of funding for general mainstream programmes featuring Māori as at 30 June 2005.

	Total Funding
Television Programming	\$3,532,106 (a)
Radio	\$1,159,360 (b)
NZ Music Videos	\$110,000 (c)
TOTAL	\$4,801,466

The table above can be explained in more detail by the following notes:

(a) Television Programmes	Funding
Korero Time (2 x 1 hour)	\$100,246
bro'Town (7 x half hour)	\$1,888,750
3 x Māori documentaries INZ XIV	\$285,000
Māori Sports Awards (1 x 1.5 hour)	\$50,465
Mai Time (40 x half hour)	\$732,645
7 x He Matapaki documentaries	\$350,000
1 x Māori documentary TV One	\$95,000
1 x Māori documentary TV2	\$30,000
TOTAL	\$3,532,106

(b) The estimate for Radio is based on 4.6% of the total funding provided to National Radio, as Māori programming occupies 4.6% of programme hours (0.046 * \$21,160,000). This estimate includes Māori programming's proportionate share of the broadcaster's total overall costs for the period (\$973,360).

The estimate also includes funding allocated to two Māori radio programmes – **Paakiwaha** (\$60,000) and **Te Puutake** (\$126,000).

(c) A total of 22 music videos (at a cost of \$5,000 per video) featuring Māori artists were funded during the year.

2.0 ARCHIVES

Objectives

To ensure a diverse range of New Zealand television and radio programmes broadcast today are archived for tomorrow.

To encourage the development of an efficient, cost effective archiving system that minimises duplication, maximises the number of programmes archived and enhances the public access services currently available.

Performance Targets

Quantity

Funding for core archiving services of New Zealand television and radio programmes is provided to achieve –

Outcomes

There is better understanding of the value of archiving by the broadcasting and production industries, encouraging them to ensure programmes and broadcasts are available to be archived.

Public access to archived material and utilisation rates will be improved, both through visits to archives and electronically.

The diversity of television programmes and radio broadcasting is well reflected across the range of material archived.

Actual Performance 30 June 2005

NZ On Air has current funding contracts with both the New Zealand Film Archive and Sound Archives/Ngā Taonga Kōrero.

Service	Television Target Hours (Note 1)	Radio Target Hours	Television Actual Hours	Radio Actual Hours
Selection and acquisition of programmes to be archived	1,190	1,300	1,320	1,816
Preservation of programmes	280	1,700	250	1,307 (Note 2)
Public access to the archived broadcast programmes (Note 3)	-	-	-	-

- Note 1** The television target hours are those which were published in the 2004/2005 Statement of Intent and were yet to be finalised. The final agreed upon targets were 1,320 hours for Selection and acquisition of programmes and 250 hours for Preservation of programmes. Therefore, both targets were achieved.
- Note 2** The preservation hours for radio are below target due to the time taken for the installation and implementation of a new digital archiving tool, which is set to accelerate the future rate of preservation.
- Note 3** Public access to archive material held by either the New Zealand Film Archive or Sound Archives/Ngā Taonga Kōrero is available during these archives' working hours in line with generally accepted archiving procedures.

Quality

An independent archiving consultant will review the six monthly reports provided by the New Zealand Film Archive and Sound Archives/Ngā Taonga Kōrero.

The standards for diversity, preservation, and public accessibility are being achieved.

At least one initiative to achieve better industry outreach is being developed and implemented.

Opportunities for co-ordination and information sharing using new technology to reduce duplications are being identified.

Cost

Total Cost of Archiving

\$1,100,000

Actual Performance 30 June 2005

Archives' reports for the six months to 31 December have been received and independently reviewed. Both Archives were found to be performing well against targets. An issue has been raised with respect to archiving of MTS programming, now that the channel is on air.

The Film Archive report for the six months to 30 June has been received. The archive reports are yet to be reviewed by an independent archiving consultant.

To be monitored and reported against at year-end. Special Projects funding is being used to assist SA/NTK with depreciation costs from the purchase of the Quadriga Digital Archiving System.

NZ On Air coordinated an archiving symposium for stakeholders on 3 November 2004.

One of the main objectives of the archiving symposium was to encourage coordination and information sharing amongst organisations responsible for audio-visual archiving. NZ On Air is currently evaluating possible avenues for better coordination, aiming for some clearer direction in this area by the end of 2005.

Actual Committed Expenditure 30 June 2005

Total Cost of Archiving

\$1,103,650

3.0 TRANSMISSION COVERAGE

TELEVISION TRANSMISSION COVERAGE

Objectives

To be a respected provider of advice as New Zealand makes the transition from analogue to digital transmission.

Cost

Total Cost of Television Transmission Coverage	Nil
--	-----

Actual Committed Expenditure 30 June 2005

Total Cost of Television Transmission Coverage	Nil
--	-----

RADIO TRANSMISSION COVERAGE

Objectives

To encourage the use of NZ On Air's scheme to make a primary-strength community radio service available to every community of 400+ people.

Performance Targets

Quantity

Applications for one-off funding of capital equipment to establish up to three new community radio facilities in areas of 400+ people that are not served by a primary-strength community radio signal will be considered by NZ On Air.

Quality

Where NZ On Air subsidises a community radio service, the broadcaster will make available to the agreed number of potential listeners in the coverage area a signal suitable to provide a field strength of at least 54dBu per metre for FM or 60dBu per metre for MF (AM).

NZ On Air will contract with broadcasters to ensure that community radio services broadcast for 24 hours per day and that the programming includes local news, weather and community information and is capable of carrying local civil defence information in an emergency.

Cost

Total Cost of Radio Transmission Coverage	\$89,500
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Outcomes

That as many New Zealanders as possible will be able to receive a community radio service.

Achieved.

Achieved.

Actual Committed Expenditure 30 June 2005

Total Cost of Radio Transmission Coverage	Nil
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4.0 STATEMENT OF MANAGEMENT PROCEDURES

FUNDING ALLOCATION PROCESS

Objectives

To be a cost-effective, efficient agency that administers public funding wisely and well, for the provision of broadcasting services to Government and the New Zealand public as required by the Broadcasting Act.

To define and give effect to a clear role for NZ On Air within a changing broadcasting environment, consistent with the Broadcasting Act, and reflected in relationships with key stakeholders.

Description of Actions

During the year, NZ On Air will continue to allocate funds for the production of radio and television broadcasts and programmes which reflect New Zealand identity and culture, Māori broadcasting, for special interest audiences (Section 36(c) of the Act), New Zealand music, archiving broadcasts of historical interest, teletext subtitles, and where necessary, ensure the availability of radio transmission to areas which would not otherwise receive a commercially viable signal.

The funding allocation process involves:

- determining priorities for allocating funds to meet audience needs in relation to NZ On Air’s statutory responsibilities;
- making funding allocation decisions;
- contracting with broadcasting service providers; and
- monitoring contract compliance.

Management Procedures

NZ On Air seeks to apply principles of consistency, fairness and transparency in the allocation and monitoring of funding for broadcasting. In order to achieve this, the following actions are taken:

All complete funding applications received by NZ On Air by its published deadlines, will be considered by the Board within one month following the deadline.

All funding decisions will be made by NZ On Air’s Board in accordance with the provisions of the Broadcasting Act, any directions issued by the Minister of Broadcasting and NZ On Air’s current policies (as outlined in the funding guidelines available to the public).

NZ On Air will communicate funding decisions by letter to applicants as soon as practicable and by press releases where appropriate to the general public.

NZ On Air will enter into funding contracts with service providers to obtain a range of broadcasting services.

Actual Performance 30 June 2005

Achieved.

Achieved.

Achieved. NZ On Air’s policies were summarised in the 5-year plan published on 30 July 2003, are regularly reviewed and updated, and may be viewed on NZ On Air’s website.

Achieved. Funding allocations are published on NZ On Air’s website and funding recipients are notified soon after decisions are made.

Achieved. See table over.

Broadcasting Services (Note 1)	Expected Number of New Funding Contracts for 2004/2005	Actual Number of New Funding Contracts as at 30 June 2005
Television	150	136
Radio	15	21
Commercial Radio Programmes	9	11
Transmission Coverage	1	1
New Zealand Music	244	238
Archiving	1	1
Total	420	408

Note 1 The table above indicates the volume of work that is undertaken by NZ On Air in preparing funding contracts. The complexity of the funding contracts will vary across the range of broadcasting services.

All funding contract requirements will be monitored and reviewed by NZ On Air on a regular basis from the time of signing the contracts to service delivery.

NZ On Air will undertake financial health checks of funding recipients, where necessary or requested by the production entity, in order to ensure minimum accounting and financial reporting standards are in place in respect of funded programmes.

NZ On Air will audit a random selection of funding recipients throughout 2004/2005 to ensure that these service providers attain specified standards of performance and account for the use of the funds.

Risk Management

NZ On Air regularly reviews and where necessary updates its various risk management (e.g. IT policy, Treasury policy, disaster recovery, delegations & payment authorities, and conflict of interest) and human resource (e.g. health and safety, and code of conduct/conditions of employment) policies and strategies.

The work plan developed by NZ On Air's audit committee for 2003-2005 will continue to be implemented during the year. Major risk areas to be audited in 2004/2005 include:

- Funding recipient compliance audits
- Reliability of NZ On Air decision-making
- Appropriateness of NZ On Air funding methods
- NZ On Air financial systems and internal controls

Achieved.

Achieved. There were thirteen financial health checks conducted during the twelve months to 30 June 2005.

Achieved. There were 16 funding recipient audits completed during the twelve months to 30 June 2005.

All policies were reviewed and updated in June 2005.

Achieved. The following audits were completed during the twelve months to 30 June 2005:

- 2 Radio Hits
- 3 Music Videos
- 3 New Recordings
- 2 Phase IV Albums
- 6 Television Funding Recipients

- Statutory compliance
- Governance controls
- Environmental risks

A risk management framework, developed in early 2003, will be regularly reviewed and updated. High-risk areas are reviewed by the Board four-monthly.

Policies for management of stress and management of harassment were adopted in 2003.

Human Resources

The broadcasting industry is substantially based in Auckland. This means that many of NZ On Air’s working relationships, with the television, radio and music production and broadcasting industry must be maintained in Auckland, while the agency is based in Wellington. Within the music sector, NZ On Air has contracted a team of pluggers, or music promotions people, who are based in Auckland. Since May 2004, the appointment of an Auckland-based Client Relations Manager has extended this presence to other areas of our activity.

In Wellington, NZ On Air will maintain the current staff complement, and will focus on maintaining and improving relationships with Government, related funding agencies and production and broadcasting representatives based in the capital.

- A review of NZ On Air’s Radio and Music Funding policies and guidelines.
- A review of a number of NZ On Air’s operational/financial policies and procedures

The risk management framework was reviewed and updated by the Board at the October 2004 meeting. A strategic risk management framework is in development.

Achieved.

Achieved. A review of the Television function was conducted in the first quarter of 2005, and has resulted in a more streamlined structure.

COMMUNICATIONS AND CONSULTATION

Objectives

To lead the way in consulting and communicating effectively.

To develop and publish a body of high quality, relevant research that increases the knowledge and expertise of NZ On Air and the wider broadcasting sector, assists with the formulation of funding policy, and helps inform Government policy-making.

To define and give effect to a clear role for NZ On Air within a changing broadcasting environment, consistent with the Broadcasting Act, and reflected in relationships with key stakeholders.

Description of Actions

Communications

NZ On Air will institute an effective two-way communication process with stakeholders, so that there is a high level of understanding of and support for public service broadcasting by –

Publishing a regular newsletter reporting on the full range of NZ On Air's activities.

Organising and conducting relevant symposia on broadcasting issues.

Maintaining an up-to-date user-friendly web site.

Organising and conducting presentations of national and international research project results for targeted audiences.

Reporting

NZ On Air will provide information to Government, related Crown entities, industry representatives and the wider public by –

Publishing NZ On Air's Statement of Intent (SOI) for tabling in Parliament and for issue to the public at the beginning of the financial year.

Publishing any new NZ On Air funding policies and guidelines within one month of adoption and circulating them to all interested groups.

Actual Performance 30 June 2005

Achieved. The newsletter provides news across all sections of NZ On Air's business and is now distributed primarily by email.

NZ On Air organised a disabilities symposium in July 2004. A drama consultation for key industry players was held in October 2004.

NZ On Air convened an Archiving Symposium in November 2004.

NZ On Air convened a comedy symposium for key industry players in March 2005.

The website was upgraded in August 2004, making it more accessible, easily searchable and user-friendly. Feedback from a 360 degree stakeholder survey in late 2004 was positive.

The annual Public Information Monitor and research into audience drama and comedy attitudes were released in the final quarter of 2004.

Achieved. The SOI was tabled on 12 July 2004. Immediately afterwards, NZ On Air held briefing sessions with stakeholders in Auckland, Wellington and Christchurch.

In the year to 30 June, the new Springboard initiative for television production companies, new standard contract terms for television productions, and amendments to music videos and new recording grants were published and circulated within one month of adoption.

Communicating NZ On Air funding decisions in writing to applicants and by press releases to the general public.

Publishing NZ On Air's Annual Report within three-months of the end of the financial year.

Providing quarterly reports to the Minister of Broadcasting.

Research and Consultation

The research programme in 2004/2005 will be based on the following activities –

Daily TV programme ratings; and Topline metropolitan and provincial radio audience survey data; and

Annual surveys commissioned by Radio New Zealand to gauge audience levels and satisfaction with National Radio and Concert FM.

Specific research to be commissioned will include: Public Opinion and Information Monitor (quantitative study).

Local Content Survey for 2004 (quantitative study)

Comedy and drama programming, audiences views and preferences (focus group and symposium).

Analysis of the digital environment, and implications for public broadcasting.

Archiving symposium (to follow the independent review of archiving completed in mid-2003).

Report on options for providing radio services for Pacific Peoples and other ethnic minorities in the community.

NZ On Air will continue to monitor the development of the broadcasting environment, and where necessary, modify policies to provide for any changes in the environment.

Cost

Total Cost of Administration \$2,450,000

Achieved.

This was delayed pending an investigation by the Office of the Auditor General into NZ On Air's funding of NZ Idol. The Annual Report was published in November.

Achieved.

On going.

Radio New Zealand conducts annual research. The most recent results are summarised in the radio section of this report.

The results of the Public Opinion and Information Monitor 2004 were released in October 2004.

The Local Content Survey was published in May 2005. Local content figures were similar to those reported for 2003.

Focus group research into radio and television drama and comedy completed in 2004 was used to inform a NZ On Air symposium on comedy held in March.

This project commenced in the last quarter of 2004, and as a result, NZ On Air Chief Executive Jo Tyndall has taken up a secondment at the Ministry for Culture & Heritage as Director, Digital Broadcasting Strategy to progress digital broadcasting issues.

An Archiving Symposium was held at the NZ Film Archive in Wellington on 3 November 2004.

A report compiled by Brian Pauling was completed in October 2004. As a result, NZ On Air has rescinded its ethnic radio policy and is developing new policies in the area of radio services for ethnic minorities. Funding under these new policies is expected to be available in 2006.

Drama funding issues are being monitored. An industry consultation was held in October 2004, and considered implications for NZ On Air's published drama strategy. Issues such as changes in the international market and increased cost of production are being addressed in wider groups (e.g. Television Local Content and Screen Coordination Group).

Actual Committed Expenditure 30 June 2005

Total Cost of Administration \$2,449,540

Audit Report

To the readers of New Zealand On Air's Financial Statements for the year ended 30 June 2005

The Auditor-General is the auditor of New Zealand On Air. The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of New Zealand On Air, on his behalf, for the year ended 30 June 2005.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Unqualified opinion

In our opinion the financial statements of New Zealand On Air on pages 13 to 46:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - New Zealand On Air's financial position as at 30 June 2005;
 - the results of its operations and cash flows for the year ended on that date;
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 28 September 2005, and this is the date at which our opinion is expressed.

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

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the board
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of New Zealand On Air as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Board's responsibilities arise from the Public Finance Act 1989 and the Broadcasting Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

Ajay Sharma

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

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of New Zealand On Air for the year ended 30 June 2005 included on New Zealand On Air's web-site. The organisation is responsible for the maintenance and integrity of New Zealand On Air's web site. We have not been engaged to report on the integrity of New Zealand On Air's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 September 2005 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Historical Television Statistics

six year comparison

	2005	2004	2003	2002	2001	2000
By Producer						
TVNZ	9%	11%	15%	15%	17%	21%
TV3	0%	1%	0%	0%	4%	2%
Independent Producers	91%	88%	85%	85%	79%	77%
	100%	100%	100%	100%	100%	100%
By Broadcaster						
TVNZ	74%	75%	80%	80%	72%	73%
TV3	20%	25%	20%	20%	28%	27%
Prime	6%	-	-	-	-	-
	100%	100%	100%	100%	100%	100%
Programme type/Hours funded						
Drama/Comedy/Children's drama	103.5	115	108	109	122	73
Documentaries/Information/Innovation	106.5	157.5	109	116	139	120
Children/Young people	395.0	382.5	436	372	325	370
Special Interest	419.5	445.5	298	282	312	261
	1,024.5	1,100.5	951	879	898	824



Television Programmes

funded during the year ended 30 June 2005



Annual Report
v2004-05

PROGRAMME	Broadcaster	Producer	Episodes & Duration	NZ On Air funding \$	% of cost
▼ Drama					
An Unlikely War	TV3	Condor Films	1 x 2 hour	1,165,000	
Drama production	TV2	TBC	13 x 1 hour	5,326,381	
Orange Roughies I	TV ONE	Screenworks Roughies	7 x 1 hour	3,118,592	
Insiders Guide To Love	TV2	Gibson Group	7 x 1 hour	2,952,000	
Interrogation	PRIME	South Pacific Pictures	13 x 1 hour	2,938,300	
Jimmy Costello	PRIME	Tin Shack Films	1 x 2 hour	300,000	
Outrageous Fortune additional	TV3	South Pacific Pictures		346,945	
Signature drama	TV ONE	Various	2 x 1.5 hour	750,000	
The Doves Of War additional	TV3	Screenworks	1 x 1 hour	450,000	
The Market	TV2	Isola Productions	13 x half hour	1,743,525	
Total Drama			54.5 hours	19,090,743	66%
▼ Children's Drama					
Children's Drama	TV2	TBC	22 x half hour	2,500,632	
Maddigan's Quest additional	TV3	South Pacific Pictures		730,000	
Secret Agent Men II (2nd tranche)	TV3	Greenstone Pictures	3 x half hour	606,201	
The Killian Curse	TV2	Flow Productions	7 x half hour	963,167	
Total Children's Drama			16 hours	4,800,000	67%
▼ Comedy					
Big Comedy Gala 2005	TV2	Satellite Media	1 x 1.5 hour	100,000	
bro' Town 2	TV3	Firehorse Films/bro'Town Productions	7 x half hour	1,888,750	
Eating Media Lunch 3	TV2	Great Southern Television	6 x half hour	256,236	
Eating Media Lunch 4	TV2	Great Southern Television	6 x half hour	203,086	
Facelift 2	TV ONE	Gibson Group	7 x half hour	1,260,000	
Moon TV 2	TV2	Moon Enterprises	6 x half hour	112,000	
Pop! Goes The Weasel 2	TV3	The Down Low Concept	12 x half hour	175,015	
Pop! Goes The Weasel	TV3	The Down Low Concept	12 x half hour	127,755	
Seven Periods With Mr Gormsby	TV ONE	Direct Hit Productions	7 x half hour	1,074,275	
Total Comedy			33 hours	5,197,117	74%
▼ Documentary					
A Question Of Justice additional	TV ONE	Red Sky Film & Television		6,980	
Coroner's Inquest	TV ONE	Ninox Television	3 x 1 hour	284,350	
Country Calendar 2005	TV ONE	Television New Zealand	13 x half hour	200,000	
Extraordinary Kiwis	PRIME	Execam TV & Video Production	6 x half hour	105,408	
High Times	TV3	Isola Productions	3 x 1 hour	336,961	
From Graham To Grace	TV ONE	The TV Set	1 x 1 hour	160,301	
From Len Lye To Gollum additional	TV ONE	Cobalt VFX		1,950	
Give It Another Whirl	TV ONE	Television New Zealand	6 x 1 hour	600,000	
War Stories	TV ONE	Gibson Group	7 x half hour	366,625	
Hidden In The Numbers	TV ONE	Razor Films	3 x 1 hour	363,000	
In The Wake Of The Rainbow Warriar	TV ONE	Screenetime	1 x 1.5 hour	157,648	
Keegan Turns Five	TV3	Greenstone Pictures	1 x 1 hour	104,062	
Leo's Pride	TV ONE	Gibson Group	1 x 1.5 hour	190,000	
Money Matters	TV3	Cream TV	10 x half hour	343,813	
NZ's Top 100 History Makers	PRIME	Visionary Film & TV	4 x 1 hour	400,000	
Offerings To The Gods Of Speed	TV ONE	Taylormade	1 x 1.5 hour	110,000	
Sheilas 28 Years On additional	TV ONE	Occasional Productions		4,250	
The Big Experiment	TV ONE	Rogue Productions	4 x 1 hour	139,509	
The House Trap	TV3	Top Shelf Productions	3 x 1 hour	302,890	

Continues ▶

PROGRAMME	Broadcaster	Producer	Episodes & Duration	NZ On Air funding \$	% of cost
The Middle-Earth Connection	TV ONE	Connected Media Trust	3 x half hour	39,989	
The Piano Man	TV ONE	Third Party Productions	1 x 1.5 hour	200,000	
TV2 Documentary Strand Series III	TV2	Various	8 x 1 hour	760,000	
Wahine Toa Tama Toa	TV3	TV3	4 x 1 hour	287,776	
▼ TV ONE Documentaries Series VIII	TV ONE		23 x 1 hour		
Can't Reed Can't Rite		Tumanako Productions		84,992	
Dad's Story		Livingstone Productions		114,481	
Deeply Depressed		Southern Screen Productions		94,958	
Boys Go Bush		RSVP Productions		83,180	
Finding a Future For Nicolette		RSVP Productions		109,046	
Gone Tropo - Pakeha Papa'a		Kenzo & Associates		110,756	
Mercury Falling		ScreenTime		85,000	
Mystery Of Dyslexia		Visionary Film & TV		70,810	
Stranded		The TV Set		104,342	
To Walk Again		Livingstone Productions		81,610	
Touch Wood		Production Line		88,087	
Shadze Of Brown		Harker Lee-Lewis Films		84,762	
Young, Free & Very Well-Behaved		Greenstone Pictures		95,000	
Unallocated funding as at 30 June				977,976	
▼ Inside New Zealand Series XIV	TV3		15 x 1 hour		
Access Denied		The TV Set		134,396	
Baby Charlotte		Greenstone Pictures		85,640	
Big 3		Greenstone Pictures		104,001	
DNA Discoveries		George Andrews Productions		144,955	
Leaving The Exclusive Brethren		Top Shelf Productions		84,093	
Loan Sharks		Top Shelf Productions		81,646	
New Brighton Road		Blue Bach Productions		87,957	
Nine Lives		Imotion		88,840	
Pecking Order		Trilogy Productions		93,329	
Politics & P		Trilogy Productions		87,826	
Rescue Of Iani Lingurar		The TV Set		112,235	
Schizophrenia		Red Sky Film & Television		72,970	
Sperm Wars		Top Shelf Productions		92,788	
The Office		Greenstone Pictures		84,719	
Watching You		FM TV		87,800	
War Of The Words		Sticky Pictures		84,991	
Less transferred from previous series				-110,120	
Unallocated at 30 June				6,934	
Total Documentary			103.5 hours	9,075,512	62%
▼ Children & Young Persons					
Adventures Of Massey Ferguson 2	TV2	Traction Inc 2	13 x 5 min	343,980	
Jandals Away	TV2	Quick TV	8 x half hour	442,930	
Let's Get Inventin' additional	TV2	Republic TV		121,584	
Mai Time 2005	TV2	Television New Zealand	40 x half hour	732,645	
Smokefree Rockquest 2005	TV2	ScreenTime	1 x 1 hour	100,425	
Squirt Series 10	TV2	TaylorMade Media	40 x half hour	1,250,200	
Stage Challenge 2005	TV2	Whitebait Productions	8 x half hour	289,500	
Staines Down Drains additional	TV2	Traction Inc		200,000	
Sticky TV 2005	TV3	Pickled Possum Productions	235 x half hour	1,659,020	
Studio 2 2005	TV2	Television New Zealand	200 x half hour	1,658,088	
The Go Show 1	TV2	Pickled Possum Productions	75 x half hour	1,251,430	
The Go Show 2 (1st tranche)	TV2	Pickled Possum Productions	16 x half hour	243,971	
Wannabes 2005	TV2	Whitebait Productions	1 x 1.5 hour	543,441	
What Now 2005	TV2	What Now	40 x 2 hour	2,500,000	
Total Children & Young Persons			395 hours	11,337,213	85%
▼ Arts, Culture & Performance					
Blood Harmony: The Finn Brothers	TV2	Satellite Media	1 x 1 hour	50,000	
Frontseat I	TV ONE	Gibson Group	23 x half hour	888,000	
Frontseat II	TV ONE	Gibson Group	16 x half hour	608,000	
Goldenhorse With The NZSO	TV ONE	C4 Productions	1 x 1 hour	161,642	

Continues ▶



PROGRAMME	Broadcaster	Producer	Episodes & Duration	NZ On Air funding \$	% of cost
John Rowles In Concert	TV ONE	C4 Productions	1 x 1.5 hour	150,000	
Play It Strange	TV2	Isola Productions	1 x 1 hour	64,931	
The Living Room 3	TV3	Sticky Pictures	10 x half hour	409,986	
Top Of The Pops	TV2	Satellite Media	192 x 1 hour	800,000	
TV2 Christmas From St Matthews	TV2	C4 Productions	1 x 1 hour	128,516	
Westfield Style Pasifika 2005	TV ONE	Drum Productions	1 x 1 hour	106,329	
Total Arts, Culture & Performance			223 hours	3,261,076	60%
▼ Innovation					
The Pretender	TV3	Great Southern Television	6 x half hour	543,378	
Total Innovation			3 hours	543,378	86%
▼ Special Interest					
Anzac Day Ceremony 2005	TV ONE	Television New Zealand	1 x 1 hour	31,304	
Asia Down Under 2005	TV ONE	Asia Vision	40 x half hour	1,119,160	
Attitude	TV ONE	RSVP Productions	40 x half hour	1,203,704	
Captioning		Television New Zealand	65 x 1 hour	1,570,000	
Kiwifruit	TV2	Cream TV	10 x half hour	350,000	
Korero Time 2004	TV2	Front Of The Box Productions	2 x 1 hour	49,891	
Korero Time 2005	TV2	Front Of The Box Productions	2 x 1 hour	50,355	
Maori Sports Awards 2004	TV ONE	Television New Zealand	1 x 1.5 hour	50,465	
Open Door 6	TV3	Morningside Productions	10 x half hour	302,621	
Pacific Beat Street 1	TV3	Drum Productions	10 x half hour	409,978	
Pacific Beat Street 2	TV3	Drum Productions	12 x half hour	444,858	
Pasifika 2005	TV2	Front Of The Box Productions	1 x 1 hour	79,937	
Polyfest - ASB Festival	TV2	Television New Zealand	5 x half hour	180,223	
Praise Be 2005	TV ONE	Television New Zealand	47 x half hour	654,175	
Queer Nation XI	TV2	Livingstone Productions	10 x half hour	270,842	
Tagata Pasifika 2005	TV ONE	Television New Zealand	52 x half hour	1,280,000	
The Outhouse	TV2	Imagination TV	10 x half hour	350,000	
Young Farmer Contest 2005	TV ONE	Dexterity Productions	1 x 1 hour	100,428	
Total Special Interest			196.5 hours	8,497,941	97%
▼ Development					
A Way Of Life	TV ONE	South Pacific Pictures		25,500	
Amazing Extraordinary Friends	TV2	Greenstone Pictures		15,500	
An Unlikely War	TV3	Condor Films		35,000	
Biff & Chuck	TV2	Production Line		5,000	
Burnout	TV2	Isola Productions		30,000	
Ducks & Geese	TV2	Gibson Group		31,000	
Humourbeast Theatre	TV3	Firehorse Films		7,500	
Insiders Guide To Love	TV2	Gibson Group		23,000	
Interrogation additional	PRIME	South Pacific Pictures		26,500	
Karaoke High	TV2	Big House		25,700	
Loose As	TV ONE	Gibson Group		20,000	
Mallies (Comedy Symposium winner)	TV3	James Kennerley		10,000	
Naked Samoans Go Home	TV2	Direct Hit Productions		19,000	
Orange Roughies	TV ONE	Screenworks		25,000	
Seven More Periods With Mr Gormsby	TV ONE	Direct Hit Productions		17,900	
Signature Television	TV ONE	Various		85,000	
Stayhome Donuthin'	TV2	Flux Animation Studio		5,000	
The Killian Curse	TV2	Television New Zealand		50,000	
Tommy Love	PRIME	Major Tom Productions		35,000	
▼ Springboard					
Great Southern Television		Great Southern Television		50,000	
Republic TV		Republic TV		50,000	
Spacific Films		Spacific Films		35,000	
Balance unallocated at 30 June				15,000	
Total Development				641,600	
Grand Total			1024.5 hours	62,550,909	

Radio Programmes

funded during the year ended 30 June 2005

Programme	Producer	NZ On Air funding \$
Small World	Lorna Plant	100,435
Pop! Goes The Weasel	the downlowconcept	45,000
Te Puutake	Stretchmarks Productions	126,970
Upload	BaseTwo	58,000
Scrubcutter	Christian Broadcasting Association	50,000
Christmas 2004	Christian Broadcasting Association	10,800
Easter 2005	Christian Broadcasting Association	10,000
Paakiwaha	UMA Broadcasting	60,000
The Late Night Adventures Of Vernon & Miles	the downlowconcept	59,800
Thane	the downlowconcept	32,165
That's The Story	Loudmouth Productions	100,880
Total Radio Programmes		654,050

NZ Music Projects

funded during the year ended 30 June 2005



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▼ MUSIC VIDEOS / NZ On Air funding of up to \$5,000 each			
Song	Artist	Song	Artist
Home By 2	48May	Exhale	Foamy Ed
So Lonely	Bleeders	So Beautiful	Friends From Sweden
As I Fall	Aerial	Good To See You Again	Heavy Jones Trio
Hear The People	The Exiles	Rolling	3 The Hard Way
Su'Amalie (Ain't Mad At You)	Tha Feelstyle	In Between	Sommerset
Swing	Savage	Miles Away	Rhian Sheehan
Opium Of The People	The Mint Chicks		featuring Paul McLaney
Free	Heavy Jones Trio	Star Shingle	Nephew
No Reason Why	Mo'Reece	Got Me On My Knees	Polly Prior
Lock & Load	Baitercell & Schumacher	Time After Time	Redline
Over You	4Eulogi	Dragged Along	Stylus 77
West	Lucid 3	Beat 2 Beat	Saccie
Nobody Knows	Niki Ahu	The Fear	the feelers
Models	The Fanatics	Break U Off	4th Element
Never Know	Flow On Show	Suburbia Streets	Fast Crew
Perfect Lullaby	Marvey King	Wire	Strawpeople
Rising, Falling, Rising	SJD	If You Love	Savage
Long Time Dead	The Unusuals	Easy	P-Money featuring Sauce Money
Without You	Brooke Fraser	Yours Truly	Blindspott
Love My Way	Strawpeople	The Other Side	Breaks Co-Op
Too Hard	Tadpole	It's Been So Long	Greg Johnson
Come To Nothing	Evermore	On & On	Steriogram
Enemy	Fur Patrol	Radio Crimes	Pluto
Up On Your Heels	The Accelerants	Damn The River	The Phoenix Foundation
Freak In The Club	JCK	I Don't Want To Grow Old	The Mint Chicks
Tokyo	Pine	Heading For The Ground	Gasoline Cowboy
Fall Apart	eight	I Just Want To Have Your Baby	Shaft
TV	The Fanatics	Ghetto Princess	Nytemare
Sunshine	Alphrisk	I Got You Back	Katchafire
Stop The Music	P-Money featuring Scribe	Nevertheless	Mumsdollar
Go	Steriogram	The Wild Son	The Veils
Sake Bomb	The D4	Out Of The Moon	Goldenhorse
Going Away	Goodnight Nurse	Levitate	Opshop
To Tha Floor!	Dei Hamo	Welcome Home	Dave Dobbyn
Faded	Sommerset	Each & Everyday	Gramsci
Angel Eyes	Salisha Taylor	Chemical Madness	Misfits Of Science
Infinite Boxes	Lazrus	Together	Rhombus
Birds & Gulls	betchadupa	Take A Girl	Stellar
Jack The Ripper	Deja Voodoo	All The Time	Ben Novak
Homeland	No Artificial Flavours	What You Heard	The Checks
Baby Gone Bye Bye	Bennett	Slide	Mark de Clive-Lowe
Rainbow	Katchafire	Yesterday	Tadpole
Find Out	Incursa	Forget Myself	Donald Reid
The Witness	SJD	Guess Who's Here	Alphrisk
Being	Opshop	Mercy	Salmonella Dub
I Hate Guns	Minuit	Wonder	Break Co-Op
Man For All Seasons	Concord Dawn	Trevor Sue Me	Blindspott
In The Morning	Anika Moa	Lollipop	King Kapisi
It Sure Seems A Long Way Down	Bryan Bell	All In An Afternoon	The Phoenix Foundation
Resurrect Jim	Red Drum	Feel It, Like It	The D4
Fall To Earth	Gramsci	Take It, I Don't Want It	The Mint Chicks
NZ To The BK	Del Rey System	This Is My Life	Dei Hamo
Like That	Definite & Bling	Down To The Bone	Sommerset
Buddy	The Fanatics	Gimme	Baitercell & Schumacher
You Buried Me Alive	Duchess	Stop Holding Us Back	Bennett
Feels Like Forever	Tha Feelstyle	Reminisce	Korza
	featuring Camillia Temple	Downlow	4 Corners
Into The Sun	48May	Southern Lights	SJD
Sweet Love	Autozamm	Don't Wake Me Up	Goldenhorse
What I Want	The D4	Long White Cross	Pluto
Fight The Golden Youth	The Mint Chicks	Pour The Wine	Dave Dobbyn

Continues ▶

Song	Artist	Song	Artist
All The Time In The World	Gramsci	Fallacy	Pearl
How Good Does It Feel	Michael Murphy	U By My Side	4Eulogi
Fuji	Minuit	Morning Light	Luke Thompson
Five Minutes With You	The New Trends	When I Had You	Niki Ahu
Dreams Call Out To Me	Evermore	Thin Line	Chong Nee
Stand Up	the feelers	Lightwork	Che Fu
Bone 2 Pick	NDVJ	Mile High	Rhombus
Set The Record Straight	Fast Crew	Jimmy Smith Style	The Fat Monks
My Love Is Blue	The Boxcar Guitars	You're Not Going To Get Me That Way	The Pits
They Don't Know	Savage featuring Aaradhna	Creature Of The Night	The Rock'n'Roll Machine
Breathe With Me	Frontline	11:57	Elemeno P
So Radiate	Carly Binding	Out Of Time	Bleeders
Failing To See	Foamy Ed	Let It Go	Vickie Evans
Saturday Night	Heavy Jones Trio	Lookin' At U	The Accelerants
Don't Worry	Autozamm	Mutha Mutha	Rubicon
Total Music Videos			\$749,900
▼ RADIO PROGRAMMES			
Programme	Producer	NZ On Air funding \$	
95bFM (Auckland)		127,000	
The Most FM (New Plymouth)		45,000	
Radio Control (Palmerston North)		45,000	
Active 89FM (Wellington)		68,950	
98RDU (Christchurch)		60,500	
Radio One (Dunedin)		49,000	
Off The Record (The Rock)	The Rock FM	50,000	
Homegrown (Radio Rhema)	Rhema Broadcating Group	12,000	
un-chart-ed (b.net)	Base2	55,465	
The Word (ZM)	Player Down Productions	49,920	
The Slab (The Edge)	The Edge	36,000	
Keeping It Kiwi (Various)	P C Brain	75,000	
NZ Music Revolution (More FM)	More FM	8,320	
Live NZ Music Features (Kiwi)	Kiwi	45,000	
Total Radio Programmes: NZ Music			727,155
▼ RADIO HITS / NZ On Air funding of up to \$5,000 each			
Song	Artist	Song	Artist
They Can't Take That Away	Ben Lummis	Kiss Me	Greg Johnson
How Deep Is Your Love	Adeaze	Without You	Brooke Fraser
Save Yourself	Greg Johnson	So Damn Beautiful	Michael Murphy
Beers	Deja Voodoo	Beach (Follow Me)	Phil Madsen
Blacken My Thumb	The Datsuns	Sunshine	Alphrisk featuring Adeaze
Arithmetic	Brooke Fraser	The Other Side	Breaks Co-Op
Getting Stronger	Adeaze featuring Aaradhna	Swing	Savage
So Nice	Scribe	Music Without A Song	Michael Murphy
We Gon' Ride	Dei Hamo	To Tha Floor	Dei Hamo
Today, Tomorrow, Timaru	Deja Voodoo	Moonshine	Savage
Total Radio Hits			\$100,000

▼ HIT DISCS		NZ On Air funding \$
Kiwi Hit Disc		55,247
Iwi Hit Disc		13,500
Indie Hit Disc		46,540
Total Hit Discs		115,287
▼ NZ MUSIC PROMOTION		NZ On Air funding \$
Advertising in key music and radio industry publications		14,373
NZ Music Month		5,000
Fresh Air in Median Strip		28,800
Total Music Promotion		48,173

PHASE FOUR NZ MUSIC PLAN

▼ MORE PLUGGER POWER		NZ On Air funding \$	
Pluggers			229,358
Pluggger Support & Promotions			134,281
Total More Plugger Power			363,639
▼ MORE MUSIC TELEVISION		NZ On Air funding \$	
C4 Music Channel			400,000
Juice (NZOwn)			100,000
Total More Music Television			500,000
▼ MAKING & MARKETING: Albums			
Artist	NZ On Air funding \$	Artist	NZ On Air funding \$
Tadpole	50,000	Greg Johnson	50,000
The Have	50,000	The Black Seeds	50,000
Fast Crew	50,000	Misfits Of Science	50,000
Adeaze	50,000	Amber Claire	50,000
Mareko	50,000	Autozamm	50,000
48May	50,000	the feelers	50,000
Shihad	50,000	Ill Semantics	50,000
Dimmer	50,000	Goodnight Nurse	50,000
Bleeders	50,000	Nathan King	50,000
Concord Dawn	50,000		
Total Making & Marketing: Albums			950,000

▼ NEW RECORDING ARTISTS / NZ On Air funding of up to \$5,000 each			
Song	Artist	Song	Artist
Baby Gone Bye Bye	Bennett	Miss Elleneous (U By My Side)	4Eulogi
So Beautiful	Friends From Sweden	I'm A Fighter	Aaradhna
Heading For The Ground	Gasoline Cowboy	Failing To See	Foamy Ed
Infinite Boxes	Lazrus	(Move Together) Feel	Hassanah
Nevertheless	Mumsdollar	Reminisce	Korza
Star Shingle	Nephew	Jimmy	Jesse Liddle
Ghetto Princess	Nytemare	All The Time	Ben Novak
Dragged Along	Stylus 77	Change My Mind	Stereocast
I Saw An Angel	Salisha Taylor	Lookin' At U	The Accelerants
My Love Is Blue	The Boxcar Guitars	You're Not Gonna Get Me That Way	The Pits
Jimmy Smith Style	The Fat Monks	Creature Of The Night	The Rock'n'Roll Machine
Find Out	Incursa	Sweet Heaven Sent	Bemuzed
On The Down Low	4 Corners	Scenarios	Chong Nee
When I Had You	Niki Ahu	Rescue Us	Jamie Gray
First Round	Dark Harmony Regime	Deep For You	Kimbra
Let It Go	Vickie Evans	Get Back Home	Kiri
Splinter	Falter	Te Atawhai	Sophie Moleta
Bone 2 Pick	NDVJ	Diamond Ring	Ronmark featuring Hemz
Time After Time	Redline	Butter Boys	The Checks
All In An Afternoon	The Phoenix Foundation	Carry On!	The Rabble
Suck	The Sneaks	Lack Of Conviction	The Valves
These Strands Of Morning Light	Luke Thompson		
Total New Recording Artists			\$214,800
▼ TE REO RADIO HITS			NZ On Air funding \$
MTS Toru Māori music talent quest winner			5,000
Total Te Reo Radio Hits			5,000
▼ RADIO REMIX PROJECTS / NZ On Air funding of up to \$1,000 each			
Song	Artist	Song	Artist
Preachin' To My Baby	The Artistry	Feels Like Forever	Tha Feelstyle
It's Our Party	Fou Nature		featuring Camillia Temple
Su'Amalie	Tha Feelstyle	Yours Truly	Blindspott
Total Radio Remix Projects			\$5,000

PHASE FIVE NZ MUSIC PLAN

▼ INTERNATIONAL PROMOTION		NZ On Air funding \$
Samplers		87,500
Tastemakers		75,000
Representation		115,000
Trade Magazines		52,500
Radio Shows		55,000
Management		40,000
Total Phase Five International Promotion Plan		425,000

Directory



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NZ On Air

local content

▼ Members		
▶ Don Hunn	of Otaki	Chairman
Judy Callingham	of Auckland	Deputy Chair
James Coleman	of Auckland	
Gaylene Preston	of Wellington	
Edie Moke	of Rangiora	
Paul Smith	of Auckland	
▼ Staff		
▶ Jo Tyndall	Chief Executive (seconded to Ministry for Culture & Heritage)	
Bernard Duncan	Acting Chief Executive, Radio & Public Affairs Manager	
Neil Cairns	Television Manager (until February 2005)	
Brendan Smyth	NZ Music Manager	
Elizabeth Morrison	Finance & Administration Manager	
Sally Courché	Deputy Television Manager (on parental leave)	
Shona Geary	Policy & Research Manager (from April 2005)	
Antony Shaw	Manager, Project & Financial Analysis (until April 2005)	
Simon Ball	Manager Project & Financial Analysis (from April 2005)	
Kathryn Quirk	Client Relations Manager (Auckland)	
Alicia Sutton	Client Relations & Contracts Manager	
Robyn Andrews	Personal Assistant	
Anita Roberts	Personal Assistant	
Teresa Tito	Executive Assistant Television	
Trish Cross	Receptionist (Shared with Broadcasting Standards Authority)	
Christine Westwood	Administration Assistant (Part-time)	
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