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David Beatson  
Chairman, NZ On Air

# chairman's overview

NZ On Air has passed through a year of major change. It has met the challenges created by the phase-out of the Public Broadcasting Fee and the organisation's transition to direct Crown funding, and it has continued to function as a core element of the public broadcasting system, while other significant broadcasting policy developments have been considered.

The Government progressed its major review of broadcasting policy throughout 2000/2001. Significant developments included the publication of a Charter for TVNZ, the decision to restructure the State broadcaster as a Crown-owned Company and the announcement of a new Maori television service. The implementation of all these changes is set for July 2002.

In the pipeline are further decisions, relating to local content obligations for television and radio broadcasters, the review of Radio New Zealand's Charter, as well as funding levels and delivery mechanisms.

Pending final decisions on these matters, and the implementation of those already taken, NZ On Air has operated on the principle that it must continue to conduct "business as usual" - allocating funding on an independent and contestable basis to ensure a diverse range of programmes and broadcasts is delivered to meet the needs of New Zealand audiences as citizens, not simply as consumers.

NZ On Air's core business is, of course, the allocation of funding for broadcasting. In this respect, the year brought some change. The move away from the Public Broadcasting Fee (PBF) to direct funding was accompanied by a capital contribution of \$23.6 million, in May 2000, to ensure NZ On Air was able to meet all funding liabilities on hand at the point when the PBF was abolished.

At the same time, the Government's May 2000 cultural funding package boosted NZ On Air's baseline funding by \$6.2 million (excluding GST). This significant support for NZ On Air, and better than forecast collections of residual PBF, have placed the organisation on a sound and more secure financial footing. This was particularly welcome as it halted what had been a steady erosion of the funding base for public broadcasting services over the previous 5 years.

## Highlights of the 2000/2001 year were:

- NZ On Air's funding allocation for television increased to \$54.5 million - an all-time high.
- The increased funding allowed us to give effect to key new strategies, including, in particular, support for drama, with several new and returning series, and the establishment of a children's drama initiative as an ongoing feature of the television budget.
- NZ On Air's funding allocation for the promotion of New Zealand music was almost doubled, to total \$3.9 million.
- This meant the new Phase Four strategy could be launched in July 2000, by the Prime Minister and Minister for Arts, Culture & Heritage, introducing a range of initiatives to support the making and marketing of New Zealand music for New Zealand radio. The fruits of Phase Four will start to become evident within the next 12 months.
- A funding boost for Radio New Zealand allowed the network to introduce, inter alia, a series of new programming initiatives - in place by the last quarter of the year. In addition, Radio New Zealand's new Maori programming strategy was bedded in early in the 2000/2001 financial year, with a significant impact on the amount and range of Maori language and culture broadcasts.
- 2001 is the International Year of Volunteers. It is important therefore to acknowledge publicly the contribution of those who manage and contribute to the group of 11 community access radio stations, and to the two Pacific Island stations, operating throughout the country with funding from NZ On Air. The volunteer labour that is the backbone of these stations plays an important role in bringing diversity and minority interest programming to the airwaves.
- NZ On Air set aside part of the additional funding received from the Government to establish a Pacific Island radio network. Good progress was made in identifying a viable option to achieve this. In order to progress the initiative to its next stage, however, we are awaiting an allocation of spectrum for the Pacific Island radio network.
- On screen highlights of the year included dramas such as *Clare, Questions - Youth Suicide, Street Legal, Mercy Peak, A Fish Skin Suit* and the dramatised documentary *The Feathers Of Peace*; the popular reality series re-creating New Zealand life in 1900 - *Pioneer House*; documentaries *Hudson & Halls: A Love Story, Numero Bruno* and several in a series of "authorial" documentaries which screened as a New Zealand Festival.
- NZ On Air has spent time developing new television funding strategies in a number of areas, most of which were implemented in the year under review. They included *Te Rautaki Maori*, a revised children's programming strategy, a new drama strategy, funding initiatives for in-depth documentaries and for children's drama, and a review of Special Interest programming.
- The result of this combination of strategies has been - for the first time in 5 years - a significant increase in the number of hours of New Zealand television production that NZ On Air has been able to support.



## Research

NZ On Air's operating strategy is founded on a programme of consultation and substantial research, which achieves three important objectives.

NZ On Air tracks levels of local content and trends in the diversity of television programmes.

Independent research explores the viewing behaviour and preferences of different audiences - such as women, children and Maori - and with regard to different programme genres - such as New Zealand drama, comedy and Maori mainstream programmes.

It also explores developments in broadcasting and broadcasting policy around the world and considers the implications for New Zealand and the work of NZ On Air.

Key research undertaken in 2000/2001 included -

- a survey of Local Content in 2000, which revealed that local content levels on the three nationwide free-to-air channels remained virtually static at 23.5% (compared to 23.4% in 1999). However, first-run hours increased by 7% with a corresponding decrease in repeats. Slight increases were also recorded in drama, Maori and first-run children's programming;
- a survey of Public Awareness conducted by NFO CM Research, which concluded that New Zealanders strongly support local content and the programming and services provided by NZ On Air. For example, 62% said they wanted local content levels on television to rise. 75% said that NZ On Air provides programmes that are important to New Zealanders, and 70% agreed that seeing ourselves on television and hearing our stories helps to develop our cultural identity. Support for local content is even higher amongst Maori;
- a study of Children and Young People's Attitudes to TV Programming and Local Content which found that children favour -
  - fast-paced entertainment programmes
  - characters of their own gender
  - characters slightly older than themselves ("aging up")
- a major quantitative and qualitative research project exploring the needs, views and preferences of the audiences for a range of special interest programmes, including *Tagata Pasifika, Praise Be, Inside Out, Queer Nation* and *Asia Down Under*. The research revealed strong support, but also identified areas for improvement in content and time slot for each of these programmes;
- a significant report on "New Technologies and The Digital Future" by Paul Norris and Brian Pauling. This report, close to completion by year-end, is a timely examination of the market and regulatory framework for digital television and radio in a number of countries around the world. It highlights the challenges facing New Zealand - and NZ On Air - in the transition to digital and concludes that the trends to audience fragmentation (with the growth of specialist niche channels challenging the future of free-to-air) and convergence (of internet, television and telephony) make the need to secure and promote local content even more pressing.

## Collecting the broadcasting fee

In May 1999 the Government announced its decision to abolish the Public Broadcasting Fee (PBF) and phase it out over the year to 1 July 2000. Throughout the year to June 2001, collection of residual PBF owing has continued to be managed cost effectively with 902,920 Fee payers (89%) now having made their final payments. Of this total, around 48,000 fees, with a total value of \$4.4 million, were paid in full over the past year. This was \$0.4 million ahead of our target of \$4 million, notwithstanding the difficulties of collection in the light of the abolition of the PBF.

The amount of uncollected PBF debt at year end stood at \$16.6 million - down \$14.8 million on last year. This is in part due to debtors paying up. In addition, no compliance activities to identify new Fee payers have been undertaken since December 1999, with the result that more debt is considered uncollectable as Fee-payers move address and become difficult to trace. Of the total \$16.6 million of outstanding debt, \$14.3 million (6% of total PBF accounts) represents Fees owing for more than two years and only \$2.3 million represents debt owing for the phase-out year to 30 June 2000.

As at 30 June 2000, \$24.7 million of debt on hand was written off. At the same time, the provision for doubtful debts was written back (by \$10.2 million) to \$3.178 million to reflect the better than forecast collection of Public Broadcasting Fees during 1999/2000. A further recovery of \$0.775 million is included in this year's accounts for the same reason. The doubtful debt provision at 30 June 2001 now stands at \$2.404 million, equal to the value of debtors remaining on the books, to reflect the possibility of non-collectability of debt in 2001/2002.

Debt collection and enforcement costs remained cost-effective overall with about \$2.40 collected for every \$1 spent. A progressive reduction in contractors' service costs during the year was a key factor in achieving this ratio.

In fairness to the majority who have paid, collection of outstanding debt will continue while it remains cost-effective in the 2001/2002 year.



# television

Drama, comedy, documentaries, children's and special interest programmes – vital ingredients in the television diet.

This year, \$55.7 million or 64% of NZ On Air's investment in broadcasting was devoted to the production of New Zealand programmes for television. This investment will result in 888 hours of local content.

NZ On Air continued to apply its funding to drama, comedy, information and documentary programmes for prime-time, programming for children and young people, and programming for special interest audiences. This is the kind of programming that the commercial market will not deliver because it is costly, high risk or not commercially attractive. Nevertheless, these genres are vital ingredients in a television diet that reflects and develops New Zealand culture and identity. 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 NZ On Air-funded TV Programmes

Title	Genre	Viewers
Pioneer House	Documentary	682,500
Country Calendar	Documentary	632,100
Epitaph	Documentary	621,200
Money Doctor	Information	620,400
Service With A Smile	Documentary	555,300
What Becomes Of The Broken Hearted	Drama	548,500
Dope: Behind The Smoke	Documentary	545,800
Documentary New Zealand	Documentary	536,900
Número Bruno	Documentary	436,800
Clare	Drama	421,100

Source: AC Nielsen. Programmes screened between 1 July 2000 and 30 June 2001. Series' audiences are averaged across the series.

For the first time this year drama and comedy were funded as separate genres. This year 49 hours of drama were achieved and 49.5 hours of comedy. This total of 98.5 hours compares with the previous year's achievement of 67.5 hours, albeit for an increased spend of \$3 million.

In addition, 26 half-hours of children's drama were commissioned as a result of NZ On Air's Children's Drama Initiative. Funding was allocated to Hard Out, a spoof action thriller for TV2, and to a second series of Being Eve for TV3.

In prime-time, two new long-run drama series were commissioned; Mercy Peak for TV One and The Strip for TV3. A second series of the TV2 drama, Street Legal, was also funded. These series represent the backbone of NZ On Air's commitment, under its drama strategy, to achieve a sustained, consistent presence of New Zealand drama on all three free-to-air networks. In addition, the one-off drama Questions,

on youth suicide, which was followed by a studio discussion, made a very powerful and positive contribution to debate on this issue. The telefeature, Clare, screened during the year and was an equally moving dramatisation of the cervical cancer "unfortunate experiment" culminating in the Royal Commission during the 1980s.

Two feature films also received funding; Perfect Strangers by Gaylene Preston and Whale Rider by writer/director Niki Caro. Stickmen, another feature funded through the ScreenVisioNZ initiative, in which NZ On Air is a partner, had its theatrical release in January 2001.

In comedy, a second series of The Life & Times Of Te Tutu was commissioned and Havoc and Newsboy returned from their sellout tour to open their Luxury Suites & Conference Facility. The Topp Twins returned, as did Pulp Comedy. The Panel began screening live on TV3, with its informal weekly discussion of arts and issues. A new comedy-drama, Love Bites, is also in production.

The two established umbrella documentary strands – Documentary New Zealand on TV One and Inside New Zealand on TV3 – provided audiences with coverage of almost 50 subjects between them; ranging from the moving My Father's War In Italy, the compelling Flight 703, Out Of Control Kids and Coming Out Of The Dark, to the vibrant Otago Markets. Outside the two strands the evergreen Country Calendar returned and Pioneer House attracted huge audiences for the social experiment of sending a family back 100 years in time. Thanks to NZ On Air funding, Prime Suspect and A Question Of Justice will both present new evidence on two of New Zealand's most notorious murders. Austin Mitchell will return to the "Pavlova Paradise" to give us a fresh insight on how New Zealand is faring, 30 years on from the publication of his controversial book.

NZ On Air continued to encourage the networks to screen Maori programmes in mainstream timeslots. Progress in this area was focused within the two documentary strands, where broadcasters were again required to meet a minimum number of projects. This initiative resulted in funding for documentaries like First Laugh, Trip Of A Lifetime, Family At War, The Haka and The Bash.

For children, What Now? and Squirt (TV2) returned, while What Now? weekdays metamorphosed into WNTV. Suzy's World (TV3) returned as did the Dress Up Box and The Big Chair. A new quiz show, The Machine, started on TV2 and three new animations were funded; Wiggly Fin (TV3), Tulevai And The Sea (TV2) and The Underwater Melon Man (TV3). Space returned for those teen music fans up late on Friday nights, as well as Mai Time and Squeeze (TV2).

Special Interest series including Asia Down Under, Tagata Pasifika and Inside Out were funded again this year. NZ On Air carried out research into all of the programmes in this category and presented the findings at a forum on 29 June 2001. Two new arts shows, The Big Art Trip and Mercury Lane, were also funded.

A full list of television programmes funded by NZ On Air this year can be found on pages 49 to 52.

# radio services

Radio New Zealand has done an impressive job over the last five years under the Charter to provide quality public radio services for a substantial audience.

## National Radio & Concert FM

NZ On Air continued to fund Radio New Zealand's two flagship public radio services – National Radio and Concert FM – this year.

This year funding for the two networks increased from \$21.4 million in 1999/2000 to \$22.29 million. The \$890,000 increase was part of the extra funding for NZ On Air's work that was announced by the Government in May 2000.

The extra funding for National Radio and Concert FM was earmarked for enhancing programmes, with allocations also for marketing and promotion, and for staff retention.

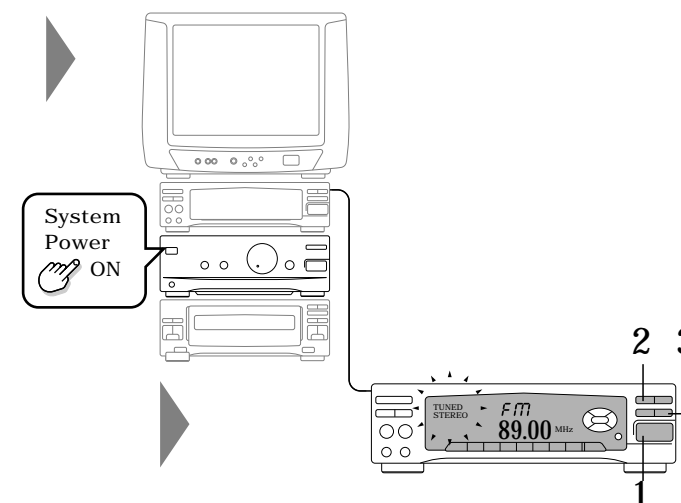
The results of the extra investment in programmes can now be heard on air – in the new Sunday morning programme, in new programmes like Media Watch and Health Matters, the new Maori series Rourou and Whanau, and in enhancements to a number of existing popular programmes.

National Radio last year broadcast 270 hours of Maori language and culture programming; this year, the network's output was boosted to 371 hours. National Radio last year broadcast 28% New Zealand music; this year it topped 34%, amply justifying National Radio's claim to be "the network that plays the most New Zealand music". These are pleasing results.

A Parliamentary Select Committee is currently reviewing the Radio New Zealand Charter that defines the services provided by National Radio and Concert FM. Under the Radio New Zealand Act, the Charter must be reviewed every five years.

NZ On Air has made its views on the Charter known to the Select Committee.

\_listening to the radio



# radio services \_continued

## Access Radio & Pacific Island Radio

This year, NZ On Air provided funding for 11 community access radio stations around the country, two dedicated Pacific Island community radio services and NZ Radio for the Print Disabled's radio reading service based in Levin.

Access radio stations are found in Auckland, Hamilton, Hawkes Bay, Palmerston North, Wairarapa, Kapiti/Horowhenua, Wellington, Tasman Bays, Christchurch, Dunedin and Southland. These stations provide a genuine community voice and an important outlet for community groups and minorities to make and broadcast their own programmes.

This year, we held the first access radio managers' retreat. The retreat was an invaluable opportunity for the station managers to work together on common issues and concerns. It also gave NZ On Air and our two access radio roving consultants – Brian Pauling (of the NZ Broadcasting School) and Sarah Ayton (ex-Plains FM) – a chance to work with the managers to reinforce Section 36(c) programming philosophies and practice.

Funding for access radio was increased this year by \$100,000 as a result of the boost in NZ On Air funding announced by the Government in May 2000. This extra \$100,000 has been set aside to help stations make the move to FM when frequencies are freed up in the near future.

Funding for Pacific Island radio was also increased this year – up by \$250,000. This extra funding is for a national Pacific Island radio network as was promised in Labour's 1999 election manifesto. Progress will be made on the network plan when suitable frequencies are available.

In the meantime, we continued to fund the full-time pan-Pacific Island radio station, Radio 531pi in Auckland and the 35-hour a week Samoan Capital Radio service in Wellington. Both services were established and are maintained as part of 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 radio and Pacific Island radio services funded by NZ On Air this year can be found on page 28.

## Commercial Radio Programmes

In recent years, NZ On Air has offered funding for two kinds of radio programming on commercial radio – programmes catering for the youth audience and programmes promoting New Zealand music.

This year, as a result of the increase in NZ On Air funding announced by the Government in May 2000, we were able to expand the range to include radio drama and values-based programmes.

These genres reflect priorities in the Broadcasting Act – youth and values-based programmes in Section 36(c) of the Act and radio drama and New Zealand music in Section 37(d) of the Act.

We again funded the award-winning youth radio shows made by Rampant Media – Rampage (which plays on 30 stations around the country including Channel Z), Te Puutake (which plays on 37 stations including, this year, Mai FM) and The Voice (which plays on The Edge network in 12 major centres).

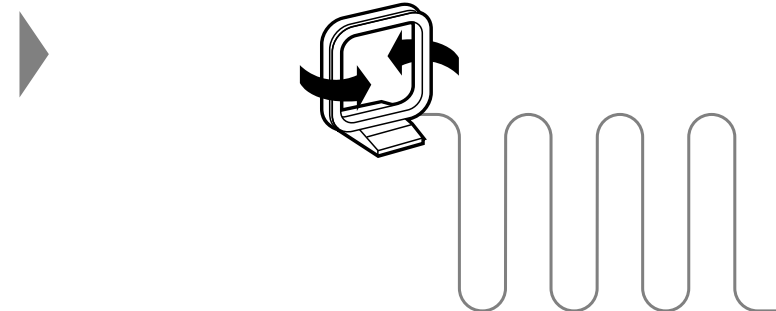
These shows deal with youth issues and interests. They are made by youth and are delivered via radio stations that are successful with the youth audience.

The addition of values-based programmes to the stable gave us the opportunity to work again with the Christian Broadcasting Association, helping with its Scrubcutter features for the Newstalk ZB and Radio Rhema networks and its annual Christmas and Easter specials on Newstalk ZB.

Regrettably, no radio drama projects for commercial radio were presented during the year.

New Zealand music programmes are covered in the NZ Music part of this annual report.

\_wiggle your aerial to achieve better reception:



# maori broadcasting

**NZ On Air's Te Rautaki Maori aims to enhance the onscreen outcomes for mainstream Maori programming and to improve consultation and communication with Maori stakeholders.**

During the Public Broadcasting Fee era, NZ On Air's main contribution to Maori broadcasting was delivered through the separate independent Maori broadcasting funding agency, Te Mangai Paho, which funds Maori radio services and television programmes that promote te reo and are intended primarily for a Maori audience.

Until June 2000, Te Mangai Paho was funded through NZ On Air, receiving an agreed percentage of Public Broadcasting Fee income. As from 2000/2001, Te Mangai Paho receives funding directly through Vote: Te Puni Kokiri.

NZ On Air supplements the work of Te Mangai Paho by providing funding for programmes on television and radio, featuring Maori stories, issues and perspectives, that are substantially produced by Maori and are intended for a mainstream audience that includes Maori.

NZ On Air's Te Rautaki Maori had its first full year of implementation, with a hui in August 2000 giving the strategy a kick-start. The commitment inherent in Te Rautaki Maori – to enhance the onscreen outcomes for mainstream Maori programming, and to improve consultation and communication with Maori stakeholders, including audiences – is starting to bear fruit. Since October last year, Tainui Stephens (Te Kai Urungi) has worked with NZ On Air to help us fulfil our television objectives for Maori broadcasting.

In the year under review, television programmes in this category included Mai Time, Nga Manu Korero 2001, The Maori Sports Awards, Poi-E The Concert and The Life & Times Of Te Tutu II. NZ On Air continued its well established policy of ensuring a good presence of Maori projects (upwards of 15%) in any of the so-called "umbrella" documentary or drama strands we fund. Programmes screened during the year under this policy included an important dramatised documentary, The Feathers Of Peace, and a one-hour drama A Fish Skin Suit. Projects produced included Hog Heaven, First Laugh, The Haka and The Bash.

In addition, during 2000/2001 the minimum number of Maori projects for Documentary New Zealand IV was reduced from 5 to 3, in return for a TV One commitment to broadcast a series of 7 x 1/2 hour Maori documentaries. All projects in this series were commissioned during the year, and several were completed. It is hoped that the performance of this first series will ensure the initiative can be repeated.

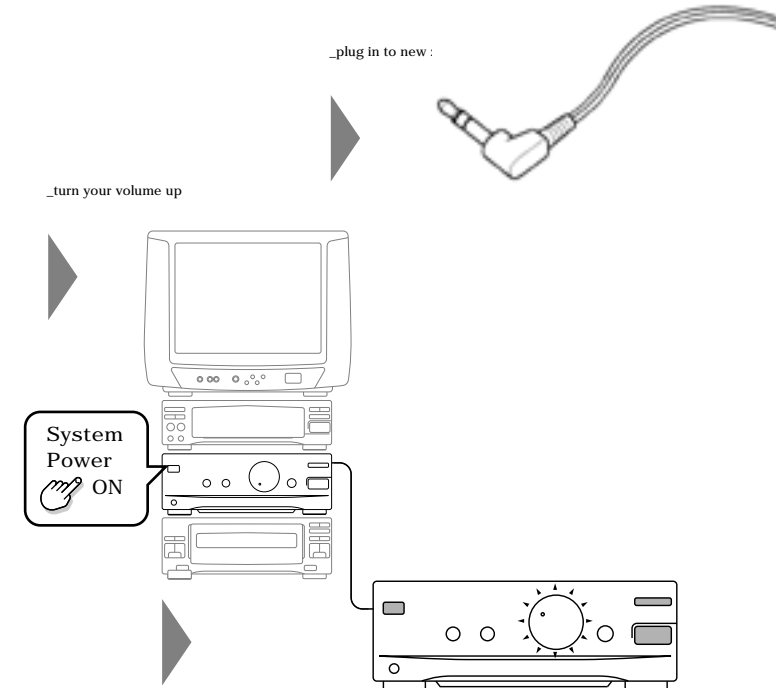
NZ On Air worked closely with Te Mangai Paho in 2000/2001 to identify projects that might be candidates for a joint venture approach. The series of 5 x 1/2 hour Maori dramas – Matakū – was completed for TV3 during the year. Funding was also committed by both agencies to a children's animation project, Wiggly Fin, and to Language, a history and examination of the contemporary significance of te reo Maori.

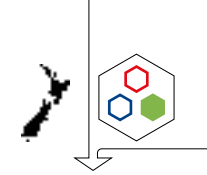
Research commissioned by NZ On Air in 2000 ('Attitudes to Local Content & NZ On Air-Funded Programming 2000' : Colmar Brunton) provided valuable insights into the viewing behaviour and preferences of Maori audiences. It revealed, amongst other things, a strong interest in seeing Maori language programming subtitled or reversioned, to enhance its accessibility to those not fluent in te reo. NZ On Air committed to three such projects during the year – an English version of Moko Toa II and of Language, and subtitling for a repeat screening of Te Karere.

On National Radio a new staffing structure and package of Maori language and Maori culture programmes was in full swing by the beginning of the 2000/2001 year. During the year, National Radio delivered 371 hours of Maori language and culture programming, ensuring that the drop-off in Maori language hours that had occurred in the previous year due to delays in implementing the new structure, was more than made up. Programming included the continuation of weekly features such as Whenua, Mana Tangata and Mana News supplemented by new initiatives including Rourou and the Maori drama Whanau.

In New Zealand music, NZ On Air makes sure that the work of Maori songwriters and musicians is represented on screen (via music videos), on disc (via Kiwi Hit Disc and the special contemporary Maori music Iwi Hit Disc), in the funding that we provide for new recording artists and on radio (via syndicated radio shows like Te Puutake, The Beat Files).

More detailed information on NZ On Air's Maori broadcasting work can be found on pages 38 and 39.





# new zealand music

The Phase Four plan is aimed at getting more New Zealand music played on commercial radio via three strategies - more pluggger power; more music television; and more money for making and marketing music.

It has been a big year in New Zealand music. In May 2000, the Government almost doubled the funding for NZ On Air's New Zealand music work. The New Zealand music budget went from \$2.2 million a year to \$3.9 million in 2000/2001.

The increase in funding was for what has come to be known as the Phase Four New Zealand music plan. The Phase Four plan was launched by the Prime Minister, the Rt Hon Helen Clark, at an industry function in Auckland on 28 July 2000.

The Phase Four plan is aimed quite simply at getting more New Zealand music played on commercial radio. There are three Phase Four building blocks -

- more pluggger power;
- more music television; and
- more money for making and marketing music.

More pluggger power says that we will increase our promotional efforts at commercial radio. Last year, we had one promotions person working our Kiwi Hit Disc catalogue at commercial radio. Now we have three. Nicky Jarvis, Camille Guzzwell and Alex Behan constitute a formidable and potent promotions team, respected by the radio and music industries equally.

More music television says that in order to get more New Zealand music played on commercial radio, we must get more New Zealand music on television. Music television helps to create hits and hits are what radio stations play.

Juice Music Television on the Sky digital subscriber service does a good job for New Zealand music but from NZ On Air's point of view, it is critical that there is more New Zealand music on free-to-air television.

Towards the end of the year, we announced a partnership with TV2 and Satellite Media Group to create M2 - a new music channel-within-a-channel that will play midnight-to-dawn on Fridays, and Saturdays and Sundays and will feature at least 33% New Zealand music. M2 will treble the free-to-air hours of music television every week and will reach 99.5% of the population.

More money for making and marketing music means a \$1 million injection into recording and promoting New Zealand music with the commercial radio playlist in mind. It means funding for new recording artists as well as artists with proven commercial radio airplay credentials.

In this first Phase Four year, we funded 40 new artists at \$5,000 apiece to record a song for radio plus 14 new albums at \$50,000 apiece from artists with a commercial radio track-record and we invested in the international marketing of three bands that have delivered albums that have been radio hits successes in the last 12 months.

The first of the Phase Four-funded songs was released to radio in February 2001. By year's end, Phase Four-funded songs occupied 12 places on the RadioScope Top 30 New Zealand airplay chart - songs like Funny Boy by Rubicon, Gone by Garageland, and Fade Away by Che Fu. Broken Wings by Auckland teenager K'Lee - the first of the new recording artist projects to be released - occupied the top slot for a full two months.

The Phase Four funding schemes supplemented and complemented the work that NZ On Air has been doing over the last decade to promote New Zealand music.

We continued to fund the making of music videos as we have done since 1991. This year, we contributed to 113 music videos. And we continued to fund the making and broadcasting of New Zealand music features on commercial radio stations (like The Beat Files that play on the ZM network) and on the seven b.net student radio stations.

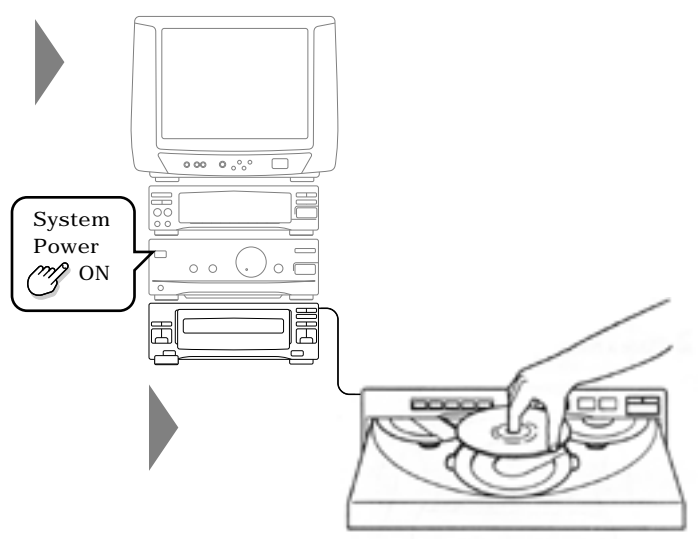
We again produced hit discs for distribution to every radio station in the country. We delivered six volumes of the flagship Kiwi Hit Disc, four volumes of the Indie Hit Disc (including two of the new [heatseekers] brand), four volumes of the contemporary Maori music Iwi Hit Disc and another in the A/C (adult contemporary) Hit Disc series.

We maintained the Radio Hits incentive funding scheme; published the Fresh Air New Zealand music supplements in the radio industry trade journal Median Strip; collaborated with APRA, the new Music Industry Commission, the RBA and RIANZ to promote NZ Music Month in May and mount the annual NZ Music Showcase; and we presented double digits plaques to radio stations that are doing a good job for New Zealand music.

There is more New Zealand music on commercial radio now than at any time in the last five years. At year's end, it was 10.77% on average across commercial radio. Three years ago, it was 5.26% and two years before that it was barely 2%. This is a significant result, representing steady progress. From our point of view, however, 10.77% is not yet enough. We are confident that the Phase Four initiatives - aimed at creating radio hits - will help to generate a steady increase to 15-20% over the next two years.

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

\_playing a CD [normal play]



# transmission coverage

NZ On Air spent \$1.7 million this year on maintaining television and radio transmission services in remote and thinly populated parts of the country.

NZ On Air spent \$1.7 million this year to maintain non-commercial television and radio transmission services to remote areas of New Zealand. Funding for transmission coverage increased slightly over the previous year.

The bulk of NZ On Air's funding goes to TVNZ to maintain coverage of TV One and TV2 to remote areas. NZ On Air has continued to work with TVNZ to identify a more cost-effective transmission solution for remote and thinly populated areas. During the year, TVNZ announced its plans to launch a digital transmission service using a satellite platform. In light of this, NZ On Air and TVNZ established a subcommittee to assess the implications of the planned service and options for the provision of NZ On Air funding for non-commercial transmission in the digital future.

NZ On Air's goal is to see the reliance on non-commercial transmission funding eliminated over time as new technologies, such as digital satellite services, offer more cost-effective and efficient ways of accessing television signals in remote areas of New Zealand.

NZ On Air's "Community Self-Help" scheme, to provide TV3 transmission services to remote areas through a partnership approach, was terminated on 30 June 2001. The scheme had already been extended beyond the original close-off date of 30 June 1998. A small number of projects, contracted prior to the end of the financial year, will proceed to completion in the latter half of 2001. Throughout the year under review, TV3 continued its arrangement for simultaneous transmission via Sky Television's satellite service.

In radio, Radio New Zealand has continued to contract with Sky Television to carry a National Radio and Concert FM signal on the Sky digital satellite system. This means that 100% coverage of these two networks is now technically available.

During the year, NZ On Air reviewed its policy with regard to the provision of a subsidy for the establishment of a primary strength community radio signal to areas of 1000+ population. As a result of the review, the policy has been extended to cover communities with a population of 500+. The subsidy is available for one-off capital expenditure on transmission equipment, with a maximum of three new applications to be approved per year.

# archives

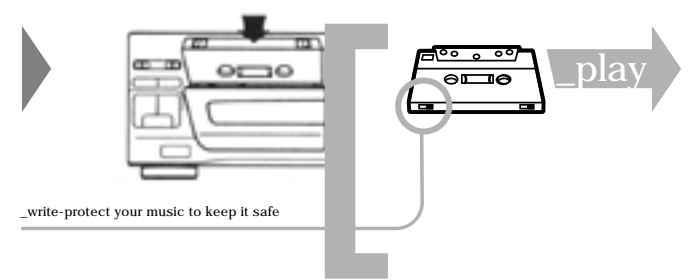
NZ On Air is spending just under \$1 million a year on radio and television archiving services at present.

NZ On Air has continued to spend approximately \$1 million this year on radio and television archiving services. Television programme archiving services are provided by The New Zealand Film Archive, and radio programme archiving services are provided by Sound Archives Nga Taonga Korero.

NZ On Air has renewed both The New Zealand Film Archive and Sound Archives Nga Taonga Korero funding agreements for a further three years to 30 June 2003. The Archive agencies will provide selection, acquisition, preservation and public accessibility services. An external consultant regularly conducts a review of the archiving activities of both agencies, in line with NZ On Air funding contracts with the archives.

The New Zealand Film Archive this year archived 690 hours of television programmes and carried out preservation work on another 163 hours of programmes. The Sound Archives Nga Taonga Korero archived 1,299 hours of radio programmes and carried out preservation work on another 1,648 hours. In comparison to last year, the number of programmes being archived and preserved has decreased slightly. This is largely due to the increase in operational costs of archiving both television and radio programmes.

\_recording from another tape



## Outlook

In August 2001, NZ On Air published its Statement of Intent for the year to June 2002. Industry briefings were held in Wellington and Auckland to explain plans and priorities for the year ahead.

NZ On Air has secured around the same level of funding for the current year as it had available during the year under review. Our ability to do so was due to a one-off \$2.2 million increase in NZ On Air's Vote funding, announced in the Government's May Budget, together with continued cost-effective collection of residual Public Broadcasting Fees in the wake of their abolition.

NZ On Air will continue to operate on a "business as usual" basis during 2001/2002. We have reminded our stakeholders that this means NZ On Air's decision-making process is based on principles of contestability, encouraging diversity and high production standards through competitive bids; is founded on principles of impartiality, transparency and accountability; and will be backed up by a sound programme of consultation and research to ensure programmes and broadcasts are well received by their intended audience.

Our priorities for the year involve both consolidation and innovation.

We will consolidate newly introduced strategies and initiatives such as those dealing with music (Phase Four), drama, Maori programming, children's and special interest programming.

We will innovate to develop new funding policies that recognise New Zealand's identity as a Pacific nation and a major centre of Pacific Islands culture.

We will also continue to promote the value of local content and diversity in broadcasting by: contributing constructively to the broadcasting policy debate; maintaining regular and constructive dialogue with industry stakeholders to encourage a partnership approach; exploring the opportunities afforded by the developments in communications technologies; and developing an effective case for building and sustaining the funding base for investment in public service broadcasting over the long-term.

## Acknowledgements

During the year, three new appointments to NZ On Air's Board were made. In August 2000, Gaylene Preston and James Coleman joined the Board as the terms for Roger Horrocks and Pamela Meekings-Stewart had come to an end. The valuable and long-standing contribution of the latter members is again acknowledged - with Roger Horrocks carrying a store of institutional memory as a foundation Board member, and Pamela Meekings-Stewart having completed two three-year terms.

At the same time, Trish Stevenson was appointed to the board of TVNZ and, in consequence, left her position as an NZ On Air Board member. She, too, had made a significant contribution, over a total of 5 years, to NZ On Air. In October, the appointment of Prof Albert Wendt as Deputy Chairman of NZ On Air was announced, bringing the Board to its full complement again.

Staff membership remained stable throughout the year. However, in June 2001 the Manager, Project & Financial Analysis (Brent Healy) left to travel the world, and has been replaced by Donnamaree Ryder. The position of General Manager, Revenue & Marketing - held by Selwyn Crane since NZ On Air's inception - was disestablished on 30 June 2001. This followed the abolition of the Public Broadcasting Fee. While the collection of residual Public Broadcasting Fees remains cost-effective, the process will be managed under an independent contract. I would like to take this opportunity to thank Selwyn Crane for his commitment to the job of managing revenue collection over more than a decade, and for his efficiency and effectiveness in doing so.

Copies of the Statement of Intent are available from NZ On Air, or by visiting our web site at [www.nzonair.govt.nz](http://www.nzonair.govt.nz).

While the funding available for broadcast expenditure in the year ahead remains at the higher level achieved in 2000/2001, it cannot be assumed that this level will be fully sustained into 2002/2003. We expect that much of the benefit from better-than-forecast collection of residual PBF will be exhausted by then. Furthermore, an increased level of public equity, due in part to last year's one-off capital contribution of \$23.6 million to allow NZ On Air to meet funding liabilities on hand at the time the PBF was abolished, is being drawn down over two years. Finally, the \$2.2 million funding increase announced in the Government's May 2001 Budget was for one year only.

Funding is the final and, possibly, most significant issue to be addressed in the Government's broadcasting policy review.

NZ On Air will aim to contribute constructively to the decision-making process, arguing that additional investments in public broadcasting services are well-justified in both economic and social terms.

Our stories, our songs, and our voices express our culture and identity with a vision that is unique to New Zealand. They bind us together - in community and in nationhood - and they enable us to explore the differences within our diverse society.

They are also our cultural capital and a key determinant of comparative economic advantage in a global economy that is being swept forward by the knowledge wave.

Broadcasting stands as the most effective and comprehensive forum for the origination, transmission, and exchange of knowledge and experience. The way we manage the development of this valuable resource will determine much of our future.

My thanks to my fellow Board members and the NZ On Air staff for their dedication and high standard of work during a year that was characterised by some uncertainty and transition.

Finally, I would also like to thank Hon Marian Hobbs for her support for NZ On Air and its work as she has steered the review of broadcasting policy through its course.

David Beatson  
Chairman, NZ On Air

# financial statements

## Management Statement

for the year ended 30 June 2001

The Board and management of the Broadcasting Commission (NZ On Air) is 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 2001 fairly reflect the financial position and operations of NZ On Air.



David Beatson  
Chairman, NZ On Air



Jo Tyndall  
Chief Executive, NZ On Air

21 September 2001

## Statement of Accounting Policies

The following accounting policies have been applied in the preparation of the financial statements for the year ended 30 June 2001

### Reporting Entity

The Broadcasting Commission (NZ On Air) was established by the Broadcasting 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 which 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 & 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

- Cost allocation policy

All expenditure not related to the collection of the Public Broadcasting Fee or 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 earned. Other revenue is recognised on an accruals basis in the Statement of Financial Performance.

- Public Broadcasting Fee

Income from the Public Broadcasting Fee is accounted for at the time the invoice is issued. This is based on the Broadcasting (Public Broadcasting Fees) Regulations 1989 which establishes the Fee-Payer's liability as payable in advance. The Public Broadcasting Fee (PBF) was phased out by 30 June 2000.

- 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 billing, and enforcing payment of, existing Fee-payers.

- Compliance costs

Compliance costs are incurred in order to bill new 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 policy, 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 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.

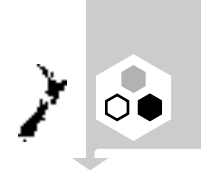
#### Changes In Accounting Policies

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 2001

	Actuals 2001	Budget 2001	Actuals 2000
notes	(\$ 000)	(\$ 000)	(\$ 000)
<b>INCOME</b>			
Public Broadcasting Fee	-	-	40,110
Crown revenue	1 80,996	80,900	56,674
Other income	2 3,108	1,000	3,050
<b>Total Income</b>	<b>84,104</b>	<b>81,900</b>	<b>99,834</b>
<b>OPERATING EXPENDITURE</b>			
Public Broadcasting Fee collection costs	3 1,899	1,000	9,892
Administration and consultation	4 2,134	2,150	1,659
Ministry of Economic Development	-	-	1,674
(Recovery) in provision for doubtful debts	5 (775)	-	(10,156)
<b>Total Operating Expenditure</b>	<b>3,258</b>	<b>3,150</b>	<b>3,069</b>
<b>FUNDING EXPENDITURE</b>			
Television	6 55,736	54,500	46,363
Radio	7 25,008	25,100	23,860
Te Mangai Paho	-	-	12,400
Transmission coverage	8 1,715	2,900	1,396
New Zealand music	9 3,784	4,000	2,168
Archives	10 988	1,000	969
<b>Total Funding Expenditure</b>	<b>87,231</b>	<b>87,500</b>	<b>87,156</b>
<b>TOTAL EXPENDITURE</b>	<b>90,489</b>	<b>90,650</b>	<b>90,225</b>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>(6,385)</b>	<b>(8,750)</b>	<b>9,609</b>



## statement of movements in equity

for the year ended 30 June 2001

	Actuals 2001	Budget 2001	Actuals 2000
notes	(\$ 000)	(\$ 000)	(\$ 000)
Public Equity at beginning of the year	14,703	13,400	(18,515)
Plus: Net operating (deficit)/surplus	(6,385)	(8,750)	9,609
Total Recognised Revenues and Expenses for the Period	(6,385)	(8,750)	(9,609)
Plus: Capital Contribution	-	-	23,609
<b>TOTAL EQUITY AT END OF YEAR</b>	<b>8,318</b>	<b>4,650</b>	<b>14,703</b>

## statement of financial position

as at 30 June 2001

	Actuals 2001	Budget 2001	Actuals 2000
notes	(\$ 000)	(\$ 000)	(\$ 000)
<b>CURRENT ASSETS</b>			
Cash and bank	12 47,708	32,650	43,754
Accounts receivable			
- Public Broadcasting Fee	13 -	-	3,600
- General	465	100	1,548
<b>Total Current Assets</b>	<b>48,173</b>	<b>32,750</b>	<b>48,902</b>
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	14 128	100	101
<b>Total Non-Current Assets</b>	<b>128</b>	<b>100</b>	<b>101</b>
<b>TOTAL ASSETS</b>	<b>48,301</b>	<b>32,850</b>	<b>49,003</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	1,403	1,000	1,989
Employee entitlements	63	-	26
Funding liabilities	15 38,517	27,200	32,285
<b>Total Current Liabilities</b>	<b>39,983</b>	<b>28,200</b>	<b>34,300</b>
<b>PUBLIC EQUITY</b>	<b>8,318</b>	<b>4,650</b>	<b>14,703</b>
<b>TOTAL LIABILITIES AND PUBLIC EQUITY</b>	<b>48,301</b>	<b>32,850</b>	<b>49,003</b>

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

## statement of cash flows

for the year ended 30 June 2001

	Actuals 2001	Budget 2001	Actuals 2000
notes	(\$ 000)	(\$ 000)	(\$ 000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash provided from:			
- Public Broadcasting Fee	4,375	4,000	56,448
- Crown funding	80,996		80,900
- Interest received	2,155	1,000	1,246
- Other income received	244		983
Cash was applied to:			
- Funding advances to broadcasters and programme producers	(80,504)	(87,750)	(82,174)
- Payment to suppliers and employees (including PBF collection costs)	(4,535)	(3,100)	(12,196)
- GST Refund (Paid)	1,297		(1,090)
<b>NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES</b>	<b>11</b>	<b>4,028</b>	<b>(4,950)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash provided from:			
- Sale of fixed assets		-	-
Cash applied to:			
- Purchase of fixed assets	(74)		(74)
<b>NET CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES</b>		<b>(74)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash provided from:			
- Capital contribution		-	-
<b>NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>23,609</b>
Net increase/(decrease) in cash held	3,954	(4,950)	43,427
OPENING CASH AS AT 1 JULY	43,754	37,600	327
<b>CLOSING CASH AS AT 30 JUNE</b>	<b>12 47,708</b>	<b>32,650</b>	<b>43,754</b>
Actual cash balance is represented by:			
- Current accounts		29	30
- Call deposits	47,679	32,620	43,744
		<b>47,708</b>	<b>32,650</b>
			<b>43,754</b>

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



## statement of commitments

as at 30 June 2001

Lease Commitments	2001	2000
	(\$ 000)	(\$ 000)
Less than 1 year	60	59
1 year to 2 years	29	-
2 years to 5 years	7	-
<b>TOTAL LEASE COMMITMENTS</b>	<b>96</b>	<b>59</b>

At balance date, NZ On Air has an operating lease for the premises on the 2nd floor, Lotteries Commission Building, Wellington until 31 December 2001, and also a lease for the premises at 1 Beresford Street, Auckland.

Programme and Project Funding Commitments	2001	2000
	(\$ 000)	(\$ 000)
Less than 1 year (2001/2002)	6,560	24,640
1 year to 2 years (2002/2003)	1,030	30
2 years to 5 years (2003/2005)	-	30
Total programme and project funding commitments	7,590	24,700
<b>TOTAL COMMITMENTS</b>	<b>7,686</b>	<b>24,759</b>

## statement of contingent liabilities

As at 30 June 2001, NZ On Air has no contingent liabilities.

Contingent liabilities at 30 June 2000 were nil.

## statement of resources

for the year ended 30 June 2001

Personnel	2001	2000
	(\$ 000)	(\$ 000)
Members of the Commission (part-time)	6	6
Staff (full-time equivalents)	11	11

### 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.

## notes to the financial statements

for the year ended 30 June 2001

### 1 Crown Revenue

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. This amounted to \$80,996,444 for 2000/2001 and \$56,674,000 for 1999/2000.

2 Other Income	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Writebacks of previous years' commitments which have since been withdrawn or reduced	495	606
Share of income from the sale of television programmes	238	955
Interest received	2,375	1,489
<b>TOTAL OTHER INCOME</b>	<b>3,108</b>	<b>3,050</b>

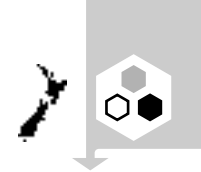
3 Public Broadcasting Fee (PBF) Collection Costs	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Direct collection costs	1,797	7,507
Compliance costs	-	1,123
Awareness advertising campaign	-	967
Administration	102	290
Audit fees for the audit of the financial statements	-	4
Depreciation	-	1
<b>TOTAL PBF COSTS</b>	<b>1,899</b>	<b>9,892</b>

4 Administration and Consultation Expenditure	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Personnel costs [Note 1]	799	669
Legal, public relations and expert advice [Note 1]	492	235
Office overheads	228	236
Consultation and research	221	165
Travel and communications	207	164
Commission members' fees	73	72
Rent	49	47
Depreciation	47	55
Audit fees for the audit of the financial statements	18	17
Loss/(profit) on sale of fixed assets	-	(1)
<b>TOTAL ADMINISTRATION &amp; CONSULTATION EXPENDITURE</b>	<b>2,134</b>	<b>1,659</b>

Note 1 On 30 June 2000, the Government abolished the Public Broadcasting Fee. NZ On Air's Administration and Consultation Expenditure has increased for the year ended 30 June 2001 as some expenses that had been allocated against the Public Broadcasting Fee costs (Refer Note 3) are now attributable to NZ On Air activities.

### 5 Recovery in Provision for Doubtful Debts

In 2000/2001 the amount of Public Broadcasting Fee (PBF) cash received was \$4,375,544. This exceeded the net realisable value of debt in the books at \$3,600,000 by \$774,544. This was used to write back \$774,544 of the current doubtful debt provision of \$3,178,418 at year end (Refer to Note 13).



6 Television Programme Funding	2001		2000	
	Hours	Funding (\$ 000)	Hours	Funding (\$ 000)
Drama/Comedy/Children's drama	112	24,273	73	16,933
Documentaries/Information/Innovation	139	10,583	120	9,451
Children & Young Persons' programmes	325	9,972	370	9,929
Arts, culture & performance	121	3,497	141	3,171
Special Interest programmes	191	6,967	120	6,542
<b>Total Production funding</b>	<b>888</b>	<b>55,292</b>	<b>824</b>	<b>46,026</b>
Plus Development funding		444		337
<b>TOTAL TELEVISION FUNDING</b>		<b>55,736</b>		<b>46,363</b>

7 Radio	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
<b>RADIO NEW ZEALAND</b>		
- National Radio	18,145	17,297
- Concert FM	4,145	4,103
	<b>22,290</b>	<b>21,400</b>
<b>ACCESS AND SPECIAL INTEREST COMMUNITY RADIO</b>		
- Auckland Access Radio	200	200
- Radio 531pi (Auckland Pacific Island Radio) [Note 1]	31	125
- Hamilton Access Radio	144	144
- Hawkes Bay Access Radio	110	110
- Wairarapa Access Radio	90	50
- Manawatu Access Radio	85	85
- Print Disabled Radio (Levin)	90	90
- Kapiti Coast Access Radio	99	99
- Wellington Access Radio	200	200
- Samoan Capital Radio (Wellington)	150	150
- Tasman Bays Access Radio	174	200
- Christchurch Access Radio	200	200
- Otago Access Radio	134	134
- Southland Access Radio	135	135
- Access Radio consultancy	-	52
- Pacific Island Network	250	-
- Access Transmission	100	-
	<b>2,192</b>	<b>1,974</b>
<b>Programmes on commercial radio</b>	<b>526</b>	<b>486</b>
<b>TOTAL RADIO FUNDING</b>	<b>25,008</b>	<b>23,860</b>

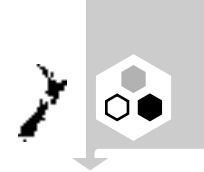
Note 1 The decrease in Radio 531pi funding is due to the station moving from an April/March funding year to a July/June funding year, to take effect from 1 July 2001.

8 Transmission Coverage	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
<b>TELEVISION</b>		
- TVNZ's non-commercial transmission coverage	1,150	1,150
- Chatham Islands television service	145	159
- TV3 community self help scheme	420	-
<b>RADIO</b>		
- Radio Waitomo (Te Kuiti)	-	32
- Other non-commercial community radio services	-	55
<b>TOTAL TRANSMISSION COVERAGE</b>	<b>1,715</b>	<b>1,396</b>

9 New Zealand Music	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
New Zealand music on radio	3,219	1,678
New Zealand music videos	565	490
<b>TOTAL NEW ZEALAND MUSIC</b>	<b>3,784</b>	<b>2,168</b>

10 Archives	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
<b>TELEVISION</b>		
- New Zealand Film Archive	529	518
<b>RADIO</b>		
- Sound Archives Nga Taonga Korero	459	451
<b>TOTAL ARCHIVES</b>	<b>988</b>	<b>969</b>

11 Reconciliation Of Net Surplus From Operations With the Net Cashflows From Operating Activities	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Net (deficit)/surplus from operations	(6,385)	9,609
Add non-cash items:		
- Depreciation	47	56
	<b>(6,338)</b>	<b>9,665</b>
Add/(Less) movements in working capital items:		
- Decrease in accounts receivable	3,386	5,967
- Decrease/(increase) in GST receivable	1,297	(1,090)
- Decrease/(increase) in prepayments	-	57
- (Decrease)/increase in accounts payable (including employee entitlements)	(549)	916
- Increase in funding liabilities	6,232	4,376
	<b>10,366</b>	<b>10,226</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>4,028</b>	<b>19,891</b>



12 Cash and Bank	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Cash comprises cash balances on hand and with NZ banks:		
- Current accounts	29	10
- Call deposits	47,679	43,744
<b>TOTAL CASH AT BANK</b>	<b>47,708</b>	<b>43,754</b>

### 13 Accounts Receivable – Public Broadcasting Fee

NZ On Air's PBF collection process will continue in 2001/2002 while it is cost-effective to do so. 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 \$2.4 million that represents all of the outstanding PBF debtors as at 30 June 2001.

	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Accounts receivable – Public Broadcasting Fee	2,404	6,778
Less provision for doubtful debts	(2,404)	(3,178)
<b>TOTAL ACCOUNTS RECEIVABLE – PBF</b>	<b>–</b>	<b>3,600</b>

14 Fixed Assets	Original (\$ 000)	Accumulated Depreciation (\$ 000)	Book Value (\$ 000)
<b>2001</b>			
- Computer equipment	271	199	72
- Furniture and fittings	173	135	38
- Leasehold improvements	129	118	11
- Office equipment	61	54	7
<b>TOTAL FIXED ASSETS as at 30 June 2001</b>	<b>634</b>	<b>506</b>	<b>128</b>
<b>2000</b>			
- Computer equipment	226	174	51
- Furniture and fittings	156	125	31
- Leasehold improvements	129	113	16
- Office equipment	53	51	2
<b>TOTAL FIXED ASSETS as at 30 June 2000</b>	<b>564</b>	<b>463</b>	<b>101</b>

### 15 Funding Liabilities

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 –

	Actuals 2001 (\$ 000)	Actuals 2000 (\$ 000)
Television programmes	34,562	28,996
Radio and non-commercial transmission coverage	3,955	3,289
<b>TOTAL FUNDING LIABILITIES</b>	<b>38,517</b>	<b>32,285</b>

It is expected that these funding liabilities will all be paid during the next 12 months.

### 16 Financial Instruments

**INTEREST RATE RISK** – 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, short term deposits and government stock. 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.

**CONCENTRATION OF CREDIT RISK** – 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, New Zealand government stock and accounts receivable.

NZ On Air places its investments with institutions that have a high credit rating. There is no significant concentration of credit risk.

**FOREIGN CURRENCY RISK** – There is no exposure to foreign currency risk.

### 17 Employee Remuneration

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 –

	Number of Employees 2000/2001	Number of Employees 1999/2000
<b>SALARY BAND</b>		
\$100,000 to \$110,000	1	–
\$110,000 to \$120,000	–	1
\$150,000 to \$160,000	1	1*
\$160,000 to \$170,000	1*	–

\* Chief Executive's total remuneration.

### 18 Board Fees

	2001 (\$ 000)	2000 (\$ 000)
David Beatson (Chairman)	27	27
Prof. Albert Wendt (Deputy Chairman)	4	–
James Coleman	10	–
Dr Roger Horrocks	–	11
Pamela Meekings-Stewart (part year)	1	14
Hekia Parata	10	7
Gaylene Preston	9	–
Louise Rosson	8	7
Trish Stevenson (part year)	2	7

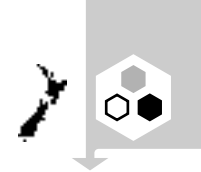
### 19 Related Party Transactions

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.

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.

### 20 Post Balance Date Events

There have been no material events subsequent to 30 June 2001.



# statement of objectives & service performance

\_for the year ended 30 June 2001

This statement reports on NZ On Air's performance in relation to the objectives and targets set in its Statement of Intent for the year ending 30 June 2001. Unless otherwise stated, the time of delivery of the service performance is for the twelve months ended 30 June 2001.

## 1.0 Programme Funding

### 1.1 Television Programmes

#### Outcome

The broadcast of local programmes that reflect New Zealand identity and culture.

Local programmes and services supported by NZ On Air are accessible to and well received by their target audience.

A diversity of programming is available to New Zealanders that would not be available on a commercial basis.

#### Objective

To promote a diverse range of innovative programmes that reflect and foster the different expressions of New Zealand's cultural identity and serve the needs of viewers as citizens, not simply as consumers.

## Performance Targets

### Quantity and Cost

To allocate funding to specific genres as follows –

Programme Type	Budget 2000/2001		Actual performance 30 June 2001	
	Funded hours	Funding \$ millions	Funded hours	Funding \$ millions
Drama	70	14.4	49.0	16.8
Comedy	30	5.0	49.5	3.2
Children's drama	13	4.2	13.0	4.2
Documentaries	90	8.1	103.5	8.7
Information	30	1.0	17.5	1.1
Special interest programming for:				
- Children/young people	410	10.2	325.0	10.0
- Arts, culture & performance	120	3.0	121.0	3.5
- People with disabilities including Teletext	20	2.4	20.0	2.4
- Ethnic minorities	50	2.3	53.5	2.5
- Other minorities	51	2.1	49.0	1.9
Innovation	10	1.0	18.0	0.8
Development	-	0.5	-	0.4
Maori reversioning or subtitling	10	0.3	69.0	0.2
<b>TOTAL</b>	<b>904</b>	<b>54.5</b>	<b>888</b>	<b>55.7</b>

## Performance Targets

### Quality

The quality of NZ On Air's funding decisions is measured by the following targets –

- To achieve diversity within the range of funded programmes (as outlined in the table on previous page).
- To analyse the levels of audience satisfaction with the way NZ On Air funding is apportioned for 2000/2001. The results of this research will be measured against benchmarks established in 1999/2000.

- To analyse the levels of audience satisfaction for prime time series that have been funded by NZ On Air. This will be achieved by:

(i) comparing expected viewing levels with AC Nielsen's daily surveys; and

(ii) within NZ On Air's budget constraints, performing qualitative research that considers the specific viewing preferences of audience focus groups.

Again these results will be used as benchmarks for future quality targets. Key benchmarks established in 1999/2000 were:

- (i) 50% of respondents in a major survey believe that NZ On Air's current apportioning of funding across key programme genres is satisfactory.
- (ii) 56% of respondents in a major survey feel that the amount of New Zealand-made TV programmes should increase.

### Comments

Funded hours in the drama and children's categories are below target for the period. In children's programming, this is a result of a broadcaster change in emphasis to improve quality, with an impact on quantity.

During the year, NZ On Air reassessed the viability of the funding targets for drama production. As a consequence of research into international market trends, coupled with our detailed knowledge of drama projects in the pipeline, we concluded that our projection of 70 hours of drama programming would not be met by year-end. NZ On Air revised the drama target, forecasting that 44 hours of drama production was more likely to be achieved.

In fact NZ On Air exceeded the revised target of 44 hours by 5 hours, achieving 49 hours for drama.

The comedy target of 30 hours was exceeded by 19.5 hours.

The documentary target of 90 hours was exceeded by 13.5 hours.

## Actual Performance 30 June 2001

Achieved (as outlined in the table on previous page). See comments in section below.

Survey participants were not asked this year whether the current apportioning of funding across key programme genres is satisfactory. However, children's programmes, in depth documentaries, programmes for people with disabilities, NZ drama and children's drama programmes were rated as the most important genres by around 75% or more of participants.

Participants were also asked how they would apportion funding. Responses suggested that participants would fund around the same quantity of arts and performance and special interest programmes as NZ On Air currently supports, but would fund a higher number of hours of documentary and information, drama/comedy, and Maori programmes for a general audience than NZ On Air is currently able to support.

Achieved. NZ On Air regularly reviews the survey data prepared by AC Nielsen.

Achieved. NZ On Air engaged Colmar Brunton to perform qualitative audience research with children & young people. This investigated attitudes and preferences regarding television programming.

NZ On Air engaged NFO CM Research to perform qualitative & quantitative research with special interest groups. This investigated attitudes to six programmes/services provided by NZ On Air.

CM Research undertook this work as part of NZ On Air's annual quantitative opinion survey. Findings were:

- see comments above
- this year 62% of those surveyed felt the amount of New Zealand-made TV programmes should increase.

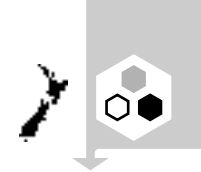
Targets in the information category were under by 12.5 hours and in minorities, were under by 2 hours.

The information category was a one-off category allowed for due to savings in other areas and better than expected results in residual PBF collection. Since this was the first time this category was offered, we anticipated that programmes in the area would be at a lower cost than documentary; however, they came in at per hour costs close to documentary levels.

The innovation category exceeded the target of 10 hours by 8.

The overall target of 904 hours was only narrowly missed with an achieved outcome of 888 hours.

Funding of \$55.7m was expended against a target of \$54.5m. The overspend was made possible by underspends in transmission coverage and other areas of the NZ On Air budget.



## 1.2 Radio Services\_National Radio & Concert FM

### Outcome

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

### Objective

To fund National Radio and Concert FM to provide the services required by the Charter described in the Radio New Zealand Act 1995 and to assist NZ On Air to meet its objectives under the Broadcasting Act 1989.

To ensure that the contract with Radio New Zealand for the funding of National Radio and Concert FM includes conditions requiring the services to be maintained at such a level that their audiences consider that they are of high quality.

Performance Targets	Actual Performance 30 June 2001
<p><b>Quantity</b></p> <p>The current contract between Radio New Zealand and NZ On Air requires National Radio and Concert FM to deliver specific broadcasting services which meet the requirements of the Radio New Zealand Charter which is set out in Section 7 of the Radio New Zealand Act 1995.</p> <p>The Charter functions and programme hours devoted to the fulfilment of these functions are –</p>	<p>The table below gives Charter performance targets and actuals. Note that the Charter performance targets changed to reflect Radio New Zealand's plans for the expansion and enhancement of programmes as a result of the increase in funding for the 2000/2001 year announced in May 2000.</p> <p>The minor changes are reflected in targets A – D, F and G for National Radio and target D for Concert FM.</p>

Charter	Performance Targets				Actual Performance			
	National Radio (Note 2)		Concert FM (Note 2)		National Radio		Concert FM	
Charter Function (Note 1)	Annual Broadcast Hours	% Total Hours	Annual Broadcast Hours	% Total Hours	Annual Broadcast Hours	% Total Hours	Annual Broadcast Hours	% Total Hours
A. Intellectual, scientific and cultural development. Informed debate and critical thought.	7,201	82%	Note 3		7,183	82%	Note 3	
B. Information, special interest and entertainment. Reflect cultural diversity including Maori language and culture.	7,417	85%	Note 3		7,416	86%	Note 3	
C. Varied interests within the community. Information, educational, special interest and entertainment.	1,314	15%	8,760	100%	1,314	15%	8,760	100%
D. Musical, dramatic and performing arts. New Zealand and international composers, performers and artists.	1,666	18%	7,995	91%	1,577	18%	8,409	96%
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.	2,159	25%	260	3%	2,102	24%	263	3%
G. Comprehensive independent, impartial, balanced international news and current affairs.	1,038	12%	88	1%	1,051	12%	87	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 At the time the 2000/2001 Statement of Intent was prepared, target hours for the 2000/2001 year were being discussed with Radio NZ. The target hours above are the revised hours agreed upon by NZ On Air and Radio NZ following the publication of the 2000/2001 Statement of Intent.

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.

## Performance Target

The contract also requires Radio New Zealand to deliver services to NZ On Air to meet its responsibilities under the Broadcasting Act 1989.

They are –

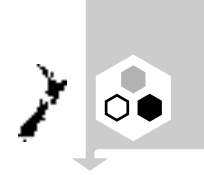
Types of Programmes and Services:	Performance Targets (Note 1)		Actual Performance	
	National Radio	Concert FM	National Radio	Concert FM
Total broadcast hours including:	8,760 hours	8,760 hours	8,760 hours	8,760 hours
New Zealand content programmes which includes	7,416 hours	-	7,873 hours	-
- Maori language & culture (Note 2)	260 hours	-	371 hours	-
- Special interest	324 hours	-	354 hours	-
- New Zealand drama	123 hours	-	175 hours	-
% of New Zealand music on rotate (Note 3)	27%	-	35%	-
% of New Zealand music composition	-	-	3%	-
% of New Zealand music performance	-	12%	-	12%
% of population able to receive transmission	97%	92%	100%	100%

Note 1 At the time the 2000/2001 Statement of Intent was prepared, target hours for the 2000/2001 year were being discussed with Radio NZ. The target hours above are the revised hours agreed upon by NZ On Air and Radio NZ following the publication of the 2000/2001 Statement of Intent.

Note 2 In a letter separate from the contract to NZ On Air (dated 21 September 2000), Radio New Zealand undertook to deliver 275 hours of Maori language and culture programmes (including 61 hours in te reo) in the 2000/2001 year in order to make up a deficit in te reo hours carried forward from the 1999/2000 year.

Note 3 In addition to the New Zealand music content on rotate, National Radio produces and broadcasts feature programmes on New Zealand music.

Performance Targets	Actual Performance 30 June 2001																			
<p><b>Quality</b></p> <p>Under the current contract, Radio New Zealand is required to provide audience research to establish National Radio and Concert FM listenership and to demonstrate that the National Radio and Concert FM services have been maintained at such a level that the audience continues to consider that they are of a high quality.</p> <p>The AC Nielsen survey commissioned by Radio New Zealand in 1999 provided quality benchmarks against which future performance will be measured.</p>	<p>Radio New Zealand has reported the results of its second AC Nielsen national audience survey carried out in the second half of 2000. The results suggest that audience numbers are down on the 1999 AC Nielsen results –</p> <table border="1"> <thead> <tr> <th></th> <th>Cume 1999</th> <th>Cume 2000</th> </tr> </thead> <tbody> <tr> <td>National Radio</td> <td>658,000</td> <td>517,000</td> </tr> <tr> <td>Concert FM</td> <td>285,000</td> <td>185,000</td> </tr> </tbody> </table> <p>Radio New Zealand believes that the 1999 survey was a 'rogue result' because the 2000 result is fully in line with the previous seven survey results.</p> <p>Audience satisfaction levels for both National Radio and Concert FM have however been maintained –</p> <table border="1"> <thead> <tr> <th></th> <th>Satisfied 1999</th> <th>Satisfied 2000</th> </tr> </thead> <tbody> <tr> <td>National Radio</td> <td>82%</td> <td>81%</td> </tr> <tr> <td>Concert FM</td> <td>78%</td> <td>77%</td> </tr> </tbody> </table> <p>NZ On Air believes Radio New Zealand has continued to meet its contractual requirements.</p> <p>The 2001 AC Nielsen survey has been commissioned. Diaries went into the field in July 2001.</p>			Cume 1999	Cume 2000	National Radio	658,000	517,000	Concert FM	285,000	185,000		Satisfied 1999	Satisfied 2000	National Radio	82%	81%	Concert FM	78%	77%
	Cume 1999	Cume 2000																		
National Radio	658,000	517,000																		
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	Satisfied 1999	Satisfied 2000																		
National Radio	82%	81%																		
Concert FM	78%	77%																		



Cost		
National Radio		\$17,298,500
Concert FM		\$4,444,000
Supplementary funding	\$888,890	-
<b>Total Cost National Radio / Concert FM</b>	<b>\$22,289,000</b>	<b>\$22,290,000</b>

## Access & Pacific Island Radio

### Outcome

To ensure that the interests of women, children, persons with disabilities, minorities in the community (including ethnic minorities) and non-profit community groups are adequately represented in radio and that special interest audiences – including Pacific Island audiences – are catered for in areas of significant population.

### Objective

To contribute to the costs of maintaining access radio services for a broad range of non-profit community groups including in particular those specified in Section 36(c) of the Broadcasting Act 1989.

To contribute to the costs of maintaining Pacific Island community radio services in areas of greatest Pacific Island population.

Performance Targets	Actual Performance 30 June 2001
<p><b>Quantity</b></p> <p>To continue to fund the existing 11 access radio stations which serve communities of 50,000-plus population.</p> <p>To extend the Pacific Island community radio services provided by Radio 531pi in Auckland and Samoan Capital Radio in Wellington.</p>	<p>Achieved. Funding has been provided to 11 access radio stations (Auckland, Hamilton, Hawkes Bay, Wairarapa, Kapiti Coast/Horowhenua, Manawatu, Wellington, Tasman Bays, Christchurch, Dunedin and Invercargill.)</p> <p>NZ On Air has costed options for establishing a Pacific Island community radio network covering at least Auckland, Hamilton, Tokoroa, Wellington and Christchurch once suitable frequencies are available. This work also involves consultation with Pacific Island radio broadcasters and community interests including the Ministry of Pacific Island Affairs. A discussion paper outlining a viable option has been sent to Radio 531pi in the first instance prior to wider consultation, and initial feedback has been received. The Ministry of Pacific Island Affairs is also working on a network plan that, if it eventuates, will integrate the NZ On Air work.</p>
<p><b>Quality</b></p> <p>To ensure that at least 60% of the programmes broadcast by funded access radio stations meet the needs of the groups specified in Section 36(c) of the Broadcasting Act. This information is obtained from quarterly returns prepared by each access radio station throughout the year.</p> <p>To ensure that Pacific Island radio services provide a range of programming suitable for Pacific Island audiences as determined through consultation. This will be assessed by NZ On Air at the time the annual funding applications are submitted by Radio 531pi and Samoan Capital Radio.</p>	<p>Achieved. An average of 70% of programmes broadcast met Section 36(c) criteria during the period.</p> <p>Achieved.</p>

<p><b>Location</b></p> <p>NZ On Air's current access radio policy identifies areas of 50,000-plus population as a priority. Funded access radio services are located in Auckland, Hamilton, Hawkes Bay, Manawatu, Wairarapa, Kapiti Coast/Horowhenua, Wellington, Tasman Bays, Christchurch, Dunedin and Invercargill.</p> <p>To date, NZ On Air has responded to initiatives to establish Pacific Island radio services in areas of greatest Pacific Island population – Auckland and Wellington. Options for extending a service to centres including Hamilton, Tokoroa and Christchurch, are currently being explored.</p>	<p>Achieved.</p> <p>Achieved.</p>												
<p><b>Cost</b></p> <table border="1"> <tr> <td>Access Radio</td> <td>\$1,686,400</td> <td>\$1,760,400</td> </tr> <tr> <td>Pacific Island Radio</td> <td>\$275,000</td> <td>\$431,250</td> </tr> <tr> <td>New funding (allocation to be confirmed)</td> <td>\$350,000</td> <td>-</td> </tr> <tr> <td><b>Total Cost of Access and Pacific Island Radio</b></td> <td><b>\$2,311,400</b></td> <td><b>\$2,191,650</b></td> </tr> </table>	Access Radio	\$1,686,400	\$1,760,400	Pacific Island Radio	\$275,000	\$431,250	New funding (allocation to be confirmed)	\$350,000	-	<b>Total Cost of Access and Pacific Island Radio</b>	<b>\$2,311,400</b>	<b>\$2,191,650</b>	
Access Radio	\$1,686,400	\$1,760,400											
Pacific Island Radio	\$275,000	\$431,250											
New funding (allocation to be confirmed)	\$350,000	-											
<b>Total Cost of Access and Pacific Island Radio</b>	<b>\$2,311,400</b>	<b>\$2,191,650</b>											

### Comments

The new funding of \$350,000 was divided up into \$250,000 for a Pacific Island radio network and \$100,000 for an access radio FM contingency fund. This funding has been committed for these purposes. The expenditure in both instances is now awaiting confirmation from Government of its decisions with respect to the allocation of radio spectrum for non-commercial purposes.

Note that NZ On Air has increased annual funding for Radio 531pi in Auckland from \$125,000 to \$200,000 and the station has moved from an April/March funding year to a July/June funding year in line with most of our other annually funded radio stations. Thus, funding for Radio 531pi in 2000/2001 shows as only one quarter (April-June 2001) during the transition. The increase to \$200,000 for Radio 531pi takes effect from 1 July 2001.

## Commercial Radio Programmes

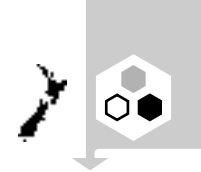
### Outcome

That the interests of youth who are commercial radio users are catered for through dedicated youth radio shows.

### Objective

To fund at least one nationally-syndicated youth radio show which deals with youth issues and youth interests for broadcast on commercial radio stations that are popular with the youth audience.

Performance Targets	Actual Performance 30 June 2001			
<p><b>Quantity</b></p> <p>To fund at least 50 weekly one-hour episodes of Rampage, Te Puutake and The Voice for broadcast on at least 20 radio stations or on commercial radio networks with equivalent audience reach.</p>	<p>Achieved. Funding for the three youth radio shows for the 2000/2001 year was approved in June 2000. Funding has also been provided for three projects produced by the Christian Broadcasting Association pursuant to NZ On Air's new responsibilities under Section 36(c) of the Act.</p>			
<p><b>Quality</b></p> <p>Indicators of the success of the shows – such as target audience feedback, audience numbers, numbers of radio outlets and award nominations and commendations – will be monitored through the year.</p>	<p>Achieved.</p>			
<p><b>Cost</b></p> <table border="1"> <tr> <td><b>Total Cost of Commercial Radio Programmes</b></td> <td><b>\$585,835</b></td> <td><b>\$526,265</b></td> </tr> </table>	<b>Total Cost of Commercial Radio Programmes</b>	<b>\$585,835</b>	<b>\$526,265</b>	
<b>Total Cost of Commercial Radio Programmes</b>	<b>\$585,835</b>	<b>\$526,265</b>		



### 1.3 Maori Broadcasting

**Outcome**

That Maori language and culture is promoted by providing funding for television and radio broadcasting.

**Objective**

To fund and promote programming intended for a general audience, which provides for adequate representation of Maori and Maori interests.

Performance Targets	Actual Performance <small>30 June 2001</small>
<p><b>Quantity</b></p> <p>As a condition of funding, to require that approximately 15% of hours funded within a television 'umbrella' funding arrangement involve Maori creative participation on a topic of relevance to Maori language and culture.</p> <p>To fund other television programmes featuring Maori and Maori interests intended for a general audience as funds permit.</p> <p>To require children's programmes funded by NZ On Air to promote Maori language and culture as an essential aspect of the programme.</p> <p>To ensure that National Radio produces and broadcasts at least 260 hours a year of programmes reflecting Maori language and culture.</p> <p>To ensure that 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 tracks played on key syndicated radio shows are by Maori artists.</p> <p>To produce up to four volumes of Iwi Hit Disc for distribution to every radio station in the country.</p>	<p>Achieved for the TV3 drama initiative and for the following strands – Inside New Zealand, and at a reduced level (in return for a separate strand commitment as below), Documentary New Zealand.</p> <p>In addition, commissioning for 7 x 1/2 hour Maori documentaries for TV One is complete. NZ On Air hopes to receive an application for a second series in the next financial year.</p> <p>Achieved. Television funding has been applied to Poi-E – The Concert. Reversioning of Moko Toa II and subtitles for the repeat screening of Te Karere were also funded.</p> <p>Maori language and culture is predominant in Mai Time and where appropriate in all children's programmes.</p> <p>Achieved. In the year to 30 June 2001, National Radio broadcast 371 hours of Maori programming.</p> <p>Achieved. Seventeen of the 113 (15%) funded music videos were performed by Maori artists and 18 out of 91 (19%) tracks on Kiwi Hit Disc were performed by Maori artists.</p> <p>Now that Te Mangai Paho is also funding Maori music videos, a number of the projects that were originally coming to NZ On Air are seeking funding from Te Mangai Paho.</p> <p>At year end, reports were sought from the producers of key syndicated radio shows to identify Maori artist representation and will be analysed when received.</p> <p>Achieved. To date three volumes of Iwi Hit Disc have been distributed and a fourth was in production at year end.</p>
<p><b>Quality</b></p> <p>Performance measures to be applied are –</p> <ul style="list-style-type: none"> <li>A Maori broadcasting hui will be held during the year in order to survey progress made by NZ On Air in meeting the Maori broadcasting performance targets outlined above.</li> <li>Six monthly reviews of the implementation of NZ On Air's Te Rautaki Maori will be conducted.</li> <li>NZ On Air consults regularly with Radio New Zealand management to ensure that progress is being made to (a) reflect Maori and Maori interests; and (b) extend the audience for National Radio's Maori programmes via Maori radio.</li> </ul>	<p>Achieved. A Maori broadcasting hui was held in August 2000.</p> <p>Achieved. Six monthly results were assessed in April 2001, and confirmed good progress had been made.</p> <p>Achieved. NZ On Air and Radio New Zealand discussed Maori programming (and in particular, Maori language programming) on a number of occasions during the year.</p>
<p><b>Cost</b></p> <p>Estimated funding for general mainstream programmes featuring Maori</p>	<p>(Note 1) \$5,478,283</p>

Note 1 Breakdown of funding for general mainstream programmes featuring Maori -

Television	\$4,625,771(a)
Radio	\$767,512(b)
NZ Music Videos	\$85,000(c)
<b>TOTAL</b>	<b>\$5,478,283</b>

(a) Television is made up of the following programmes:

Wiggly Fin	\$291,750
Mai Time 2001	\$870,000
Mai Time: Class Clowns	\$33,869
Pasifika Beats 2000	\$71,540
Nga Manu Korero 2000	\$66,032
Nga Manu Korero 2001	\$74,185
Poi-E – The Concert	\$99,437
Ahurea 2001	\$69,860
Mai Live Bands, Best of	\$31,367
Maori Sports Awards 2000	\$39,361
Whale Rider	\$500,000
Mataku additional	\$6,750
The Life & Times Of Te Tutu II	\$1,103,496
Ake Ake – B Company Remembers	\$9,902
Documentary NZ III	
Karroll's Crusade	\$90,092
Pokarekare Ana	\$97,707
Documentary NZ IV	
Otara Markets	\$75,323
Maori Documentary Series	
Maori Renaissance	\$43,991
Busy As Aunty Bea	\$47,998
Shearers	\$46,500
Jah	\$46,500
Pania Of The Reef	\$48,000
Life & Times Of A Fully Fledged Activist	\$55,000
Tuari Dawson	\$48,000
Inside NZ IX	
Whanau additional	\$90,849
Inside NZ X	
He Iwi Ngaro – Tribeless	\$108,765
Haka	\$90,000
Trip Of A Lifetime	\$89,460
The Hidden	\$76,544
The Bash	\$87,327
Maori reversioning	\$216,166

**TOTAL** **\$4,625,771**

(b) The estimate for Radio is based on 4.23% of the total funding provided to National Radio as Maori programming occupies 4.23% of programme hours (4.23% x \$18,145,000). This estimate also includes Maori programming's proportionate share of the broadcaster's total overall costs.

(c) Seventeen music videos (at a cost of \$5,000 per video) featuring Maori artists were funded during the year. It is important to note that Te Mangai Paho is now funding music videos by Maori artists and this has impacted on the number of Maori music projects submitted for NZ On Air's scheme.



## 1.4 New Zealand Music

### Outcome

That there is more New Zealand music played on the radio.

### Objective

To increase the amount of New Zealand music played on radio – particularly commercial radio.

To encourage and help all radio stations to play more New Zealand music.

Performance Targets	Actual Performance 30 June 2001																		
<p><b>Quantity</b></p> <p>To progressively increase New Zealand music content on commercial radio to 15% – 20% or more as measured by the quarterly surveys of radio station airplay logs collected by APRA (the Australasian Performing Right Association) and published in the radio industry trade journal, Median Strip.</p>	<p>The figures for the quarter ending 30 June 2001 in comparison to the quarter ending 30 June 2000 are as follows:</p> <table border="1"> <thead> <tr> <th>Format</th> <th>30 June 2001</th> <th>30 June 2000</th> </tr> </thead> <tbody> <tr> <td>Adult Contemporary</td> <td>7.35%</td> <td>8.75%</td> </tr> <tr> <td>Pop</td> <td>9.77%</td> <td>9.17%</td> </tr> <tr> <td>Rock</td> <td>13.69%</td> <td>10.45%</td> </tr> <tr> <td>Alternative</td> <td>32.35%</td> <td>29.37%</td> </tr> <tr> <td><b>Overall</b></td> <td><b>10.77%</b></td> <td><b>10.42%</b></td> </tr> </tbody> </table>	Format	30 June 2001	30 June 2000	Adult Contemporary	7.35%	8.75%	Pop	9.77%	9.17%	Rock	13.69%	10.45%	Alternative	32.35%	29.37%	<b>Overall</b>	<b>10.77%</b>	<b>10.42%</b>
Format	30 June 2001	30 June 2000																	
Adult Contemporary	7.35%	8.75%																	
Pop	9.77%	9.17%																	
Rock	13.69%	10.45%																	
Alternative	32.35%	29.37%																	
<b>Overall</b>	<b>10.77%</b>	<b>10.42%</b>																	
<p><b>Quality</b></p> <p>In order to make sure that all funded music videos and tracks on NZ On Air's hit discs will receive significant television and radio airplay, NZ On Air will consult television and radio programme directors before selecting projects that will get support and will obtain from them an assessment of the airplay potential of the songs.</p> <p>In order to guarantee exposure for New Zealand music via networked and syndicated radio shows, NZ On Air will require the producers of such shows to produce written commitments to broadcast the shows from an acceptable number of radio stations throughout the country (usually not less than 20 stations).</p>	<p>Achieved.</p> <p>Achieved.</p>																		
<p><b>Cost</b></p> <p>New Zealand music</p>	<p>\$ 3,900,000</p> <p>\$3,783,897</p>																		

### Comments

Since the performance measures for the 2000/2001 year were published in the Statement of Intent, NZ On Air has launched its Phase Four New Zealand music plan. The Phase Four plan was launched on 28 July 2000 and the first Phase Four funding commitments were made in September/October 2000.

For that reason, the 2000/2001 year performance measures did not incorporate Phase Four activities. The 2001/2002 year Statement of Intent contains a full set of performance measures for NZ On Air's New Zealand music activity including Phase Four expenditure.

However, in the first Phase Four (part) year, the following commitments have been made in line with the three main tiers of the plan –

#### More pluggers power

- Three NZ music promotions people (or pluggers) have been contracted.

#### More music television

- A partnership has been established with Satellite Media Group and TV2 to launch the M2 music television project, increasing the weekly hours of free-to-air music television threefold.

#### More money for making and marketing music

- Three International Marketing projects have been funded;
- 14 Album recording projects have been funded; and
- 40 New Recording Artist projects have been funded.

Full details are reported in the schedule of Radio Programmes & NZ Music Projects on pages 53 to 56.

## 2.0 Transmission Coverage

### 2.1 Television Transmission Coverage

#### Outcome

To provide cost-effective transmission coverage of TV One and TV2 to communities that are unable to receive a commercially viable signal.

#### Objective

To work with TVNZ to develop a more cost-effective way of providing TV One and TV2 to communities that are unable to receive a commercially viable signal.

To subsidise TV One and TV2, where necessary, to maintain transmission coverage to certain communities mainly in remote areas (approximately 14,000 households) which NZ On Air considers to be non-commercial and cannot be delivered by more cost-effective means.

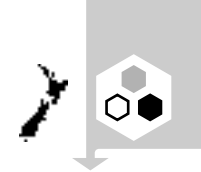
Performance Targets	Actual Performance 30 June 2001
<p><b>Quantity and Location</b></p> <p>NZ On Air will continue its negotiations with TVNZ, and where necessary perform cost-benefit analyses, in order to implement a more cost-effective delivery system which can be used to provide TV One and TV2 to communities in remote non-commercial areas.</p> <p>If necessary, to subsidise the cost of transmission to those areas which are non-commercial in order to maintain TV One's coverage at 99.7% of the population.</p> <p>If necessary, to subsidise the cost of transmission to those areas which are non-commercial in order to maintain TV2's coverage at 99.5% of the population.</p> <p>To reassess, if necessary, the cost-benefits of providing TV One and TV2 to households in remote non-commercial areas using TVNZ's existing terrestrial transmission system.</p> <p>To complete the work programme of community self-help schemes relating to TV One, TV2 and TV3 transmission that remained on hand as at 30 June 2000.</p>	<p>NZ On Air's negotiations with TVNZ are currently on hold pending TVNZ's finalisation of revised plans to implement a digital transmission system.</p> <p>Achieved. Funding of \$1,150,000 was approved for TVNZ to subsidise non-commercial operating costs for TV One and TV2 for the year ending 30 June 2001.</p> <p>TVNZ presented its digital strategy and initiated a dialogue regarding longer-term options for non-commercial transmission coverage in April 2001. A meeting to clarify issues for consideration was held between TVNZ and NZ On Air in July, but noted that TVNZ's planned October 2001 digital launch was now delayed.</p> <p>Achieved. Funding for both schemes terminated on 30 June 2001 and a final amount has been committed. However, there were a few projects initiated but still to be completed by year end. These should be completed by 30 June 2002.</p>
<p><b>Quality</b></p> <p>Where NZ On Air subsidises transmission coverage, the broadcaster will make available to the agreed number of potential viewers in the coverage area a signal suitable to provide a received picture quality that conforms to the International Radio Consultative Committee recommended standard R500-4 of PQ3 or better.</p> <p>NZ On Air will obtain technical advice where necessary to validate any technical issues that relate to transmission coverage.</p>	<p>Achieved. TVNZ has provided transmission to the agreed number of potential viewers in subsidised coverage areas. The signal conformed to International Radio Consultative Committee recommended standard R500-4 of PQ3 or better.</p> <p>Independent technical expertise has been obtained where necessary in evaluating transmission coverage funding applications.</p>
<p><b>Cost</b></p> <p>Television transmission coverage</p>	<p>\$2,800,000</p> <p>\$1,715,000</p>

### Comments

In 2000, TVNZ announced the planned launch of their digital satellite service on 1 October 2001. However, the digital satellite launch has been delayed until April 2002.

TVNZ has raised concerns regarding the present condition of non-commercial transmitters. If the digital solution continues to be delayed, some of these transmitters will require upgrading or possibly capital replacement. It should be noted that this may have significant cost implications.





## 2.2 Radio Transmission Coverage

### Outcome

That as many New Zealanders as possible are able to receive a community radio service and a National Radio service.

### Objective

To ensure every community of 1,000 people is served by a primary-strength community radio service signal.

To encourage small and remote communities to use the National Radio community self-help scheme to obtain a National Radio service.

Performance Targets	Actual Performance 30 June 2001
<p><b>Quantity and Location</b></p> <p>To consider applications for funding to establish community radio facilities in areas of 1,000+ people that are not served by a primary-strength community radio signal. In assessing applications for funding, NZ On Air will give priority to areas where there has never been a primary-strength community radio service established on a commercial basis.</p> <p>To encourage Radio New Zealand to promote the National Radio community self-help scheme to interested communities throughout the year.</p>	<p>The NZ On Air Board considered an independent consultant's report on communities of 500+ population which do not currently have a primary-strength community radio signal. As a result, NZ On Air has made a policy amendment beyond the Ministerial directive, to include a one-off capital subsidy (with a cap of three allocations per year) for capital equipment to qualifying communities of 500+ population. One application to extend a radio station's coverage into the Karamea area was submitted. At year end the application was being considered against the new policy guidelines.</p> <p>Achieved. Radio New Zealand have also contracted with Sky Television to provide National Radio and Concert FM on Sky's digital service. This ensures 100% coverage of both signals throughout the country.</p>
<p><b>Quality</b></p> <ul style="list-style-type: none"> <li>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).</li> <li>NZ On Air will contract with the broadcasters to ensure that the community radio service broadcasts 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.</li> </ul>	<p>Achieved.</p> <p>Achieved.</p>
<p><b>Cost</b></p> <p>Radio Transmission coverage \$93,000</p>	-

### Comments

The contingency fund for radio transmission was not required for the year ending 30 June 2001.

## 3.0 Archiving

### Outcome

That a representative range of New Zealand television and radio programmes with the potential to be of historical interest are archived.

### Objective

To provide funding to The New Zealand Film Archive and Sound Archives Nga Taonga Korero to archive a wide range of New Zealand television and radio broadcasts and to maintain the collections in line with accepted archiving procedures, including public access to the collections.

## Performance Targets

### Quantity

To provide funding for core archiving services for a wide range of television and radio programmes which are likely to be of historical interest in New Zealand -

Service	Performance Targets		Actual Performance	
	Television	Radio	Television	Radio (Note 1)
Selection and acquisition of programmes to be archived	677 hours	1,300 hours	690 hours	1,299 hours
Preservation of programmes	170 hours	1,700 hours	163 hours	1,648 hours
Public access to the archived broadcast programmes	Note 2	Note 2	-	-

Note 1 Provisional results only.

Note 2 Public access to archive material held by either The New Zealand Film Archive or Sound Archives Nga Taonga Korero is available during these archives' working hours in line with generally accepted archiving procedures.

Performance Targets	Actual Performance 30 June 2001
<p><b>Quality</b></p> <p>NZ On Air will engage an independent archiving consultant to review the archiving services six-monthly (in particular, the diversity of programmes archived) that have been provided by The New Zealand Film Archive and Sound Archives Nga Taonga Korero.</p>	<p>Achieved. A review was conducted for the six months ended 31 December 2000. No significant issues were identified.</p> <p>An independent consultant has been contracted to review the archiving services provided by The New Zealand Film Archive and Sound Archives Nga Taonga Korero for the year ended 30 June 2001.</p>
<p><b>Cost</b></p> <p>Archiving \$987,000</p>	\$987,419

### Comments

Funding agreements with both Archives for 1 July 2000 - 30 June 2003 were signed by 31 December 2000.

NZ On Air will investigate the reasons for not achieving preservation targets on receipt of final reports from the Sound Archives Nga Taonga Korero. Appropriate recommendations will then be drawn up.

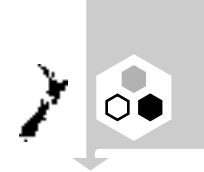
## 4.0 Public Broadcasting Fee (PBF) Collection

Performance Targets	Actual Performance 30 June 2001
<p><b>Quantity</b></p> <p>NZ On Air will aim to collect at least \$4.0 million (excl GST) of Public Broadcasting Fees outstanding as at 30 June 2000.</p>	Achieved. During the year, a total of \$4,374,543 (excl GST) was collected.
<p><b>Cost</b></p> <p>Cost of PBF Collection (excluding refunds) \$1,000,000</p>	\$1,821,239

### Comments

Throughout the year to June 2001, collection of residual PBF owing has continued to be managed cost effectively with 902,920 Fee payers (89%) now having made their final payments. Of this total, around 48,000 fees, with a total value of \$4.4 million, were paid in full over the past year. This was \$0.4 million ahead of our target of \$4 million, notwithstanding the difficulties of collection in the light of the abolition of the PBF.

Debt collection and enforcement costs remained cost-effective overall with about \$2.40 collected for every \$1 spent. Overall, collection costs for the year were \$1.8 million. Collection costs were within a revised budget (taking into account continuing collections activity) of \$1.9 million, agreed early in 2001. Successful collections allowed a write-back of \$0.8 million in the doubtful debt provision to be made.



# statement of management procedures

for 2000/2001

## Funding Allocation Process

### Outcome

That NZ On Air operations are effective and efficient.

### Objective

To allocate income derived from the Public Broadcasting Fee and from the Government for the purpose of providing broadcasting services to Government and the New Zealand public as required by the Broadcasting Act 1989 (the Act) and directions issued by the Minister of Broadcasting pursuant to Section 44 of the Act.

### Description

In its planning and operations for the year, NZ On Air will be guided, both in its internal management processes, and its funding allocation policies, by the following key principles:

- New Zealand audiences (both television and radio) will be considered as citizens, not simply as consumers.
- NZ On Air will encourage innovation in broadcasting (which may include new initiatives within long-standing programmes).
- The risks and opportunities for public broadcasting afforded by new technologies will be analysed and planned for.
- NZ On Air will ensure New Zealand's platform of biculturalism is widely reflected, wherever possible and appropriate.
- NZ On Air will ensure there are significant expressions of New Zealand's culture and identity, in all its diversity, across a range of broadcast media.
- Broadcasting's role in providing access to information for all New Zealanders to different expressions of arts, education, science etc will be recognised.

The 2000/2001 financial year shows an increase in NZ On Air's administration budget. This is due, in large part, to the transfer of a share of administrative and overhead costs which were previously allocated to the collection of the Public Broadcasting Fee. It is also due to the unsustainability of cost increases in a budget which had been held at the same level for 6 years.

During the year, NZ On Air continued to allocate funds for the production of radio and television broadcasts and programmes which reflect New Zealand identity and culture, Maori broadcasting, for special interest audiences (Section 36(c) of the Act), New Zealand music, archiving broadcasts of historical interest, teletext subtitles, and where necessary, to ensure the availability of 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.

Broadcasting Services	Expected Number of Funding Contracts for 2000/2001	Actual Number of Funding Contracts as at 30 June 2001
Television	130	126
National Radio and Concert FM	1	1
Access/Pacific Island Radio	14	16
Transmission coverage	7	3
Commercial radio programmes	3	4
New Zealand music	206	227
Archiving	2	2
<b>Total</b>	<b>363</b>	<b>379</b>

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

## Management Procedures Actual Performance 30 June 2001

<p><b>7</b> 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.</p>	Achieved.
<p><b>8</b> NZ On Air will audit a random selection of funding recipients throughout 2000/2001 to ensure that these service providers attain specified standards of performance and account for the use of the funds.</p>	Achieved. An audit of four drama projects was undertaken. There were also reviews of one Access radio station and a music video.
<p><b>9</b> NZ On Air regularly reviews and where necessary updates its various risk management (eg Treasury policy, disaster recovery and conflict of interest) and human resource (eg health and safety, and code of conduct/conditions of employment) policies and strategies.</p>	NZ On Air's Audit Committee reviewed the potential risks to NZ On Air in light of the Ninox Film's receivership. A set of recommendations considered in December is being discussed with the industry in 2001.
<p><b>10</b> The newly implemented Te Rautaki Maori will include regular analysis and review of Treaty of Waitangi issues relevant to NZ On Air.</p>	No Treaty of Waitangi issues were identified.
<p><b>11</b> NZ On Air's audit committee has also developed an audit plan for 2000-2002, which addresses the majority of the risks facing NZ On Air. This plan will commence during 2000 and will be regularly monitored and, if necessary, revised by NZ On Air annually. A review of NZ On Air's IT capabilities, conducted in 1999/2000 will be followed up by a work programme to ensure network stability and relevance to NZ On Air's needs.</p>	The Audit Committee has reviewed and updated an Audit Plan for the 2001/2002 year.
<p><b>12</b> NZ On Air's baseline staff will not be increased this year. The position of General Manager, Revenue &amp; Marketing will be dis-established once collection of residual Public Broadcasting Fees ceases to be cost effective. A contract position to provide mentoring and executive producer services to Maori practitioners will be created. NZ On Air will continue a staff training programme, to focus on time management, negotiation and presentation skills, and knowledge of Maori language and culture.</p>	<p>The position of General Manager, Revenue and Marketing was disestablished on 30 June 2001.</p> <p>Management of PBF collections will be undertaken by a contractor beyond this date, while collection of residual PBF remains cost-effective overall.</p> <p>Tainui Stephens has been appointed to provide mentoring and executive producer services to Maori practitioners.</p> <p>NZ On Air staff have completed twelve week Maori language and culture courses.</p> <p>Attendance at time management courses has also occurred.</p>

Management Procedures	Actual Performance 30 June 2001
<p><b>1</b> To consult regularly with broadcasters, producers, special interest groups and other relevant parties as outlined in Section 37(a) of the Act and, where necessary, modify policies in relation to changes in the broadcasting environment.</p>	Achieved.
<p><b>2</b> To commission specific research, where necessary, to:</p> <ul style="list-style-type: none"> <li>- Inform NZ On Air decision makers;</li> <li>- Understand particular audience needs; and</li> <li>- Obtain information about public preferences for NZ On Air services.</li> </ul>	Refer Consultation and Accountability (on page 46) for examples of specific research that has been undertaken this period.
<p><b>3</b> 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.</p>	Achieved.
<p><b>4</b> 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.</p>	Achieved.
<p><b>5</b> To communicate NZ On Air funding decisions by letter to applicants as soon as practicable and by press releases where appropriate to the general public.</p>	Achieved.
<p><b>6</b> To enter into funding contracts with service providers to obtain a range of broadcasting services.</p>	Achieved.



## Consultation and Accountability

### Objective

To operate an effective two-way communication process (including consultation, research and publications) with Government and the users of NZ On Air-funded services (NZ On Air's customers) and broadcasters, programme producers, transmission suppliers, archivists and other suppliers (NZ On Air's service providers); and

To assess the needs of customers by research and consultation; and

To be accountable by informing customers and service providers of NZ On Air policies, requirements, decisions, and results.

### Description

To carry out its functions under the Broadcasting Act successfully, NZ On Air conducts regular consultation and research to ensure the programmes and services that it funds meet audience needs. NZ On Air also has reporting systems to provide full accountability to Government for the services it provides.

Management Procedures	Actual Performance <small>30 June 2001</small>
<p>Provide external information by -</p> <ul style="list-style-type: none"> <li>Publishing NZ On Air's Statement of Intent for tabling in Parliament and for issue to the public at the beginning of the financial year.</li> <li>Publishing any new NZ On Air funding policies and guidelines within one month of adoption and circulating them to all interested groups.</li> <li>Communicating NZ On Air funding decisions by letter to applicants and by press releases to the general public.</li> <li>Publishing NZ On Air's annual report within three months of the end of the financial year.</li> <li>Providing quarterly reports to the Minister of Broadcasting.</li> </ul> <p>Consult by -</p> <ul style="list-style-type: none"> <li>Securing regular audience survey information for television and radio in order to measure audience response to NZ On Air-funded programmes. Survey information to include -                             <ul style="list-style-type: none"> <li>Daily TV programme ratings; and</li> <li>Topline metropolitan and provincial radio audience surveys data.</li> </ul> </li> </ul> <p>Where necessary, commissioning specific research to -</p> <ul style="list-style-type: none"> <li>Assess audience needs and preferences; and</li> <li>Obtain information that will enhance NZ On Air's outcomes; and</li> <li>Inform NZ On Air decision makers and NZ On Air's stakeholders.</li> </ul> <ul style="list-style-type: none"> <li>Monitoring the development of the broadcasting environment, and where necessary, modify policies to provide for any changes in the environment.</li> </ul>	<p>Achieved. The 2000/2001 Statement of Intent has been tabled in Parliament and is available to the public. The 2001/2002 Statement of Intent was accepted by the Minister of Broadcasting in early July 2001.</p> <p>Achieved. Guidelines for all of the Phase Four funding schemes were published on 28 July 2000.</p> <p>Achieved.</p> <p>Achieved. The 1999/2000 Annual report has been tabled in Parliament and is available to the public.</p> <p>Achieved.</p> <p>Achieved. NZ On Air subscribes to the people meter survey data prepared by AC Nielsen.</p> <p>NZ On Air extracts survey information monthly from Median Strip and regularly from Research International NZ Limited's website.</p> <p>Achieved. NZ On Air engaged Colmar Brunton to perform qualitative audience research with children and young people. This investigated attitudes and preferences regarding television programming.</p> <p>NFO CM Research performed an annual survey on audience awareness and attitudes to NZ On Air and local content. This year a Maori booster sample allowed a comparison between the results for Maori and non Maori.</p> <p>NZ On Air engaged NFO CM Research to perform qualitative research with special interest groups. This investigated attitudes to six programmes/services provided by NZ On Air.</p> <p>NZ On Air has continued to monitor the developments in the broadcasting environment this year. As a result, no policies were changed.</p> <p>NZ On Air commissioned a report on digital technology and the New Zealand broadcast environment which was close to completion by year end.</p>
<p>Cost</p> <p>Administration (including funding allocation process, accountability and consultation) (GST exclusive) <span style="float: right;">\$2,100,000</span></p>	<p><span style="float: right;">\$2,134,000</span></p>

Note: This figure was rounded for the Statement of Intent. Actual budget was \$2,154,000.

# report of the audit office



TO THE READERS OF THE FINANCIAL STATEMENTS OF NZ ON AIR  
for the year ended 30 June 2001

We have audited the financial statements on pages 21 to 46. The financial statements provide information about the past financial performance of NZ On Air and its financial position as at 30 June 2001. This information is stated in accordance with the accounting policies set out on pages 21 to 22.

### Responsibilities of the Board

The Public Finance Act 1989 requires the Board to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of NZ On Air at 30 June 2001, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 2001.

### Auditor's Responsibilities

Section 43(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Board. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed Jeff Galt, of Audit New Zealand, to undertake the audit.

### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements and
- whether the accounting policies are appropriate to NZ On Air's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in NZ On Air.

### Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of NZ On Air on pages 21 to 46:

- comply with generally accepted accounting practise and
- fairly reflect:
  - the financial position as at 30 June 2001
  - the results of its operation and cash flows for the year ended on that date and
  - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

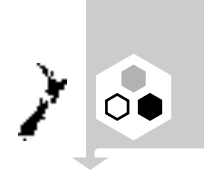
Our audit was completed on 21 September 2001 and our unqualified opinion is expressed as at that date.

Jeff Galt  
AUDIT NEW ZEALAND  
On behalf of the Controller and Auditor-General  
Wellington, New Zealand



Programme	Broadcaster	Producer	Episodes & Duration	NZ On Air Funding	% of Cost
Tutus And Town Halls	TV One	Gibson Group	1 x 1 hour	114,000	
Zoo Babies	TV One	Greenstone Pictures	1 x 1 hour	85,598	
Documentary Initiative (additional)	TV One	Various		200,000	
<b>Documentary New Zealand IV</b>	<b>TV One</b>		<b>25 x 1 hour</b>		
1951		Bates Productions	1 x 1.5 hour	122,451	
Cindy's Diary - Breaking The Cycle		RSVP Productions	1 x 1 hour	74,773	
Crash Landings		The TV Set	1 x 1 hour	114,874	
Drinking For Two		Screentime-Communicado	1 x 1 hour	93,674	
Family At War		Front Of The Box Productions	1 x 1 hour	87,890	
Joe Bennett's Guide To The Corridors Of Power		Messenger Films	1 x 1 hour	90,000	
My Father's War In Italy		Screentime-Communicado	1 x 1 hour	100,091	
No Mean Feat		Chas Toogood Productions	1 x 1.5 hour	125,378	
Otara Market		Front Of The Box Productions	1 x 1 hour	75,323	
First Laugh		Greenstone Pictures	1 x 1 hour	77,275	
The Private Lives Of Giants		Greenstone Pictures	1 x 1 hour	81,442	
Russell Crowe - Payback Time		RSVP Productions	1 x 1 hour	81,932	
Smith & Brown		RSVP Productions	1 x 2 hours	181,477	
Tangiwai		Top Shelf Productions	1 x 1 hour	88,863	
Teen Dads		Raconteur Productions	1 x 1 hour	69,599	
Three's Company		Greenstone Pictures	1 x 1 hour	83,966	
To Hell And Back - Tanya's Story		Greenstone Pictures	1 x 1.5 hour	108,237	
Unallocated Funding as at 30 June				\$592,755	
<b>Inside New Zealand X</b>	<b>TV3</b>		<b>25 x 1 hour</b>		
Alzheimers		Greenstone Pictures	1 x 1 hour	82,213	
Bald		Screentime-Communicado	1 x 1 hour	73,913	
Piercing - The Hole Story		Screentime NZ	1 x 1 hour	83,320	
The Business Of Scams		Greenstone Pictures	1 x 1 hour	76,300	
Chasing Elizabeth		The TV Set	1 x 1 hour	151,329	
Coming Out Of The Dark - The Lisa Reid Story		Dexterity Productions	1 x 1 hour	86,129	
Dancing Through Doors		Greenstone Pictures	1 x 1 hour	84,321	
Flight 703 - The Survivors		Ninox Films	1 x 1 hour	108,560	
Someone Else's Child		Kiwa Productions	1 x 1 hour	108,765	
Sounds		Greenstone Pictures	1 x 1 hour	97,701	
Infidelity On The Net		Messenger Films	1 x 1 hour	83,625	
Out Of Control Kids		Top Shelf Productions	1 x 1 hour	83,177	
On Golden Coast		The TV Set	1 x 1 hour	116,029	
Phobias And Obsessions		Frame Up Films	1 x 1 hour	73,610	
Suzie's Choice		Greenstone Pictures	1 x 1 hour	85,194	
The Bash		Kiwa Productions	1 x 1 hour	87,327	
The Haka		Cinco Cine	1 x 1 hour	90,000	
The Hidden		Screentime-Communicado	1 x 1 hour	76,544	
The Last Place On Earth		Screentime-Communicado	1 x 1 hour	90,000	
The Naked Penis		Raconteur Productions	1 x 1 hour	80,984	
Trip Of A Lifetime		Kiwa Productions	1 x 1 hour	89,460	
Women Behind Bars		MF Films	1 x 1 hour	88,100	
Unallocated funding as at 30 June				253,399	
<b>TOTAL DOCUMENTARY</b>			<b>103.5 hours</b>	<b>\$8,732,280</b>	<b>60%</b>

Programme	Broadcaster	Producer	Episodes & Duration	NZ On Air Funding	% of Cost
<b>INFORMATION</b>					
Money Doctor II	TV One	Touchdown Productions	13 x 1/2 hour	333,212	
Park Rangers	TV One	Touchdown Productions	10 x 1/2 hour	290,735	
The Human Animal	TV2	Top Shelf Productions	1 x 1 hour	80,079	
World Famous In New Zealand	TV2	Touchdown Productions	10 x 1/2 hour	380,000	
<b>TOTAL INFORMATION</b>			<b>17.5 hours</b>	<b>\$1,084,026</b>	<b>56%</b>
<b>CHILDREN &amp; YOUNG PERSONS</b>					
Bumble III	TV2	Bumble Productions	75 x 1/2 hour	1,007,357	
Mai Time 2001	TV2	TVNZ	35 x 1 hour	870,000	
Mai Time: Class Clowns	TV2	TVNZ	1 x 1 hour	33,869	
Pasifica Beats 2001	TV2	TVNZ	2 x 1 hour	71,540	
Smokefree Rockquest 2001	TV3	Screentime-Communicado	3 x 1/2 hour	148,990	
Smokefree Stage Challenge 2001	TV2	TVNZ Avalon Productions	7 x 1/2 hour	250,000	
Squirt 2001	TV2	TaylorMade Media	40 x 1/2 hour	1,000,000	
Suzy's World III	TV3	Treehut Productions	66 x 10 min	679,702	
The Big Chair IV	TV3	Raconteur Productions	13 x 5 min	161,750	
The Dress Up Box II	TV3	Papageno Productions	16 x 5 min	230,529	
The Machine	TV2	TVNZ Avalon Productions	13 x 1/2 hour	633,333	
Tulevai And The Sea	TV2	Bob Stenhouse	1 x 7 min	43,650	
Underwater Melon Man	TV3	Monkey Biz	5 x 5 min	100,000	
What Now? 2001	TV2	TVNZ	196 x 19 min & 40 x 2.5 hour	4,450,000	
Wiggly Fin	TV3	Wiggly Fin Productions	13 x 5 min	291,750	
<b>TOTAL CHILDREN &amp; YOUNG PERSONS</b>			<b>325 hours</b>	<b>\$9,972,470</b>	<b>93%</b>
<b>ARTS, CULTURE &amp; PERFORMANCE</b>					
Ahurea 2001	TV2	Front Of The Box Productions	2 x 1 hour	69,860	
Amazing Kids	TV One	Greenstone Pictures	1 x 1 hour	47,000	
Finn For A Day	TV One	Baldwin Productions	1 x 1 hour	23,260	
Last Night Of The Proms 2001	TV One	C4 Productions	1 x 1.5 hours	113,590	
Mai Live Bands, Best Of	TV2	TVNZ	8 x 1 hour	31,367	
Mercury Lane	TV One	Greenstone Pictures	13 x 1 hour	731,436	
Op' Stars 2000	TV One	Gibson Group	1 x 1 hour	84,592	
Poi-E - The Concert	TV One	C4 Productions	1 x 1.5 hours	99,437	
Polyfest 2001	TV2	Front Of The Box Productions	5 x 1/2 hour	200,000	
Space 2001	TV2	Satellite Pictures	35 x 1.5 hours	678,965	
Squeeze 2001	TV2	Satellite Pictures	35 x 1/2 hour	270,647	
The Big Art Trip	TV One	Screentime-Communicado	13 x 1 hour	565,829	
The Big Time	TV2	Communicado Ltd	6 x 1/2 hour	240,758	
Wearable Art Awards 2000	Prime TV	Execam	1 x 1 hour	79,750	
Wearable Art Awards 2001	TV One	TVNZ Avalon Productions	1 x 1 hour	130,349	
Young Musician Of The Year 2002g	TV One	C4 Productions	1 x 1.5 hours	130,240	
<b>TOTAL ARTS, CULTURE &amp; PERFORMANCE</b>			<b>121 hours</b>	<b>\$3,497,080</b>	<b>71%</b>



# historical television statistics

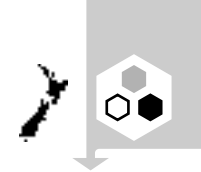
Six year comparison

Television Production Funding Statistics	2001	2000	1999	1998	1997	1996
<b>By Producer</b>						
TVNZ	17%	21%	22%	23%	29%	39%
TV3	4%	2%	2%	2%	2%	3%
Independent Producers	79%	77%	76%	75%	69%	58%
	100%	100%	100%	100%	100%	100%
<b>By Broadcaster</b>						
TVNZ	72%	73%	83%	66%	78%	70%
TV3	28%	27%	17%	34%	22%	30%
	100%	100%	100%	100%	100%	100%
<b>Programme type / hours funded</b>						
Drama/Comedy/Children's drama	112	73	66	60	62	77
Documentaries/Information/Innovation	139	120	104	119	99	103
Children and Young Persons	325	370	367	369	410	391
Special Interest	312	261	234	253	204	248
	888	824	771	801	775	819

# television programmes

funded during the year ended 30 June 2001

Programme	Broadcaster	Producer	Episodes & Duration	NZ On Air Funding	% of Cost
<b>DRAMA</b>					
Mataku (additional)	TV3	South Pacific Pictures		6,750	
Mercy Peak	TV One	South Pacific Pictures	11 x 1 hour	4,000,000	
Perfect Strangers	TV2	ScreenTime-Communicado	1 x 2 hour	350,000	
Questions (drama)	TV3	Communicado	1 x 1 hour	352,392	
Street Legal II (Eps 14-26)	TV2	ScreenWorks Street Legal	13 x 1 hour	4,643,990	
The Strip	TV3	Gibson Group	20 x 1 hour	6,985,000	
Whale Rider	TV One	South Pacific Pictures	1 x 2 hour	500,000	
<b>TOTAL DRAMA</b>			<b>49 hours</b>	<b>\$16,838,132</b>	<b>48%</b>
<b>COMEDY</b>					
Billy T Awards	TV2	Phoenix Television	1 x 1 hour	115,432	
Havoc Luxury Suites & Conference Facility	TV2	TVNZ	20 x 1/2 hour	400,000	
The Life & Times Of Te Tutu II	TV One	Pipi Productions	7 x 1/2 hour	1,103,496	
Pulp Comedy VI	TV2	Phoenix Television	13 x 1/2 hour	251,200	
The Great TV3 Comedy Debates 2001	TV3	Imagination Television	3 x 1 hour	363,227	
The Great TV3 Comedy Debate	TV3	Imagination Television	1 x 1 hour	97,799	
The Panel	TV3	ScreenTime-Communicado	22 x 1 hour	678,795	
Tv2 Big Comedy Gala	TV2	Phoenix Television	1 x 1.5 hour	114,080	
Warts And All	TV3	Frame Up Films	1 x 1 hour	111,196	
<b>TOTAL COMEDY</b>			<b>49.5 hours</b>	<b>\$3,235,225</b>	<b>75%</b>
<b>CHILDREN'S DRAMA</b>					
Being Eve II	TV3	South Pacific Pictures	13 x 1/2 hour	2,100,000	
Hard Out	TV2	ScreenWorks BHM	13 x 1/2 hour	2,100,000	
<b>TOTAL CHILDREN'S DRAMA</b>			<b>13 hours</b>	<b>\$4,200,000</b>	<b>77%</b>
<b>DOCUMENTARY</b>					
A Question Of Justice	TV One	Red Sky Film & Television	1 x 1.5 hours	133,980	
Ake Ake - B Company Remembers	TV One	La Hood Productions	1 x 1/2 hour	9,902	
Country Calendar 2001/02	TV One	TVNZ Avalon Productions	13 x 1/2 hour	220,000	
Forward Into The Past	TV One	Night Owl Films	1 x 1 hour	70,000	
Ghosts	TV3	TV3	8 x 1/2 hour	200,000	
High Country Dance	TV2	Touchdown Productions	2 x 1 hour	98,260	
Kidz First	TV One	Greenstone Pictures	10 x 1/2 hour	176,378	
Our New Zealand	TV One	Partnership Productions	5 x 1 hour	479,720	
Pavlova Paradise Revisited	TV One	McDougall Craig North	3 x 1 hour	235,726	
Sox Up	TV One	Extreme Close Up Productions	1 x 1 hour	46,852	
Pioneer House	TV One	Touchdown Productions	10 x 1/2 hour	477,174	
Prime Suspect	TV One	George Andrews Productions	1 x 1.5 hours	165,444	
Questions (documentary)	TV3	Communicado	1 x 1 hour	76,904	
School Rules	TV3	Imagination Television	14 x 1/2 hour	438,176	
Secret New Zealand	TV One	Greenstone Pictures	7 x 1/2 hour	437,166	
The \$20 Challenge (additional)	TV One	Pacific Crews		67,000	
The Colour Of War - The Anzac Story	TV One	Trans World International	4 x 1 hour	500,000	



Song	Artist	Song	Artist
In The City	Breathe	Painted Angels	Pierced
City Lights	Strawpeople	Oil & Water	Evermore
Soccerstar	Steriogram	Scribe 2001	P Money
Your Kiss	before friday	Kamikaze	Total Magenta
Broken Wings	K'Lee	Don't Let Anyone	Cassette
Love Your Ways	Salmonella Dub	Alright Now	Dark Tower
Just Like Everybody Else	Shihad	Not A Private Joke	Letterbox Lambs
Rosary	Marvey King	White Trash	Steriogram
Number One	Tadpole	Into The Grain	Augustino
Liquid Skies	DLT featuring Rascalz	Eyes For Xmas	Jester
Tina	Canvas	Yippie Ki Yay	The Ross Brothers
Little Things	Trinity Roots	Pate Pate	Te Vaka
Uptown	BJ White	Worse For Wear	Eye TV
Nobody But You	KHP featuring Stephanie Tauevihi	Stick With It	Pluto
Who The Hell Do You Think You Are	Garageland	Break My Heart	En Masse
Man On My Left	bet Chadupa	2000 Beyond	Kaos
Place To Be	goodshirt	Life Is So Sweet	Garageland
Complicated	Gramsci	Sophie	goodshirt
Labourer	Marystaple	Summer Breeze	P A Styles
Helpless	Mary	Earth Is The Place	Nathan Haines
Jump House	Sumix	Put Up A Fight	GST
Fade Away	Che Fu	Oxygen	Purrr
Overblown	Augustino	Believe In Me	Carmen Steele
Movin'	Flipside	Golden Dawn	Goldenhorse
Driver's Side	Zed	Turn Me Round	Damien Binder
Beautiful	Nurture	Tree People	SJD
16 Songs	D-Super	Misty Frequencies	Che Fu
Funny Boy	Rubicon	Sunday	Canvas
Andrew	Fur Patrol	Real World	Slim
Terminal Illness	Dam Native	Bruce	Rubicon
Better Days	Tadpole	Spinning A Line	Fur Patrol
Speeding	Pine	Solitary	Savant
If I Gave U Th' Mic	sheelahroc		
TOTAL MUSIC VIDEOS			\$565,000

**RADIO HITS / NZ On Air funding of up to \$5,000 each**

Song	Artist	Song	Artist
Drive	Strawpeople	Silent Film	Augustino
Don't Stop The Revolution	Breathe	Lydia	Fur Patrol
One Day Ahead	Eye TV	Come On Down	Zed
You Got The Feeling	Deep Obsession	Get Yourself Together	Breathe
Alright	Tadpole	Sport & Religion	Shihad
Harden Up	Nicolette	Soul Train	Eye TV
Underwater Mountain	Tim Finn	The Captain	Rubicon
Be There	DNE	Awake	bet Chadupa
Love Song	Garageland	Andrew	Fur Patrol
I'm Your MC	DLT featuring Sage & Gravity	Driver's Side	Zed
Renegade Fighter	Zed	Screams From Da Old Plantation	King Kapisi
I Surrender	Deep Obsession	Number One	Tadpole
Holy	Fur Patrol	She Said	Breathe
Now	before friday	My Kinda People	Dave Dobbyn
Green	goodshirt	Ladies Man	The D4
Just Add Water	Dave Dobbyn	Love Your Ways	Salmonella Dub
Now	Fur Patrol	Pretend	Rubicon
No Man	Tadpole	Straight Into Your Arms	Heavy Jones Trio
Rise Up	Slim		
TOTAL RADIO HITS			\$185,000

HIT DISCS	NZ On Air Funding
Kiwi Hit Discs	60,007
Iwi Hit Discs	32,200
Indie Hit Discs	22,495
TOTAL HIT DISCS	\$114,702

NZ MUSIC PROMOTION	NZ On Air Funding
NZ Music Promotion	87,500
Advertising in key music and radio industry publications	10,000
Double Digits Plaques	5,000
Kiwi Music Action Group	5,000
NZ Music Awards 2000	89,959
Fresh Air in Median Strip	28,800
TOTAL MUSIC PROMOTION	\$226,259

**PHASE FOUR NZ MUSIC PLAN**

MORE PLUGGER POWER -	NZ On Air Funding
Pluggers	160,000
Pluggger support and promotions	63,229
TOTAL MORE PLUGGER POWER	\$223,229

MORE MUSIC TELEVISION -	NZ On Air Funding
M2	400,000
TOTAL MORE MUSIC TELEVISION	\$400,000

MAKING & MARKETING: INTERNATIONAL -	NZ On Air Funding
Zed/Silencer	50,000
Fur Patrol/Pet	50,000
Tadpole/The Buddhafinger	50,000
TOTAL INTERNATIONAL	\$150,000

MAKING & MARKETING: ALBUMS -	NZ On Air Funding
the feelers	50,000
Garageland	50,000
Che Fu	50,000
Eddie Rayner	50,000
Tim Finn	50,000
Bic Runga	50,000
Stellar	50,000
Alan Jansson	50,000
Deep Obsession	50,000
Zed	50,000
Shihad	50,000
Dave Dobbyn	50,000
bet Chadupa	50,000
Salmonella Dub	50,000
TOTAL ALBUMS	\$700,000



Programme	Broadcaster	Producer	Episodes & Duration	NZ On Air Funding	% of Cost
<b>SPECIAL INTEREST</b>					
Anzac Day Wreathlaying Ceremony	TV One	TVNZ Avalon Productions	1 x 1 hour	27,680	
Asia Down Under	TV One	Asia Vision	42 x 1/2 hour	998,670	
Celebrate Jesus 2000	TV One	C4 Productions	1 x 2 hour	127,278	
Hero Parade 2001	TV3	Phoenix Television	1 x 1.5 hour	120,000	
Inside Out 2001	TV One	Long White Cloud Television	40 x 1/2 hour	1,000,000	
Maori Sports Awards 2000	TV One	TVNZ	1 x 1.5 hr	39,361	
Korero Time	TV2	Front Of The Box Productions	4 x 1/2 hour	66,032	
Nga Manu Korero 2001	TV2	Front Of The Box Productions	4 x 1/2 hour	74,185	
Praise Be 2001	TV One	TVNZ	47 x 1/2 hour	608,421	
Queer Nation 2001	TV2	Livingstone Productions	40 x 1/2 hour	880,000	
Style Pasifika	TV One	Drum Productions	1 x 1 hour	119,220	
Tagata Pasifika 2001	TV One	TVNZ	52 x 1/2 hour	1,215,641	
Teletext 2001	TVNZ/TV3	TVNZ		1,364,633	
Young Farmer Of The Year 2001	TV One	Dexterity Productions	1 x 1 hour	109,150	
<b>TOTAL SPECIAL INTEREST</b>			<b>122.5 hours</b>	<b>\$6,750,271</b>	<b>96%</b>
<b>INNOVATION</b>					
Once Were Dinosaurs	TV One	Red Sky Film & Television	1 x 1 hour	149,000	
Open Door 3	TV3	Morningside Productions	10 x 1/2 hour	234,590	
Youth Info Update	TV2	TVNZ	24 x 1/2 hour	383,516	
<b>TOTAL INNOVATION</b>			<b>18 hours</b>	<b>\$767,106</b>	<b>83%</b>
<b>MAORI REVERSIONING</b>					
Language	TV2	Pito One Productions	3 x 1 hour	25,100	
Moko Toa 2: Hara's Revenge	TV2	Te Haeata Productions	12 x 5 min	100,000	
Te Karere - Subtitles	TV One	TVNZ	260 x 15 min	91,066	
<b>TOTAL MAORI REVERSIONING</b>			<b>69 hours</b>	<b>\$216,166</b>	<b>100%</b>
<b>DEVELOPMENT</b>					
Dolly Mixture	TV3	Phoenix Television		6,000	
Entrapment	TV2	Touchdown/ScreenWorks		59,411	
Girls High	TV One	Meridian Film Productions		7,000	
Hard Out	TV2	ScreenWorks BHM		17,500	
Matou Uma	TV One	Tala Pasifika Productions		30,000	
Mercy Peak	TV One	South Pacific Pictures		35,000	
Killing Tomorrow	TV3	Screentime-Communicado		13,400	
Paradise	TV One	Screentime-Communicado		25,000	
Party Animals	TV2	Imagination Television		25,750	
Stranded In Paradise	TV One	Top Shelf Productions		100,000	
Street Legal III	TV2	ScreenWorks Street Legal		30,000	
The Black Prince	TV One	Gaylene Preston Productions		12,775	
The Story Gatherer	TV2	Greenstone Pictures		30,000	
Tosca's Requiem (additional)	TV One	Frame Up Films		11,750	
Trouble	TV2	Imagination Television		15,000	
What Now 2001 Interstitials	TV2	TVNZ Avalon Productions		25,000	
<b>TOTAL DEVELOPMENT</b>				<b>\$443,586</b>	

# radio programmes & nz music projects

funded during the year ended 30 June 2001

RADIO PROGRAMMES	Producer	NZ On Air Funding	
<b>NZ MUSIC</b>			
95bFM (Auckland)		128,230	
UfM (Hamilton)		55,130	
The Most FM (New Plymouth)		44,080	
Radio Control (Palmerston North)		44,420	
Active 89FM (Wellington)		64,140	
98RDU (Christchurch)		64,820	
Radio One (Dunedin)		49,180	
The Classic Files	Media Music	143,176	
The Beat Files	Pagan Broadcasting	84,000	
Kiwi Classic Album	Perry-Scope Productions	30,000	
Keeping It Kiwi	Adamson Productions/P C Brain	131,831	
Soundcheck	Media Music	97,000	
un-chart-ed	Base2	45,000	
The Leading Edge	Media Music	30,700	
<b>TOTAL NZ MUSIC</b>		<b>\$1,011,707</b>	
<b>OTHER</b>			
Rampage/Te Puutake/The Voice	Rampant Media	485,640	
Scrubcutter	Christian Broadcasting Association	20,000	
Christmas	Christian Broadcasting Association	9,875	
Easter	Christian Broadcasting Association	11,650	
<b>TOTAL OTHER</b>		<b>\$526,265</b>	
<b>MUSIC VIDEOS / NZ On Air funding of \$5,000 each</b>			
Song	Artist	Song	Artist
Might As Well Be Dumb	Shaft	The Cause	DNE
Gothic	Southern Tribe	Saboteur	King Kapisi
Soul Train	Eye TV	Awake	betchadupa
Do What You Do	Trip To The Moon	Blowing Dirt	goodshirt
R U Ready	Dub Asylum	Hey You	GST
Life Forms	The Nomad	Come On	Subware
Ladies Man	The D4	Good As Gone	Damien Binder
Rollcall	Confucius	Seed	Dimmer
All For A Dance	Sola Monday	Background Love	Dave Dobbyn
Rhythms & Mutations	Pitch Black	Fries With That	Jester
God Only Knows	Splitter	Grounded	Dallas
Looking Up	Leonard	Astronaut	the feelers
Ophelia	Mary	E-Song	She's Insane
When The Sun Comes	Breathe	King Kong	Voom
Can't Stop (Thinking About You)	Purr	Every Day	Relaxomatic
Downtown Groove	House Of Downtown	Shadowboxer	deluxe boy
Come On Down	Zed	Squeeze My Lovin'	Indigenous Funk Company
Lydia	Fur Patrol	Break Free	Pricilla
Ginger's Kisses	Shaft	Child Street Bluez	The Loniz
She's Jive	Pluto	Gone	Garageland
Love Come Down	Fou Nature	Amino	HDU
Can't Be Stopped	DLT featuring Rascalz	Uh-Oh	The Subliminals
Shiver	Lucid 3	Alright	Colliding Traits
Nothing To Do	Cassette	Party	The D4

NEW RECORDING ARTISTS / NZ On Air funding of up to \$5,000 each			
Song	Artist	Song	Artist
Overblown	Augustino	Do It All For Love	Nurture
Broken Wings	K'Lee	More Than Me	Pricilla
Alright	Colliding Traits	Real World	Slim
Give In 2 Me	Downlo	Yipeekiyay	The Ross Brothers
Place To Be	goodshirt	Baby's Been Bad	Goldenhorse
More Than Love	Jett	Put Up A Fight	GST
Child Street Bluez	The Loniz	Rosary	Marvey King
Jump House	Sumix	Any Kind Of Weather	Meno Panteboy
This Is It	Carly Binding	Solitary	Savant
Tina	Canvas	Break My Heart	En Masse
16 Songs	D-Super	Brandy	Lauren Walters
Miss Smith	Hazelwood	Feel The Sun	Wash
Labourer	Marystaple	Can U Handle Me	Ainslee Allen
Love Come Down	Fou Nature	Whale	Eight
Funny Boy	Rubicon	Mr Radio	Fast Crew
If I Gave U Th' Mic	sheelahroc	Atmosphere	Keri Harper
Oil & Water	Evermore	In This Life	Michelle Kaczor
Special	Heavy Jones Trio	Probably Feel Alright	Splitter
Eyes For Xmas	Jester	Black Box	Stayfree Carefree
Nesian Style	Nesian Mystik	Have A Heart	The Unusuals
TOTAL NEW RECORDING ARTISTS			\$200,000
RADIO REMIX PROJECTS / NZ On Air funding of up to \$1,000 each			
Song	Artist	Song	Artist
The Girl I Knew	Greg Johnson	Andrew	Fur Patrol
Soul Train	Eye TV	The Doo Song	Eye TV
Be There	DNE	Easy	Gramsci
Lydia	Fur Patrol	Jump House	Sumix
TOTAL RADIO REMIXES			\$8,000

# directory

## MEMBERS

David Beatson	of Auckland	Chairman
Albert Wendt	of Auckland	Deputy Chairman
James Coleman	of Auckland	
Hekia Parata	of Wellington	
Gaylene Preston	of Wellington	
Louise Rosson	of Dunedin	

## STAFF

Jo Tyndall	Chief Executive
Neil Cairns	Television Manager
Selwyn Crane	General Manager, Revenue & Marketing
Brendan Smyth	Radio & NZ Music Manager
Elizabeth Morrison	Finance & Administration Manager
Brent Healy	Manager, Project & Financial Analysis
Sally Courché	Research & Television Contracts Manager
Robyn Andrews	Personal Assistant
Anita Roberts	Personal Assistant
Teresa Tito	Personal Assistant
Trish Cross	Receptionist (Shared with Broadcasting Standards Authority)
Christine Westwood	Administration Assistant (Part-time)

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