

# NZ On Air



**Six Monthly Report**  
**30 June 2016**

**NZ On Air**  
Irirangi Te Motu



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## 1. SECTOR COLLABORATION

We continue to work collaboratively with agencies when we identify a collective opportunity to contribute to improved outcomes.

Agency	Update
<b>NZ Music Commission / Te Māngai Pāho / Creative NZ</b>	<b>The CPMG</b> (Contemporary Popular Music Group). Met in June 2016. <b>Co-funded</b> three content projects with Te Māngai Pāho and assisted with assessment of their digital applications.
<b>NZ Music Commission: selected co-ventures</b>	Of the 26 applications to the Music Commission's latest Outward Sound international funding round, 16 (62%) were from NZ On Air-supported artists.
<b>Broadcasting Standards Authority</b>	<b>Shared services</b> arrangement continues to work well.
<b>NZ Film Commission</b>	<b>Co-funded</b> a NZFC project assessing economic impact of screen investments; plus five content projects. <b>Co-funded</b> an industry professional development scheme for interactive documentary.

## 2. STATEMENT OF SERVICE PERFORMANCE SUMMARY *(for more details refer pages 6-10)*

Area	Activity	Top Line Points	
Screen Content	Television	<b>General Contestable Fund</b>	Overall target exceeded. Genre targets mostly achieved or exceeded*
		<b>Platinum Fund</b>	Overall target exceeded. Genre targets mostly achieved or exceeded*
		<b>Regional Television</b>	Targets below budget due to broadcaster closures. Funding scheme restructured to focus on digital media.
	Web-Only	<b>NZ On Screen/ AudioCulture</b>	In 2015/16 site users increased on the previous year by 29.6% for NZ On Screen and 8% for AudioCulture. NZ On Screen site growth exceeded its target by 17.8 %.
<b>Digital Media Fund</b>		<i>Thecoconet.tv</i> continues to reach record audiences within Pacific communities. <i>The Wireless</i> becomes a recognised brand for quality stories for a younger audience.	
Sound Content	Radio	<b>Public Radio</b>	Targets mostly achieved. RNZ has changed how it measures Māori programming and is working on a new strategy which will include online content.
		<b>Special Interest Radio</b>	Targets achieved
		<b>Commercial &amp; Alternative Radio</b>	Targets exceeded except for the Spiritual category**
	Music	<b>Music Content</b>	Completed the fifth and final Making Tracks year. Funded 228 songs with a 58:42 mainstream/alternative split. Making Tracks replaced by two New Music schemes from 1 July 2016.
		<b>Music Promotion</b>	Continued the AllTracks service to provide curated New Zealand music playlists on Spotify, YouTube & Soundcloud. A recast Kiwi Hit Disc continues as NewTracks.

\* Some genre target hours were not achieved, e.g. drama, due to the average cost per hour being higher than forecast

\*\* A budgeted contingency for a new programme did not proceed

## 3. KEY FINANCIAL STATEMENT SUMMARY *(for more details refer page 11)*

Financial Statement	Summary
<b>Statement of Comprehensive Income</b>	Administration expenditure below budget. Some funding carried forward into 2016/17
<b>Statement of Financial Position</b>	No issues. Funds on hand reflect outstanding funding liabilities at year-end



#### 4. KEY EFFICIENCY GOALS AND MEASURES

Efficiency Goals	Efficiency Measures	2013-2016 Target	Full Year
Low administration costs to maximise available investment funds	Administration costs as a % of total revenue	Less than 3%	2.6%
What we fund gets released	% of completed productions accepted for broadcast or upload	99%	100%
Our processes are efficient and effective	% of complete applications received by deadline are considered by next Board meeting	100%	100%
	% of funding decisions made in accordance with approved policies and procedures	100%	100%


#### 5. AUDIENCE RESPONSE: Top 10 NZ On Air Funded Television Programmes (1 July – 30 June 2016)

YTD AUDIENCE RESULTS						
Rank	Programme	Genre	Channel	Episodes	Average Rating % *	Average Audience
1	Country Calendar	Documentary	TV One	33	13.6%	577,900
2	Gloriavale: Life and Death	Documentary	TV2	1	12.5%	523,300
3	Topp Country	Factual	TV One	10	12.2%	512,400
4	Coast New Zealand	Factual	TV One	6	11.7%	503,700
5	Keeping Up With the Kaimanawas	Factual	TV One	3	11.6%	487,900
6	Mastermind New Zealand	Arts/Culture – Quiz	TV One	9	11.3%	485,900
7	Country Calendar 50 <sup>th</sup> Anniversary	Documentary	TV One	1	10.4%	447,800
8	House Hunt	Factual	TV One	7	10.0%	419,600
9	The DNA Detectives	Factual	TV One	6	9.8%	410,300
10	Abandoned	Drama	TV One	1	9.3%	392,000

\*consolidated rating All People 5+: 1 July 2015 – 30 June 2016

#### 6. AUDIENCE RESPONSE: Top 5 Most Played NZ Songs On NZ Radio (for 6 months to 30 June 2016)

Rank	Song	Artist
1	Stay Together	Six60
2	Free	Broods
3	White Lines	Six60
4	A Love Song	Ladyhawke
5	Mother's Eyes	Six60



#### 7. AUDIENCE RESPONSE: Digital Media Fund Successes (for 6 months to 30 June 2016)

Project	Description	# Users To Date	View Time Period
Jiwi's Machines	Comedic science series for children	686,000 video views	6 months
Coconet.TV	An online hub for Pacific content – youth focused	150,000-250,000 views per month	monthly
The Civilian	Webseries hosted on WatchMe	129,000 video views	1 month
Loading Docs: Connect	A series of 10 x 3 minute documentaries on TVNZ Ondemand and Vimeo	330,000 video views	6 months

## 8. AUDIENCE RESPONSE: TV reviews

### *The Big Ward*

Greenstone for TV2

Calum Henderson – The NZ Herald – 17 March 2016

*“... The Big Ward, with the sensitive narration of Robyn Malcolm, does a good job of introducing the real lives behind eye watering statistics. The Big Ward’s greatest achievement is simply getting a serious public health issue into a time slot usually occupied by reality shows.”*



### *Country Calendar 50<sup>th</sup> Anniversary*

TVNZ for TV One

Diana Wichtel – NZ Listener – 12 April 2016

*“...Its 50th anniversary might have been marked by examining how this relic of the dying art of classy television storytelling still exists in the age of My Kitchen Rules....Never mind. We got Country Calendar: 50 Golden Years, in which some farming families featured over the decades were revisited. And because this is excellent television, the stories couldn’t help but be revealing...”*



### *Abandoned*

Making Movies for TV One

Jane Clifton – Stuff.co.nz – 2 September 2015

*“The movie stoked up the tension to almost unwatchable levels in its depiction of the Rose-Noelle’s disastrous attempt to reach Tonga. Personality clashes and claustrophobia meant the biggest mortality risk the crew faced after the trimaran overturned was homicide...”*



### *Why Am I?*

Razor Films for TV One

Pattie Pegler – Suff.co.nz – 25 May 2016

*“...this is a great doco for anyone interested in why we turn out the way we do – it throws out startling statistics and tells an engaging story. Unsurprisingly, the Dunedin study has gained recognition internationally and is getting serious interest from social policymakers around the world.”*



## 9. STATEMENT OF SERVICE PERFORMANCE

This section reports on results against our output targets as set out in the Statement of Performance Expectations for the year ended 30 June 2016.

### IMPACT MEASURES

Impact 1: Cultural		
Intended audiences are generally satisfied with our investments		
Key Performance Measures	Full Year Actual	Full Year Forecast
The majority of New Zealanders believe NZ On Air supports local content important to New Zealanders		
Television content	75%	75%
Radio content	70%	72%
70% of all funded prime time content on TV One, TV2 and TV3 is watched by large audiences (>200,000)	65%*	70%
Most people aware of NZ On Air's support for television content like that content	69%	70%
The majority of New Zealanders agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders	8 out of 10	88%
The majority of Pacific people agree that <i>Niu FM and 531PI</i> broadcast culturally relevant content	To be available for Annual Report	75%
Making Tracks funded songs will achieve a targeted average number of plays on:		
Radio	**	750
Music TV	**	150
Online	112,713***	65,000
Almost all completed productions are accepted for broadcast or uploading	99%	99%

\*time period 1800-2230 and excludes repeats.

\*\* Individual track measurements not yet available. For Annual Report.

\*\*\* average YouTube + Spotify plays for 97 projects completed and released by 30 June 2016

Impact 2: Cultural		
Well-balanced mainstream and special interest content		
Key Performance Measures	Full Year Actual	Full Year Forecast
More than half of television contestable fund expenditure is for prime time content	63%	50%
Allocated funding for special interest audiences exceeds one quarter of total national television funding	37%	30%
More than half Making Tracks songs are intended for mainstream audiences	58%	60%
For <i>Making Tracks</i> projects designated Commercial:		
% of songs that achieve a Radio Scope NZ40 Airplay Chart peak	**	65%
% of songs that achieve a Radio Scope Top 40 Music Television Chart peak	**	25%
For <i>Making Tracks</i> projects designated Alternative		
% of songs that achieve a Radio Scope Alt 40 Airplay Chart peak	**	60%
% of songs that achieve a Radio Scope Top 40 Music Television Chart peak	**	20%
Funded special interest radio broadcasts programmes in a range of different languages including Pacific languages	42	40 (9 Pacific)

\*\* Individual track measurements not yet available. For Annual Report



### Impact 3: Economic

#### Investment reflects changing audience behavior

Key Performance Measures	Full Year Actual	Full Year Forecast
Audience response to funded television projects is tracked to inform future investment decisions	100%	100%
Increase investment in online content and platforms as New Zealand audiences grow	3%	3.0%
One international funding partnership is secured for digital media funding	2	1

### Impact 4: Industry Health

#### Industry trends are tracked

Key Performance Measures	Full Year Actual	Full Year Forecast
Enough qualified content partners means demand for funding continues to exceed supply. % of successful applications for:		
Television	65%	75%
Music	17%	20%
Digital	10%	10%
Published research or reports inform stakeholders about media marketplace activity	4	2
First run free to air <i>television</i> hours not funded by NZ On Air as a % of all local content (non-Govt investment)	For Annual Report	At least 75%
<i>NZ music</i> content on commercial radio and music television achieves the NZ Music Code target <sup>1</sup>	14.6%	20%
There is an increasing % of <i>NZ music</i> on alternative radio	47.23%	40%

<sup>1</sup> Target % of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code

## ACTIVITY MEASURES

<b>Activity 1: Screen</b>						
<b>NATIONAL TELEVISION</b>						
<b>National Television</b>	<b>Full Year Hours</b>	<b>Full Year Forecast Hours</b>	<b>Prior Year Hours</b>	<b>Full Year \$'000</b>	<b>Full Year Forecast \$'000</b>	<b>Prior Year \$'000</b>
<b>GENERAL FUND</b>						
Drama/Comedy	97	104	114	26,876	27,445	27,894
Documentary/Factual	77.7	63	69	7,661	7,400	8,448
Children & Young People	370.5	354.6	379.6	14,366	13,894	15,063
Māori	35.3	31.5	39	3,565	3,600	4,009
Arts/Culture/Identity	23.6	11.5	52.5	1,832	1,084	2,214
Minorities	143.3	137.5	126	7,970	7,823	6,677
Disability (includes Captioning + Audio Description)	29	18	19	4,962	4,754	4,526
Development	-	-	-	440	260	315
<b>Sub-total General Fund</b>	<b>776.4</b>	<b>720.1</b>	<b>799.1</b>	<b>67,672</b>	<b>66,260</b>	<b>69,146</b>
<b>PLATINUM FUND</b>						
Drama	6	8	6	8,136	8,200	6,419
Documentary	9.5	13.5	25.5	3,066	3,576	6,449
Current Affairs	102	85	85	3,046	2,335	2,312
Children's Drama	3	0	0	1,140	1,000	0
<b>Sub-total Platinum Fund</b>	<b>120.5</b>	<b>106.5</b>	<b>116.5</b>	<b>15,388</b>	<b>15,111</b>	<b>15,180</b>
<b>Subtotal</b>	<b>896.9</b>	<b>826.6</b>	<b>915.6</b>	<b>83,060</b>	<b>81,371</b>	<b>84,326</b>
Net effect of write backs and accounting adjustments for timing differences	-	-	-	(1,583)	-	(637)
<b>Total National Television</b>	<b>896.9</b>	<b>826.6</b>	<b>915.6</b>	<b>81,477</b>	<b>81,371</b>	<b>83,689</b>
<b>REGIONAL TELEVISION</b>						
<b>Regional Television</b>	<b>Full Year Hours</b>	<b>Full Year Forecast Hours</b>	<b>Prior Year Hours</b>	<b>Full Year \$'000</b>	<b>Full Year Forecast \$'000</b>	<b>Prior Year \$'000</b>
Local News and Information	465	710	703	634	1,350	1,143
<b>Total Regional Television</b>	<b>465</b>	<b>710</b>	<b>703</b>	<b>634</b>	<b>1,350</b>	<b>1,143</b>
Figures are for annual funding commitments made for the year. The decrease against budget is due to station closures which occurred after the budget was confirmed. New scheme launching.						
<b>DIGITAL MEDIA</b>						
				<b>Full Year \$'000</b>	<b>Full Year Forecast \$'000</b>	<b>Prior Year \$'000</b>
Contestable Digital Media Funding						
Digital Platforms				4082	3860	3,435
General						
Net effect of write backs and accounting adjustments for timing differences				(234)	-	29
<b>Total Digital Media</b>				<b>3848</b>	<b>3,860</b>	<b>3,464</b>



## ACTIVITY MEASURES

ACTIVITY 2: SOUND				
PUBLIC RADIO				
Radio New Zealand: Quantitative measures				
Ensure Radio New Zealand provides programme types specified in the Broadcasting Act 1989		Full Year	Full Year Forecast	Prior Year \$'000
<b>RNZ National</b>	Māori Language and Culture (Hours)	114 <sup>2</sup>	350	389
	Special Interest (Hours)	939	400	484
	NZ Drama, Fiction and Comedy (Hours)	255	250	279
	% of NZ music on rotate	34%	33%	34.7%
	% of population able to receive transmission	*	97%	97%
<b>RNZ Concert</b>	% of NZ composition	4%	3.5%	4.4%
	% of NZ music performance	16%	16%	16.4%
	% of population able to receive transmission	*	92%	92%
Total Radio New Zealand funding provided (\$'000)		31,816	31,816	<b>31,816</b>

\*Final reporting will be available for the Annual Report

COMMUNITY RADIO						
Community Radio	Full Year Hours	Full Year Forecast Hours	Prior Year Hours	Full Year \$'000	Full Year Forecast \$'000	Prior Year \$'000
<b>Access and Special Interest Radio</b>	*	24,000	25,274			
<b>Pacific radio</b>	Samoa Capital Radio	17,400	15,500	5,896	6,050	5,870
	Niu FM and 531pi					
	Hours of Programming in at least 9 Pacific languages	4,680	>4,160			
<b>Total Community Radio</b>		<b>39,500</b>	<b>44,811</b>	<b>5,896</b>	<b>6,050</b>	<b>5,870</b>

\*Target on track to be achieved. Final reporting will be available for the Annual Report

<sup>2</sup> This measure was revised during the year. The actual results for 2015/16 relate to stand-alone programmes broadcast on RNZ National focused exclusively on Māori content. Previously and in the forecast hours, the measure also included Māori language and content broadcast as part of general programming. Also, from quarter 3 2015/16 broadcast hours for Te Manu Korihī news were integrated with the mainstream news service. These were previously scheduled separately (approx 10 hours per quarter).

## ACTIVITY MEASURES

ACTIVITY 2: SOUND						
COMMERCIAL AND ALTERNATIVE RADIO						
Spoken Content	Full Year Hours	Full Year Forecast Hours	Prior Year Hours	Full Year \$'000	Full Year Forecast \$'000	Prior Year \$'000
Children and young people	286.5	212	156	275	305	337
Spiritual*	54	60	62	70	140	118
Ethnic/special interest	208	104	4 <sup>3</sup>	142	75	9
Māori issues (English language)	96	96	96	75	75	75
<b>Total Spoken content</b>	<b>644.5</b>	<b>472</b>	<b>321</b>	<b>562</b>	<b>595</b>	<b>539</b>

\*A budgeted new programme did not eventuate

NZ MUSIC						
Music Funding <sup>4</sup>	Full Year Actual Qty	Full Year Forecast Qty	Prior Year Qty	Full Year Actual \$'000	Full Year Forecast \$'000	Prior Year \$'000
Commercial music funded	133	At least 120	138	1,985	2,000	2,054
Alternative music funded	95	At least 80	92			
Music promotion	66	61	64	2,008	2,624	2,773
<b>Subtotal music</b>				<b>3,993</b>	<b>4,624</b>	<b>4,827</b>
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	(204)	-	-
<b>Total Music Funding</b>	<b>294</b>	<b>-</b>	<b>294</b>	<b>3,789</b>	<b>4,624</b>	<b>4,827</b>

<sup>3</sup> Plus 104 hours of *The Nutters Club* funded in the previous year.

<sup>4</sup> Music funded is a video or a recorded song plus a video. We do not separately forecast which type of application will be received.

## 10. EFFICIENCY INDICATORS

The table below shows the results against the measures set out in our Statement of Performance Expectations for the year ended 30 June 2016.

Efficiency Goals	Efficiency Measures	2015-2016 Target	YTD Actual
<b>We make the right decisions using good processes</b>	Investment processes are objective, based on current policy, and include a robust assessment of the application	<b>100%</b>	<b>100%</b>
	No investment decision or process has a significant adverse judicial review or Ombudsman finding	<b>0</b>	<b>0</b>
<b>Our funding management processes serve industry clients efficiently and well</b>	% of complete applications received by deadline determined at the next funding round	<b>100%</b>	<b>100%</b>
	% of funding decisions notified to applicants within 5 working days of decision	<b>100%</b>	<b>100%</b>
	% of funding contracts correctly issued within 15 working days once conditions precedent are met	<b>100%</b>	<b>100%</b>
	% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	<b>100%</b>	<b>100%</b>
<b>We minimize overheads to maximize funds</b>	Administration costs are a low % of total revenue	<b>Less than 3%</b>	<b>2.6%</b>

## 11. HEALTH AND CAPABILITY PERFORMANCE MEASURES

The table below details results against the organisation's capability measures and targets set out in the Statement of Performance Expectations for the year ended 30 June 2016

Goal	Measure	2015-16 Target	YTD Result
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is low	<b>Less than 3</b>	<b>3<sup>5</sup></b>
	Individual staff training needs assessed annually	<b>100%</b>	<b>Achieved</b>
	External salary comparisons conducted regularly to ensure staff are paid fairly	<b>Some positions assessed</b>	<b>Not commenced<sup>6</sup></b>
Ensure staff are committed to the agency and its work	The results of biannual staff engagement surveys will be in the top quartile of the cultural sector	<b>Not measured</b>	<b>Achieved (2015 survey)</b>
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards attended to promptly, significant hazards attended to immediately	<b>100%</b>	<b>100%</b>
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if any instances are reported	<b>0</b>	<b>0</b>
	All employees have an ergonomically suitable workspace	<b>100%</b>	<b>100%</b>
Incorporate equal employment opportunity principles in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size	EEO principles included in all relevant documents and practices	<b>100%</b>	<b>100%</b>
	A workforce diversity summary is included in the Annual Report	<b>To achieve</b>	<b>This will be achieved</b>

<sup>5</sup> 2 long-serving staff members retired during the year.

<sup>6</sup> This will be considered as part of the organisational review, which is currently in progress.



## 12. SUMMARY OF FINANCIAL POSITION (unaudited)

(excludes statements of movements in equity and cash flows)

Statement of comprehensive revenue and expense to 30 June 2016 (\$'000)					
		Full Year Actual	Full Year Budget	Variance	
Revenue	Crown Revenue	128,726	128,726	0	
	Other Revenue	2,542	2,750	(208)	
	<b>Total Revenue</b>	<b>131,268</b>	<b>131,476</b>	<b>(208)</b>	
Operating Expenditure	Funding administration	3,296	3,528	232	
	Depreciation and amortisation	124	120	(4)	
	Development and support funding	397	400	3	
Funding Expenditure <i>(net of write-backs of commitments not used)</i>	Screen Content	National Television	81,477	81,371	(106)
		Regional Television	634	1,350	716
		Digital Media	3,848	3,860	12
	Sound Content	Public Radio	31,816	31,816	0
		Special Interest Radio	6,458	6,645	187
		Music and Other Content	3,789	4,624	835
<b>Total Expenditure</b>		<b>131,839</b>	<b>133,714</b>	<b>1,875</b>	
<b>Net (deficit)/surplus for the full year</b>		<b>(571)</b>	<b>(2,238)</b>	<b>1,667</b>	

Statement of Financial Position as at 30 June 2016 (\$'000)				
		Full Year Actual	Full Year Budget	Variance
<b>Assets</b>				
Cash and cash equivalents		8,655	1,860	6,795
Investments		28,000	37,507	(9,507)
Debtors and other receivables	Interest	178	600	(650)
	Other	172	400	
<b>Total Current Assets</b>		<b>37,005</b>	<b>40,367</b>	<b>(3,362)</b>
Property, plant and equipment and intangible assets		252	380	(128)
<b>Total Non-Current Assets</b>		<b>252</b>	<b>380</b>	<b>(128)</b>
<b>Total Assets</b>		<b>37,257</b>	<b>40,747</b>	<b>(3,490)</b>
<b>Liabilities</b>				
Trade and other payables		291	540	(249)
Employee entitlements		123	160	(37)
Funding Liabilities		34,937	40,000	(5,063)
<b>Total Liabilities</b>		<b>35,351</b>	<b>40,700</b>	<b>(5,349)</b>
<b>Public Equity</b>				
Public equity committed		750	-	750
Public equity - uncommitted		1,156	47	1,109
<b>Total Public equity</b>		<b>1,906</b>	<b>47</b>	<b>1,859</b>
<b>Total Liabilities and Public Equity</b>		<b>37,257</b>	<b>40,747</b>	<b>(3,490)</b>