

ANNUAL REPORT

for the year ended 30 June 2012



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PART 1 / OUR YEAR

This year we invested in a stellar range of local content for New Zealanders to enjoy. We mainly invest in content first played on television and radio because the biggest audiences are there. We also look keenly at online opportunities so as many people as possible have local content choices from a global menu.

This year we have taken a fresh approach to music funding, have supported new ways for the public to find that music, have worked on new funding strategies, and continued to advocate hard on behalf of the audience.

On screen we celebrated more television success with high quality Platinum Fund projects, and succeeded in a strategy to have a popular drama series on each of the main free-to-air channels. We also committed to a number of highly promising new programmes for viewers to look forward to in the months ahead.

All this with an ever-present commitment to our values: innovation, diversity and value for money.

HIGHLIGHTS

Ngā Taumata

Innovation

Wairua Auaha

Online – As part of our revised digital strategy, we launched two funding streams for online and mobile content within the newly-framed Digital Media Fund. *Ignite* supports smaller projects and has a faster decision-making process; *Kickstart* supports larger projects that push the envelope.

Music – We partnered with Amplifier to launch *theaudience.co.nz*, a place for sharing and discovering new and unreleased New Zealand music. This provides a great opportunity for musicians to build a following at the beginning of their career.

Television – Reviving the docudrama format has resulted in some high quality Platinum Fund history stories including *The Golden Hour* (Snell and Halberg at the 1960 Rome Olympics) and *Shackleton's Captain*. More are in the pipeline.

Value For Money

Hunga Motuhake

Music – With our new focus on individual songs we were able to help many more artists at a reasonable cost.

Television – Our most-watched programme attracted a massive 733,000 viewers. No other cultural investment can match this low per-eyeball cost in New Zealand.

By investing carefully we managed to keep output up and the sector working. Content creators have creative, technical and business skills the country can't afford to lose.

Archiving – completing the work we began in 2009 with the Film Archive review, next year we will transfer permanent funding for Sound Archives to the Ministry for Culture and Heritage. Centralising audiovisual archiving funding means accountabilities and strategies can now be clearly developed.

Behind the scenes – We maintain a lean staff and low administration costs: our back office expenses are only 2.3% of revenue. This is so we can maximise the public funds available to invest in local content.

And there is no waste – with careful planning, all our funded content goes to air.

Diversity

Ngā Rerenga

Music - In the first year of the MakingTracks funding scheme we shifted our focus to support a much greater diversity of music for different audiences.

Māori - We've funded a remarkable range of programming featuring Māori perspectives this year. *Atamira* brought six important theatre plays from notable playwrights to the small screen. *The GC* attracted sizeable prime time audiences, and lively debate, with a very high proportion of Māori youth tuning in. The powerful documentary series *Songs From The Inside* showed how music and creativity can enrich the lives of prison inmates.

Pacific – We published a stock-take research paper on Pacific broadcast content and began work on our first Pacific broadcast strategy.

WHO WE ARE

Ko Mātua Noa Enei

NZ On Air is an independent agency funded by Government to broaden the range of local content available to New Zealand audiences.

We focus on the audience, not the platform, to get content to where people are watching and listening. We partner with content creators, production companies, broadcasters, Government and fellow agencies to get the right outcomes.

Our functions are set out in the Broadcasting Act 1989.

Our main focus is to serve different audiences. Job creation and skills development are indirectly yet positively affected through our work. We invest in a complex and important sector comprising hundreds of small and medium sized entities. In turn, those entities employ thousands of creative and technical professionals. Many leverage our investment with extra third party and foreign revenue.

As with most entities in the cultural sector we have a long history of collaboration with relevant agencies when this is appropriate. This both maximises good results and also ensures we continue to work in clearly delineated areas. Each agency can thus stay focused on core tasks, remain small and nimble, yet share costs and information as needed. We have direct relationships with the Broadcasting Standards Authority (staff share; shared services), the NZ Film Commission (co-venturing; staff share), Te Māngai Pāho (co-venturing; project assessment), the NZ Music Commission (music promotion), and Creative New Zealand (music policy).

MISSION

We champion local content through skilful investment in quality New Zealand broadcasting.

Kia tuku pūtea hei tautoko hei whakatairanga hoki i ngā kōrero pāho o Aotearoa.

Our values have been consistent over time –

Innovation *Wairua Auaha* encouraging new ideas, creativity and quality production standards.

Diversity *Ngā Rerenga* in projects, people and platforms: promoting difference and competition to support the best ideas for the widest range of New Zealanders.

Value For Money *Hunga Motuhake* in making sure cost-effective projects are enjoyed by significant numbers of people.



NZ On Air Board: Stephen McElrea, Miriam Dean – Chair (seated), Caren Rangī, Michael Glading, Ross McRobie (seated), and Nicole Hoey.

CHAIR'S INTRODUCTION

He Kupu Whakataki nā te Rangatira

Since I took on this role in April 2012, I have been impressed by the motivation and commitment of broadcasters, programme makers, artists, music managers and many others to bringing a diverse range of local content to a wide cross-section of New Zealanders.



One of my first tasks was to launch an evaluation of two decades of the work of NZ On Air written by esteemed CPIT/ NZ School of Broadcasting academics Paul Norris and Brian Pauling. The report notes that NZ On Air's vision, forged 20 years ago, has not deviated from an unwavering focus on creating great content. This has allowed us to steer a successful course through significant environmental and technological change during that period.

With a flexible, broad-based funding model, NZ On Air serves audiences well, with a remarkable diversity of content and services. Nonetheless, the challenges in the years ahead demand attention as we consider the maze of ongoing changes in both technology and audience behaviour.

The focus on local content remains all-important. Platform options will continue to advance and there is a plethora of foreign content easily available. However the economics of local content creation in a small market remain constant.

We are unlikely to receive any budget increase in the foreseeable future, given the economic climate. Therefore we need to continue to find cost effective ways to maximise the reach of our funding. In particular we will explore fresh approaches with the NZ Film Commission and continue to value ongoing relationships with other funding and sector bodies. Challenges create opportunities and good collaboration can assist us to deliver the very best public services in the interests of all New Zealanders.

I am impressed at the reach of our small entity and how cost-effective it is. Sharing a staff member with the NZ Film Commission and backroom services with the Broadcasting Standards Authority helps us spend less than three per cent of our revenue on overheads. The maximum amount possible is therefore available for investment in content and services.

I acknowledge the warm welcome and support of fellow Board members, who bring a wide range of expertise to the table. I wish to pay special tribute to my predecessor, Neil Walter, whose unflagging leadership over two terms has allowed me to inherit a strong and stable organisation.

Thanks also to Chief Executive Jane Wrightson and her team for their expert advice and support. Their dedication to NZ On Air's vision and values is a great asset as we all work together to provide the best possible services for our audiences.

Finally, NZ On Air appreciates the support of the Minister of Broadcasting, the Hon Craig Foss, and his officials at the Ministry for Culture and Heritage. We look forward to continuing our ongoing relationships to deliver the highest possible standards of public broadcasting and local content in the digital age.

Miriam Dean CNZM QC
Chair



NZ On Air is funded through the Ministry for Culture and Heritage

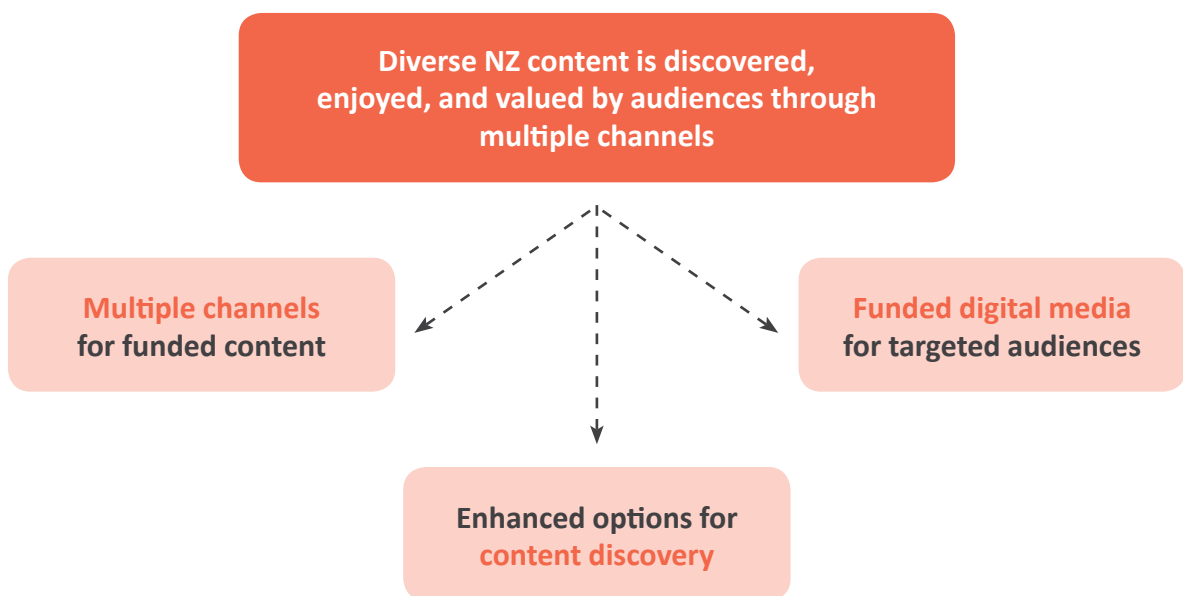
SCREEN CONTENT – DIGITAL MEDIA

Mahi Ipurangi

\$1.8 million

Almost all the content and services we fund are digitally produced and also available online. We focus on professionally-produced material made for specific audiences who access it through multiple channels and from multiple devices.

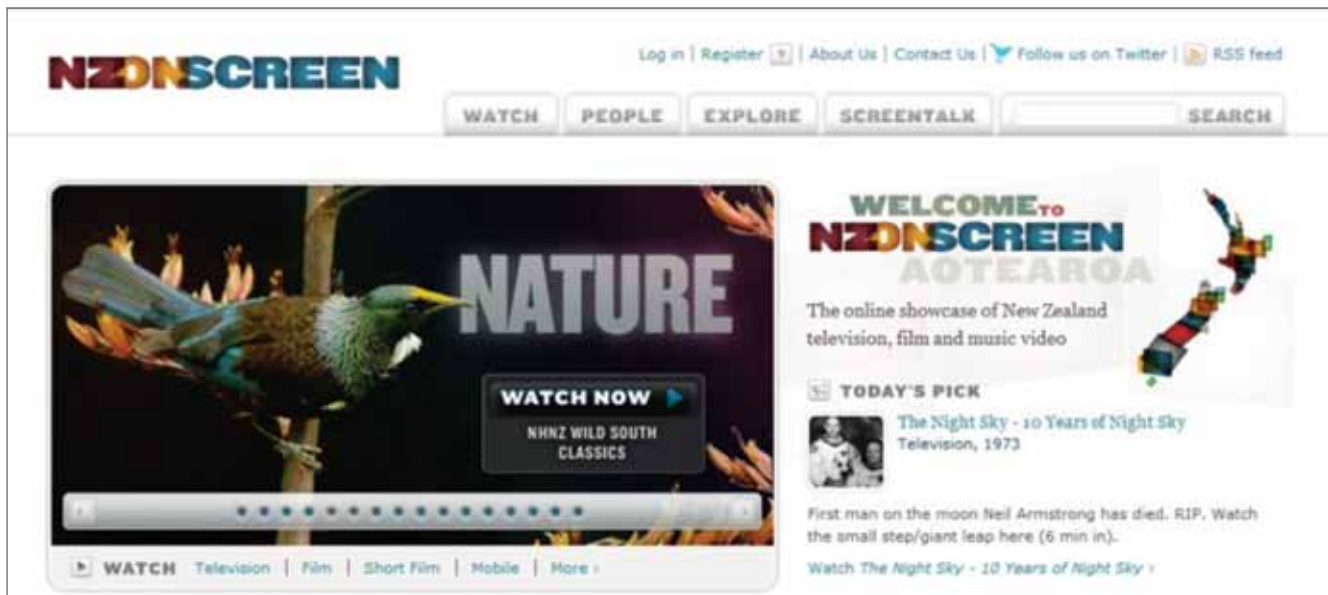
This year we created a new digital strategy that we summarise as –



‘Digital’ has various meanings that originate from different sources. In its purest sense it is simply the distinction from analogue. Broadcast content has been produced digitally for over a decade; it will be broadcast exclusively by digital means after Digital Switchover (‘DSO’). Elsewhere, ‘digital’ is the distinction between content and that made for online/mobile audiences.

When we refer to digital content we mean broadcast content. When we refer to digital media we mean content created specifically for audience consumption via online or mobile channels.

Our funding for digital media concentrates on two principal initiatives. The first, NZ On Screen, is an award-winning online showcase of New Zealand screen content, from classic newsreels to retro delights and contemporary picks. The site adds new titles weekly and averages more than 80,000 visitors per month (up from around 50,000 per month last year). It is the go-to reference site for local content and the people who make it.



The second initiative is our new Digital Media Fund, which replaced the former Digital Content Partnership Fund. The new fund now comprises two funding streams.

- Ignite is a fast turnaround fund to support small-scale projects and app development
- Kickstart is a fund for larger projects to support new narrative content that pushes the envelope of creative storytelling, and explores options such as transmedia or multi-channel approaches.

Alongside funding specifically for digital media and content discovery, we are considering if there are better ways to ensure most funded content gets a permanent home online.

SCREEN CONTENT – TELEVISION

Te Pouaka Whakaata

\$83.5 million

An extensive and eclectic range of NZ On Air-supported programmes screened across the six free-to-air channels this year (see Appendix 1 for a full project list).

We generally prioritise projects for TV One, TV2 and TV3 because of the higher audience numbers they attract. Prime, FOUR and Māori Television provide us with an opportunity to widen the diversity of programme types and subjects while maintaining the potential for respectable audience numbers.



TV funding percentages by producer and broadcaster

BY BROADCASTER	Audience Share [^]	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
	%	%	%	%	%	%	%	%	%	%	%
TVNZ	41.1	64	58	55	58	65	60	65	74	75	80
MediaWorks	18.7	29	36	39	32	29	33	30	26	25	20
Prime	5.4	3	3	2	2	1	2	3	-	-	-
Māori TV	0.8	4	3	4	7	4	4	1	-	-	-
Regional channels [±]	-	-	-	-	1	1	1	1	-	-	-
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

BY PRODUCER	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
	%	%	%	%	%	%	%	%	%	%
TVNZ	9.6	7.6	11.9	13.8	10.8	12.7	15	9	11	15
MediaWorks	2.7	5.4	2	0.1	0.2	0.2	0.2	0	1	0
Prime	-	-	-	-	-	-	-	-	-	-
Māori TV	-	0.2	0.7	0.3	-	0.1	-	-	-	-
Independents	87.7	86.8	85.4	85.8	89	87	84.8	91	88	85
		100%	100%	100%	100%	100%	100%	100%	100%	100%

* Includes Platinum Fund investments

± Regional channels funded from Community Broadcasting from 2010

[^] Source: Neilson Media, 5+ average 2011/12

We expect all funded content to be available online for a period after broadcast.

Audience size continues to be an important measure of success and one indicator of value for money. This year the Nielsen ratings system began to include time-shifted viewing and broadcasters are also keeping track of programming being streamed online.

Despite changes in the way people are watching television, one thing remains constant – New Zealanders' positive response to our own stories. *Shortland Street* consistently rates as the highest stream on TVNZ On Demand, and the most watched programme on TV3 On Demand this year was *The GC*. Many other local programmes were also popular on demand as viewers kept abreast of the programmes that were creating a buzz.

Top 30 funded programmes July 2011- June 2012

	TITLE	CHANNEL	NUMBER OF EPISODES	AVERAGE 5+ AUDIENCE
1	<i>Sunday Theatre: Billy</i>	TV One	1	733,007
2	<i>Sunday Theatre: Tangiwai A Love Story</i>	TV One	1	636,839
3	<i>Global Radar</i>	TV One	8	635,730
4	<i>Hyundai Country Calendar</i>	TV One	25	630,594
5	<i>Primeval New Zealand</i>	TV One	1	565,835
6	<i>The Politically Incorrect Guide to Grown Ups</i>	TV One	8	557,426
7	<i>Get Fresh with Al Brown</i>	TV One	10	486,935
8	<i>Sunday Theatre: Siege</i>	TV One	1	481,188
9	<i>Radar Across The Pacific</i>	TV One	2	466,231
10	<i>North (R)</i>	TV One	10	439,469
11	<i>Siege The Real Story</i>	TV One	1	438,623
12	<i>Sunday Theatre: Bliss</i>	TV One	1	399,519
13	<i>Inside Child Poverty Special Report</i>	TV3	1	385,877
14	<i>7 Days</i>	TV3	32	379,257
15	<i>Nothing Trivial</i>	TV One	13	377,040
16	<i>When A City Falls</i>	TV3	1	377,034
17	<i>Missing Pieces (R)</i>	TV3	15	374,379
18	<i>Sunday Theatre: Rage</i>	TV One	1	367,529
19	<i>What's Really In Our Food?</i>	TV3	6	366,288
20	<i>A Rotten Shame</i>	TV One	1	354,892
21	<i>Chef On A Mission</i>	TV One	6	354,796
22	<i>Missing Pieces</i>	TV3	13	351,821
23	<i>Sunday Theatre: Safe House</i>	TV One	1	347,859
24	<i>The GC</i>	TV3	8	338,589
25	<i>Comedy Gala</i>	TV3	1	334,192
26	<i>Go Girls</i>	TV2	13	321,738
27	<i>Sione's Wedding</i>	TV3	1	319,283
28	<i>Sunday Theatre: Votes For Women</i>	TV One	1	315,455
29	<i>The Investigator Special</i>	TV One	1	314,719
30	<i>WANNA-Ben: Rugby World Cup Special</i>	TV3	1	313,875

Source: Nielsen TV Audience Measurement

Ratings are just one measure of success. In other cases the social, cultural or historic value of a programme is the most important measure. Feedback from critics, and awards, are also good guides for evaluating success. We were pleased that many of our funded programmes were successful in the Aotearoa Film and Television Awards, the Documentary Edge Festival, the NZ Script Writer Awards and the New Zealand International Film Festival. Some also performed well at overseas festivals including New York Festivals TV and Film Awards and the Monte Carlo Television Festival.

Capped funding, along with increasing production costs and a growing number of project applications, means both the General and Platinum funds are under mounting pressure. We make increasingly difficult choices as we juggle constrained funds, a growing pool of successful series, and the desire to create opportunities for new ideas to be supported.

These competing pressures have prompted us to cap support for returning popular factual programmes to a maximum of four series and returning drama series to six. There may be one or two exceptions to this policy, but they will be rare. It is not easy to walk

away from a successful series (we know how hard it is to create a hit programme), but with far more demand on our available funding than there are available resources, it is imperative we maintain a space for innovation and diversity.

Hours of funded television by genre

	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
Drama/Comedy	94.5	121.5	105	102	92	103	89	103	108	108
Documentary/Information	129.5	133	216	99	123	104	131	107	109	109
Children/Young People	469.4	468	410	445	401	490	497	395	436	436
Special Interest/Other	272.3	261.5	201	181	188	212	253	419	298	298
Total	965.7	984	932	827	804	909	1,024	1,100	951	951

* Includes Platinum Fund investments

The television content we are able to support is only ever as strong as the skill, creativity and commitment of programme makers and broadcasters. While the business environment remains tough, we are particularly encouraged that our investment in 966 hours of local content both contributes to content diversity and also sustains the skill base of the production industry. We also appreciate the efforts of producers and broadcasters over the last year to continue to look for cost effective ways of delivering quality content.

Drama/Comedy

Drama programming was particularly successful this year with three primetime series delighting audiences on TV One, TV2 and TV3 (*Nothing Trivial*, *Go Girls*, and *The Almighty Johnsons*).

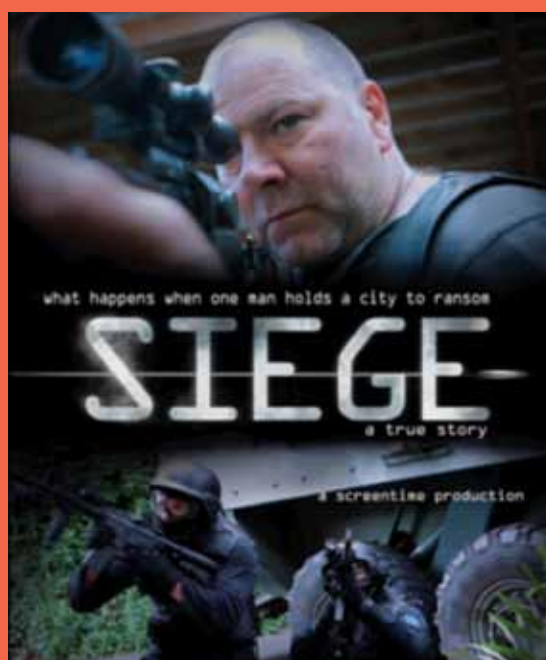
It is becoming harder to recall the dry years when local drama series struggled to find an audience, so expectations of new series are high. TV3's *The Blue Rose* will be the next for which we have high hopes. The series features Antonia Prebble and Siobhan Marshall and comes from the creators of *Outrageous Fortune*.

Our Platinum Fund dramas have also performed beyond expectations. *Billy* was watched by three quarters of a million people, a record-breaking audience for a one-off drama. Others – TV One's *Tangiwai*, *Rage*, *Bliss*, *Siege*, and *What Really Happened? The Women's Vote*, and TV3's *Underbelly*, also attracted strong, appreciative audiences. A new six-part detective series *Harry*, featuring Oscar Kightley and Sam Neill, has been supported for TV3 from this fund.

Recent years have also seen a growing maturity in New Zealand comedy. As *7 Days* became a hit with viewers, it opened the door for new ideas and broadcaster willingness to experiment. This year, along with the established panel, sketch and stand-up comedy, we supported scripted programmes *Hounds* and *Golden*. Situation comedies face a much stiffer battle to win over audiences used to overseas hits. Both series performed credibly and provided another step in the evolution of New Zealand comedy. We look forward to seeing two new scripted series, *Agent Anna* for TV One and *Sunny Skies* (aka *The Wilde Bunch*) for TV3.

SIEGE (Drama)

Jan Molenaar's 50 hour siege in May 2011 was a tragic event that gripped a nation and had a lasting impact on the city of Napier where it occurred. To be able to tell this story in a television drama so soon after the event was no mean feat and something that producers Screentime were only able to achieve so successfully with the full co-operation of the people whose story this was. The meticulous research and the generous support of the police and other people involved was essential. *Siege* was a fine example of how the Platinum Fund can bring important contemporary stories to a mainstream audience within TV One's Sunday Theatre strand.



Documentary

Documentary and popular factual series have also drawn strong primetime audiences. Given the increasing competition for funding in this genre, along with our ongoing emphasis on diversity, we decided to review our documentary funding policies. At year end we issued a discussion paper seeking feedback from broadcasters and documentary makers and we will assess the responses in the year ahead.

The Platinum Fund has provided a wonderful opportunity to extend the range of documentary programmes on air. Before this Fund was launched there was relatively little broadcaster interest in research-driven or historical material. Not so now. This year's crop on air included powerful docudramas *Shackleton's Captain*, *Strongman: The Tragedy* and New Zealand's triumph at 1960's Rome Olympics *The Golden Hour*.

Coming up is new series *Wild About New Zealand* that will mark the 125th anniversary of the first national park in New Zealand. Viewers can also look forward to another carefully-selected season of historical docudramas telling the stories of the Erebus disaster, the birth of Radio Hauraki and of resistance fighter Nancy Wake.



Children's

Programmes for children are a statutory priority for NZ On Air and one of our most important tasks. With a small funding increase in this area we were able to support the children's drama series *Girl vs. Boy*. The series enjoyed a good audience in a fringe peak slot on TV2 and, of course, a home online. Along with the established weekday afternoon shows *The Erin Simpson Show*, *Sticky TV* and the iconic *What Now* on Sunday mornings we were able to support a second series of the colourful preschool programme *Tiki Tour* and further series of *Kapa Haka Kids*, *Let's Get Inventin'* and *Operation Hero*.

New series of *Just the Job* and *Small Blacks* were also possible because of funding partnerships with various Industry Training Organisations and the NZRU.

GIRL VS BOY (Children's)

From the Digital Emmy Award producers of *Reservoir Hill*, the 8 x ½ hour children's drama series *Girl vs Boy* provided an attractive and fun example of how creative producers can deliver high quality series on a tight budget. With funding constraints a fact of life *Girl vs Boy* punched above its weight consistently delivering engaged audiences across a wide demographic in its late Sunday afternoon slot on TV2. Shot in the Wellington seaside suburb of Seatoun, even Wellington's notoriously unpredictable weather couldn't knock the smile off this series.



Arts and Performance

We supported a wide mix of important programming including ANZAC Day commemoration coverage, awards shows, and cultural celebrations in programmes like *Polyfest*. This year we backed a new observational series *Showtime*, following several amateur theatre companies, and a further season of the breakthrough arts series *The Secret Lives Of Dancers*.

We were also pleased to support NZ's *Got Talent*. The series provides a prime time opportunity to showcase talented New Zealanders from all over the country. Good family fun, this variety series provided enjoyment for performers and audiences alike. New Zealand's small population means launching a high-cost series like this is not viable in the current climate without the top-up of public funding.



Disability Services

We fully fund the provision of Captioning for the hearing-impaired and Audio Description for the sight-impaired through TVNZ Access Services. Extending services is difficult given the tight funding environment, but Access Services continues to find ways to improve efficiencies and technology use in order to increase captioned hours. We provided additional funding for TV3's transmission upgrade to enable them to broadcast captions to reach audiences on the Freeview terrestrial service and on MySkyHDi.

We meet with the Captioning Working Group to ensure we and the sector agree our funding is providing the best service possible.

We have also joined with Access Services and independent producers to increase the number of DVDs of New Zealand programmes released with subtitles for the hearing impaired. Previously, due to technical issues and cost, it had been difficult to include captions on DVDs not distributed by TVNZ Enterprises. South Pacific Pictures will be the first to take advantage of the new arrangement with the release of TV3-screened series *Golden* on DVD and other producers will follow.

Special Interest

We addressed the increasingly diverse nature of New Zealand's ethnic and cultural make-up by supporting two new series this year. *Both Worlds* and *Neighbourhood* took different approaches to telling the stories of the changing face of the people making up our communities, whether recent arrivals or long-established denizens.

Attitude, *Fresh*, *Rural Delivery*, *Tagata Pasifika*, *Praise Be* and *The Nutter's Club* continued to provide content for, and about, important New Zealand minority audiences.

We hosted a forum for Pacific broadcasters and programme makers to discuss research we released this year. We intend to develop a more comprehensive Pacific strategy in the months ahead.

NEIGHBOURHOOD (Special Interest)

Providing a fresh take on the rapidly changing face of New Zealand society *Neighbourhood* shines a spotlight on different neighbourhoods around the country. Each week prominent locals guide us through a particular place in New Zealand revealing what culture and their community means to them. Through diversity *Neighbourhood* reflects Aotearoa as a whole.



A full list of television projects funded this year can be found at Appendix 1.

SCREEN CONTENT – COMMUNITY BROADCASTING AND REGIONAL TELEVISION

Mahi Whakapāoho ā-Iwi.

\$2.1million

So far six regional television stations have been funded to make the change from analogue to digital broadcasting in readiness for Digital Switch Over. The first areas of New Zealand to switch over are West Coast and Hawke's Bay in late 2012. Switch over in New Zealand will be fully completed by the end of 2013. We assist regional stations to make the conversion with grants of up to \$70,000 per eligible station, administering these grants on behalf of the Crown.

We also fund a number of programmes for regional television channels, which reflect the individual communities in that region and the issues they face. In Auckland, the *Tonight At 7* programme strand includes a diverse range of Auckland current affairs and comment from, among others, David Beatson, Bomber Bradbury and Noel Cheer. *Tonight at 7* also features *Pacific Viewpoint* for Pacific communities and *Let's Talk* for a women's perspective on Auckland.

Regional news programmes are funded for Christchurch, Dunedin and Invercargill, and shorter format news programming in Kaitiāia, Whangarei and Nelson. We also support regional news and current affairs in Waikato, Rotorua, Hawke's Bay and Taranua/Manawatu.



SCREEN CONTENT – MĀORI

Mahi Whakapāoho Māori

\$7.4 million

Our investments help profile Māori stories and talent, in English, to a broad audience interested in gaining insights into the Māori world. New Zealand content, both screen and sound, is the richer for including Māori perspectives and talent of many types.

On screen this year were the fruits of a remarkable range of Māori endeavour.

Atamira brought six stage plays by notable playwrights to the small screen for the first time and their recording will provide cultural value for many years. The plays were *Strange Resting Places* by Paolo Rotondo and Rob Mokaraka; *Awahi Tapu* by Albert Belz; *Purapurawhetu* and *When Sun And Moon Collide*, both by Briar Grace-Smith; *Irirangi Bay* by Riwia Brown; and *The Prophet* by Hone Kouka.

Songs From The Inside was a powerful documentary series showing music and creativity bringing meaning to the lives of prison inmates. *The GC* introduced us to a glitzy iwi of young Māori Australians who, even when removed from their tribal homelands, still proudly identify as Māori.



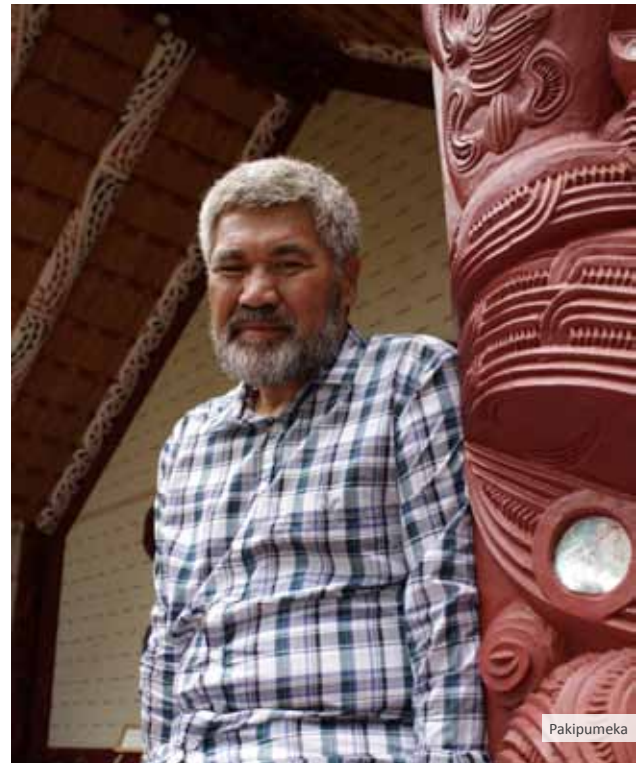
Younger audiences were well-served with the popular *I Am TV* and a second series of *Kapa Haka Kids*. There were also several important documentaries made under the *Pakipumeke* strand including *The Road To The Globe* and a look back at Ngā Tamatoa.

When the right projects come along we take the opportunity to partner with other agencies. This year we took a minority investment in the upcoming feature film *Mt Zion* starring Stan Walker, being produced with support from the New Zealand Film Commission and Te Māngai Pāho.

Another feature to look forward to is the seven-part series *Behind the Brush* profiling the work of Gottfried Lindauer as well as revealing the stories of the subjects of his well-known portraits. This series is being funded in collaboration with Te Māngai Pāho.

Māori content is also a priority for funded website NZ On Screen. NZ On Screen's collections are a feature of the site and the *Matariki* collection, curated by broadcaster Whai Ngata, added nine more titles in its 2012 release celebrating the Māori new year.

A full list of Māori projects funded this year can be found at Appendix 7.



SOUND CONTENT – NZ MUSIC

Te Reo Waiāta o Aotearoa

\$5.4 million

The last 12 months have seen major changes in the way we approach music funding. Our focus moved from an objective to infiltrate commercial radio to connecting a more diverse range of great songs with audiences on radio, television and online.

The NZ On Air music strategy is based on four drivers –

- Finding and funding great New Zealand songs
- Increasing diversity and exposure of new New Zealand music
- Maximising the audience for new New Zealand music
- Partnering with repertoire-owners and platforms to get new New Zealand music out there

The flagship for the reforms is the MakingTracks music funding scheme, which we launched in July 2011 after extensive consultation. A singles-based funding scheme, it provides grants for recording songs and making music videos to back up the release of those songs.

MakingTracks is a wholly new way of doing things. The funding model is new, the criteria are new, and using a panel of industry experts to help select the music is new.

We're indebted to the 59 broadcast and music experts who volunteered their services to the 10 different funding panels we convened this year. The discussions were passionate, collegial and some wonderfully diverse music was selected.

The response to the changes in this first year, from industry, critics and applicants, has been encouraging with one critic saying:

"I've been watching the decisions closely, and I'm so impressed with the way it's working. It's truly, without a shadow of doubt, the most diverse and inclusive set of decisions I could imagine a funding body making."

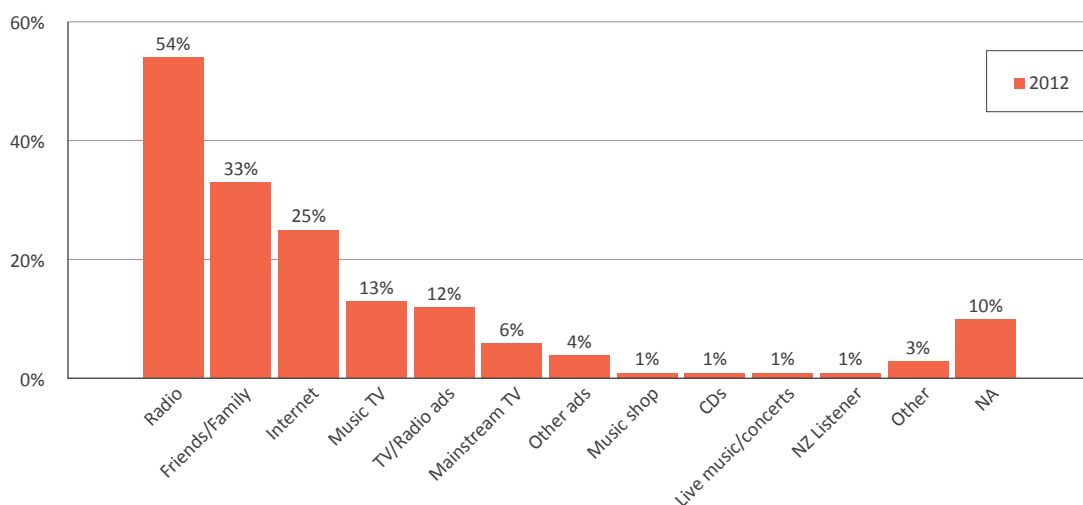
Competition is intense. In this first MakingTracks year we took in 1,216 applications and funded 324 songs. That is nearly twice the number of music videos and three times the number of recording projects as last year.

The main goal is greater diversity: of the music we fund, the platforms for connecting the music with the audience, and support for proven artists balanced with support for newcomers. This year about 40% of the artists we funded were new artists in that they have not had funding from NZ On Air before. Many would have been unlikely to receive funding under the previous model.

The newly successful musicians weren't just indie rock artists. We funded folk artists like Tiny Ruins and Five Mile Town; country artists like Delaney Davidson, The Unfaithful Ways and Katie Thompson; electronic artists like Mt Eden and Module; te reo artists like Ria Hall and Maisey Rika; roots and reggae artists like 1814 and Zionhill; heavy metal like Beastwars and Machete Justice, as well as lots of regular rock, pop, urban and hip hop artists.

At year end, we started a review of the way MakingTracks is working, based on 12 months' experience in the field. We remain committed to the model and will continue to fine tune.

How do you find out about new music?



Significantly more likely to say:

- Radio: 35-44 years
- Friends and family: Māori
- Internet: 18-43 years, male
- Music TV: Māori
- Mainstream TV: North Islanders living outside Auckland

Source: Premium Research

Base: n=500

While focusing on diversity, we still place a high importance on radio for music broadcasting. Online is growing fast but radio remains the number one way in which most New Zealanders discover new music.

So it is still crucial that New Zealand music is well represented on the radio airwaves. Commercial radio has recently struggled to meet its 20% New Zealand music pledge to the Government. Since 2005, it has been close – between 19.19% and 19.86% a year – but never quite topping 20%.

This year was no different. The 2011 calendar year result was 19.02% and in the 12 months to 30 June 2012, it was 18.10%. The figures have been bolstered over recent years by Kiwi FM with its 100% New Zealand music contribution, but in February Kiwi changed to a 60% local music format.

We do what we can to help. We ensure songs for commercial radio are included in the MakingTracks scheme and we deliver the best local songs to every radio station regularly every month via the Kiwi Hit Disc. We also partner with key commercial radio networks to expose new music in sponsored features like *The Slab* on The Edge and *The Word* on ZM. Our promotions team works closely with commercial radio programmers to find the right songs to help them increase local music airplay. In short we encourage radio to take risks with new content in a tough commercial environment.

The impact of this partnership with music-makers on the one hand, and music broadcasters on the other, can be seen in the airplay charts. Nine of the top ten most-played New Zealand songs on New Zealand radio in the year to 30 June 2012 were NZ On Air-funded and all ten featured on Kiwi Hit Discs –

Top Ten Most-Played NZ Songs On NZ Radio July 2011 - June 2012

SONG	ARTIST	KIWI HIT DISC
01 <i>Don't Forget Your Roots</i>	Six60	140
02 <i>Everything's Gonna Be Alright</i>	The Babysitters Circus	142
03 <i>Only To Be</i>	Six60	144
04 <i>Girl In Stiletos</i>	Annah Mac	143
05 <i>Light It Up</i>	Stan Walker	142
06 <i>Hello Hello</i>	Bic Runga	142
07 <i>Love Love Love</i>	Avalanche City	133
08 <i>Living In My House</i>	Junica featuring Pip Brown	137
09 <i>Black Sheep</i>	Gin Wigmore	142
10 <i>Something In The Water</i>	Brooke Fraser	129

Source: RadioScope

The myriad of opportunities afforded by the internet to connect songs with audiences is also exciting. The main issue is local discovery in a sea of global choice.

This year we partnered with Amplifier, New Zealand's longest-established online champion of new music, to launch a platform for music discovery. *theaudience.co.nz* enables all New Zealand artists, but particularly new artists, to showcase and build an audience for their work. *theaudience* is a strategic investment for us - feeding MakingTracks, providing an opportunity for emerging musicians, helping increase diversity, and bringing through new artists.

The audience can vote for the best songs, play favourite songs and share songs via social media. Votes, plays, shares and playlisting contribute to a people's choice chart each week, which is broadcast on independent radio through the country. The most popular unreleased song each month goes forward for MakingTracks funding as the so-called "wild card". The first such song to earn funding was *Night Swimmer* by Auckland singer/songwriter Chelsea Jade Metcalf who goes by the name Watercolours.

In its first four weeks, *theaudience* clocked up more than 50,000 unique visitors and introduced the audience to close to 1,000 new songs.

By year end the streaming music service Spotify had landed in New Zealand, joining You Tube as a leading platform for New Zealand music and for NZ On Air-funded songs and music videos.

ON THE TUBE

It's a sign of the times. These days the biggest music video bang for our buck is coming online. More than 10 million streams of NZ On Air funded MakingTracks songs from 2011-2012 on YouTube alone, let alone Vimeo and other sites that also stream music videos.

According to a Nielsen Music 360 survey in the US this year, more teens listen to music through YouTube than through any other source.

The music video is an integral part of the MakingTracks funding formula and is now more important than ever in the quest to connect songs and audiences on multiple platforms.

Top Ten Most-Played 2011-2012 Funded Music Videos On Youtube*

SONG	ARTIST	STREAMS
01 <i>Good Intent</i>	Kimbra	4,469,021
02 <i>My Baby</i>	Pieter T	1,464,721
03 <i>Everything's Gonna Be Alright</i>	The Babysitters Circus	1,085,636
04 <i>Forever</i>	Six60	409,065
05 <i>Black Sheep</i>	Gin Wigmore	355,592
06 <i>Nervous</i>	Pikachunes	231,704
07 <i>These Prison Walls</i>	Concord Dawn featuring Thomas Oliver	192,567
08 <i>Funny Friends</i>	Unknown Mortal Orchestra	124,240
09 <i>Start Looking Around</i>	David Dallas	117,088
10 <i>I Promise</i>	Savage	91,214
TOTAL		8,540,848

*as at 31 July 2012

In addition to our flagship digital music initiative *theaudience*, we also partnered with Mediaworks to create New Zealand music discovery mobile apps built for The Edge, The Rock, More FM and Mai FM. We co-venture with the stations to ensure NZ music is prominently promoted in each app.

With no new funding, the only way we can embark on innovative projects is by sacrificing some existing programmes. At the end of the year, we completed our withdrawal from the promotion of New Zealand music in Australia in order to focus on domestic priorities. Coming next year will be an important new site telling the stories behind the development of New Zealand music culture.

A full list of the New Zealand music projects funded this year can be found in Appendix 4.



BUILDING BLOCKS

As part of the MakingTracks funding reforms this year, we came up with new eligibility criteria. To apply for MakingTracks funding, the artist needs to be able to tick 10 out of 22 eligibility criteria on the www.kiwihits.co.nz website.

Do you have a great song? Have you got music industry believers? An online fanbase? Some airplay or sales runs on the board? It's like a checklist of building blocks for success.

The eligibility criteria don't determine whether an artist gets funding: that decision is based first and foremost on the merits of the music. It does tell us their track record, the kind of support they can bring to the table, and how much work they've done to grow their fanbase and build the buzz.

The 10 ticks checklist is an indication that the artist is ready to make the most of the funding if the song gets the thumbs up, but it also functions as a kind of To Do list for applicants by focusing on things they can do to build support for their work.



Five Mile Town



Beastwars



Jamie McDell



Andrew Keoghan



Annah Mac



Katie Thompson



Ria Hall



The Wyld



Tommy III



Homebrew

SOUND CONTENT – PUBLIC AND COMMERCIAL RADIO

\$33.3million



We fund the primary public service broadcaster in New Zealand, Radio New Zealand.

Radio New Zealand National was the country's most popular station for live radio listening during 2011/12 with a market share of 10.7% and a cumulative audience of 476,000 people. In the past year the Radio New Zealand website www.radionz.co.nz has consolidated its position as the most visited radio website in New Zealand. Radio New Zealand's website now carries an archive of more than 100,000 audio items spanning more than 15,000 hours of recorded content.

Radio New Zealand continued to play its critical role as the country's only designated Civil Defence Lifeline Utility radio broadcaster with audiences tuning in for reliable information as aftershocks continued to shake Canterbury.

In a year when it celebrated 50 years of news provision, Radio New Zealand also dominated the news categories at the 2012 New Zealand Radio Awards. It also won an international gold medal in the prestigious New York Festival Radio Awards for the Christchurch earthquake documentary *Broken River*.

We also support a small number of specialist programmes for commercial radio audiences. Special Easter programming for Newstalk ZB is a much-loved feature. Long-format interview programme *Paakiwaha* is funded to bring insights into te ao Māori. We also funded *That's The Story* and *The Great Big Kids' Show* for children and the award-winning *Te Puutake* for youth.

All this is in addition to the variety of programmes we support to showcase newly released New Zealand music.

A full list of radio projects funded this year can be found in Appendix 2.



SOUND CONTENT – COMMUNITY BROADCASTING

Mahi Whakapāoho ā-Iwi.

\$5.7million

At the start of the financial year our special interest radio responsibilities expanded when we welcomed Niu FM into the NZ On Air funding family. By the end of the year we had helped with a new home for Pacific broadcasting based in Manukau. The purpose-built offices and studios are bigger, brighter, and located in the heart of Auckland's Pacific community.

Niu FM and stablemate 531pi celebrated their new home by adding an additional five hours of Pacific language programming to their schedules.

Samoa Capital Radio maintains a loyal following in Wellington and community access radio is home to a large (and growing) number of Pacific programmes for Pacific audiences.

These services for Pacific audiences join the 12 supported access radio stations that rose to our challenge and delivered 9% more priority first run special interest programming. This means even more communities are being served by programming that is by, for and about them. These improved services were provided within existing funding for an average hourly cost of \$123.

In all more than 600 community groups throughout the country are given a voice through broadcasting on Access Radio stations. These communities include ethnic, cultural and language minorities, religious groups, youth, children, and those with special needs.

To extend audience reach we fund the Access Internet Radio podcasting service www.accessradio.org. The site has more than 250 programmes on demand in more than two dozen languages. This year content from two more stations was added and a mobile phone app is being developed.

A full list of community broadcasting projects funded this year can be found at Appendix 3.

Free FM

After a long year of fundraising subsequent to securing the 89 FM frequency, Community Radio Hamilton raised more than \$100,000 for their relaunch. Reborn as Free FM, the station has a large transmission footprint in the Waikato area and will continue to broadcast programming that is by, for and about the local community. There has already been an enthusiastic response to Waikato's newest FM station.



Free FM launch night

Pacific Radio

The Pacific Media Network moved into its new premises in Manukau this year celebrating a brand new home for Niu FM, Radio 531 pi and Pacific Radio News. The move from Ponsonby to be closer to the communities they serve comes as 531 pi plans to celebrate its 20th birthday and Niu FM and Pacific Radio News their 10th. The new facilities have far bigger and better equipped studios and can even accommodate a large choir.



Niu FM

PLAINS FM

Plains FM in Christchurch celebrated the opening of its redesigned and refurbished offices and studios in October. Despite further earthquake interruptions, Plains FM built itself back up and increased the level of special interest programming. The station has done much work in the area of disaster preparedness, and communications for culturally and linguistically diverse communities.



Smart new premises for Plains FM

SOUND CONTENT – MĀORI

Mahi Whakapaohoi Māori

As with our screen content, our audio work in radio and online concentrates on telling Māori stories and showcasing Māori talent and perspectives.

We supported a new series of Māori issues programme *Paakiwaha*, which can be heard on Radio Waatea, and through its website, and of youth series *Te Puutake*, which plays and streams on a number of stations.

Māori musicians also compete for MakingTracks funding for contemporary popular music. We do not record the ethnicity of our funded artists, but we know that at least 28 out of the 324 grants allocated in the first year of MakingTracks went to Māori artists.

We also include Māori musicians and their work, including Māori language and kaupapa songs, on our Kiwi Hit Disc, used to promote the songs to mainstream radio. Artists like Tiki Taane, Awa, Seth Haapu, Ria Hall, Te Pamu and Ahorangi featured on the Kiwi Hit Disc during the year. And of course Stan Walker won the 2011 NZ On Air Radio Airplay Award at the Waiata Māori Awards for the biggest radio song by a Māori artist.

A full list of Māori projects funded this year can be found at Appendix 7.



RESEARCH AND CONSULTATION

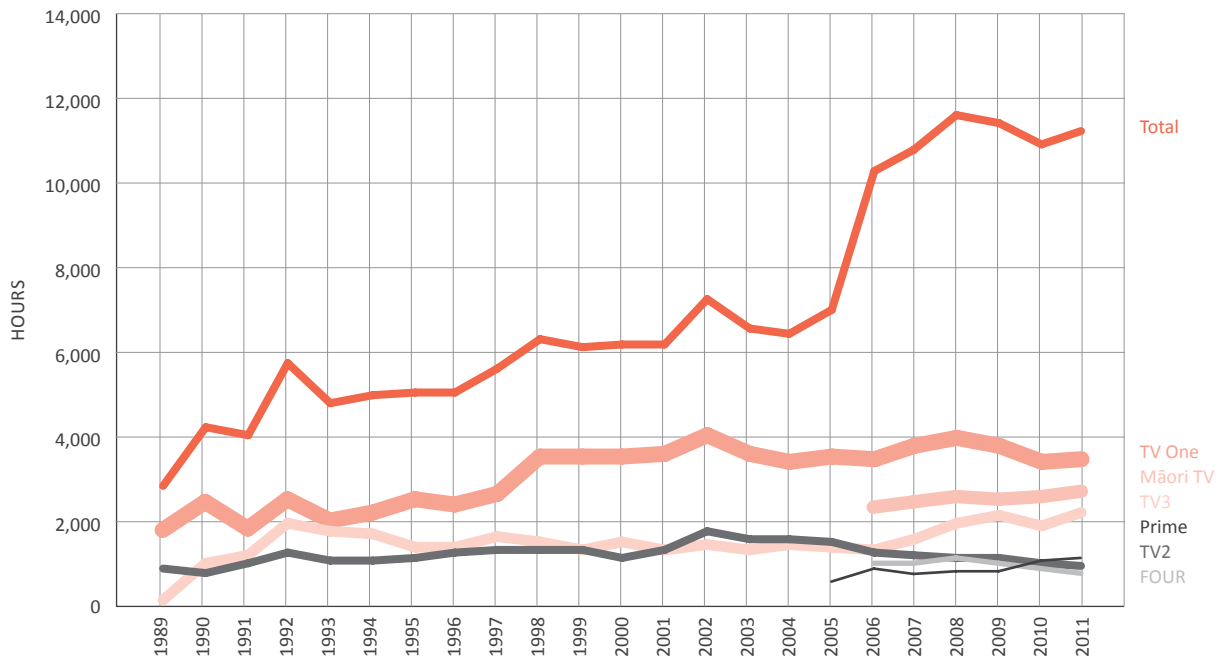
Mahi Rangahau

Research is important to us so we can make informed decisions on local content matters and also provide useful information to our stakeholders and the general public. This year we released several studies, the largest being *NZ On Air: An Evaluative Study from 1989 – 2011* from well-regarded media academics Paul Norris and Dr Brian Pauling. The authors conclude that NZ On Air is a remarkable success story, and point to challenges facing the media and our organisation.

Our annual *Local Content Report* measures local content on six free-to-air television channels: TV ONE, TV2, TV3, FOUR, Prime and Māori Television. This quantitative study covers all local content, not just that financially supported by us. The 2011 report found there were more than 11,000 hours of local television in that year, the increase from the previous year largely driven by special news broadcasts following the February 22nd earthquake in Christchurch and the Rugby World Cup.

Our regular survey of public opinion was conducted in June 2012. We were delighted that 78 per cent of respondents (up 4 per cent on the previous year) agreed that NZ On Air supports television programmes and activities that are important to New Zealanders. 69 per cent of respondents agreed NZ On Air supports local content for radio that is important to New Zealanders and 93 per cent of respondents knew of NZ On Air.

Chart of Local Content Hours by Channel since 1989



Notes

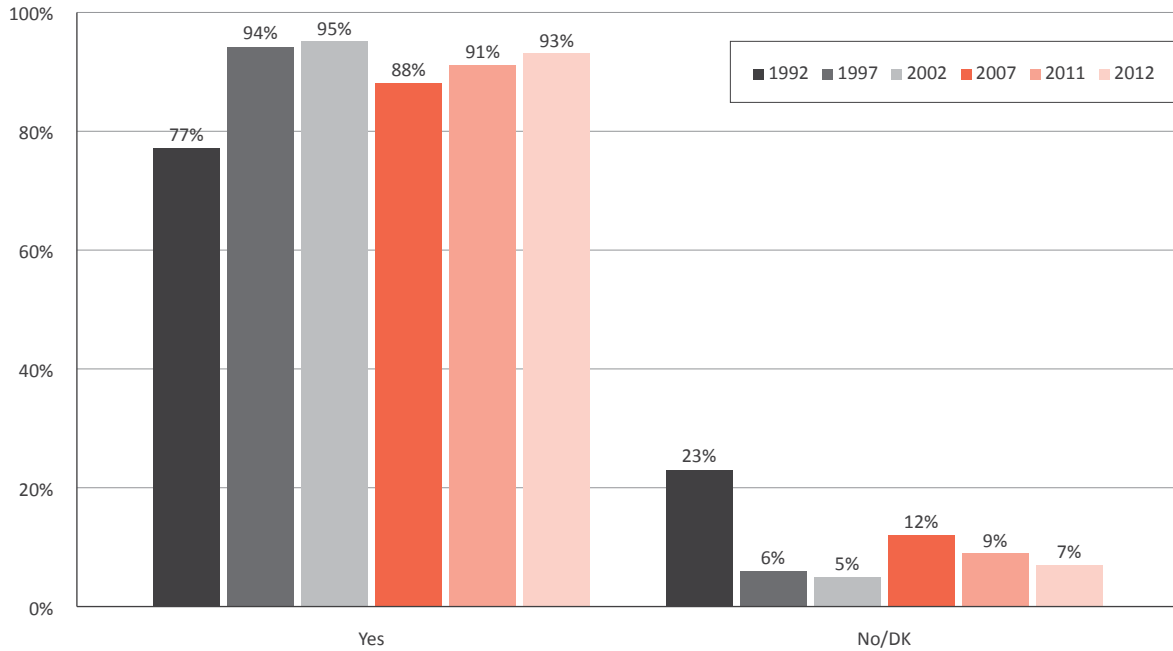
24 hour day measured from 1989 to 2003, 18 hour day since 2003.

Prime TV added 2005, C4 and Māori Television added 2006.
C4 rebranded to FOUR in 2011.



Source: NZ On Air Local Content Report 2011

Did you know there is an organisation called NZ On Air?



Source: Premium Research

Significantly more likely to say yes in 2011: Pakeha
Significantly more likely to say no in 2011: Asian



With the addition of Niu FM to our stable of broadcasters, we also commissioned *Broadcast Programming for Pacific Audiences in New Zealand*. We discussed results with key Pacific broadcasters at a small forum in July 2012 and began work on a cohesive strategy.

We released a *Documentary Funding Policy* discussion paper to the industry for consultation and will complete evaluation of the responses by the end of 2012.

All these reports can be accessed through the Publications section of our website www.nzonair.govt.nz

OPERATIONS

Ngā Tikanga Whakahaere

Governance and Management

The Board is chaired by Miriam Dean QC who joined in April 2012. Miriam Dean replaces Neil Walter who retired from the Board having served two terms as Chair. Nicole Hoey, Michael Glading, Stephen McElrea, Caren Rangi and Ross McRobie continued as Board members.

The Board has three standing committees. The Audit and Risk Committee was chaired by Stephen McElrea, the Māori Strategy Committee by Caren Rangi and the Special Interest Committee by Nicole Hoey.

The Minister of Broadcasting may not direct us on cultural or programming matters, but may issue directives through Parliament on more general matters. No such directives were issued this year.

Chief Executive Jane Wrightson leads thirteen full time staff, one part-timer and two people we share with other organisations.

This year we welcomed Sarah Crowe to the music team after farewellling David Ridler who had been with us for four years. Jeff Newton also joined the busy Auckland music promotions team following the departure of Mike McClung.

We will continue to collaborate with the Broadcasting Standards Authority, New Zealand Film Commission, Te Māngai Pāho and other agencies and will look for more opportunities offering improvements to efficiency and effectiveness.

Good employer policies

The Crown Entities Act requires us to report on these policies and also on organisational capability. No issues of concern have occurred during the year.

We also require funding recipients to follow EEO principles in accordance with the Broadcasting Act.

Good employer policies

HRC GOOD EMPLOYER ELEMENT	NZ ON AIR POLICY/PROCEDURE	ISSUES	ACTION TAKEN
Leadership, accountability and culture	Staff involved in decision making relevant to their area. Staff encouraged to devise and manage own solutions	None	Regular feedback to staff, monthly management meetings and weekly staff meetings
Recruitment, selection and induction	All permanent senior staff vacancies advertised. Positions are mainly specialised: focus is on best range of skills for each job	Reasonable gender balance No Māori or disabled people on staff	Two positions advertised. One Māori staff member appointed.
Employee development, promotion and exit	Annual appraisal and exit interviews.	There are few opportunities for promotion given the size of agency	Performance assessment system maintained
Flexibility and work design	Flexible work practices encouraged – focus on outputs not process	None	None needed
Remuneration, recognition and conditions	Equitable gender-neutral remuneration	None	None needed
Harassment and bullying prevention	Zero tolerance policy	None	None needed
Safe and healthy environment	Proactive health and safety approach	None	Policies reviewed annually

Organisational health and capability

OUTCOME SOUGHT	MEASURE	RESULT
	Full time turnover no more than three people per annum	Achieved (two departures)
Recruitment, training and remuneration policies focus on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Recruitment, training and remuneration policies focus on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Achieved
	External salary comparisons conducted regularly	Assessment scheduled for 2013
Our office environment and equipment are safe and well maintained	Safety hazards reported are attended to promptly, significant hazards are attended to immediately	Achieved
	Our office environment and equipment are safe and well maintained	Achieved
	Each new employee has an ergonomically suitable workspace within one week of beginning work	Achieved
Equal employment opportunity principles are incorporated 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	Achieved

Performance improvement actions

We seek continual performance improvement. In our Statement of Intent we identified the following actions we would undertake, all to be completed within existing resources.

Progress on performance improvement actions

INITIATIVE	SHORT TERM DELIVERABLE	MEDIUM TERM IMPACT	PROGRESS AS AT 30 JUNE
Implement new domestic music funding strategy to ensure investment is effective	New scheme to commence on 1 July 2011	NZ music on commercial radio returns to 20% More diverse music is funded	New scheme, MakingTracks, commenced 1 July 2011 with favourable feedback Commercial radio targets not met Diverse music target met
Actions from the sound archiving service delivery and funding review are agreed with Radio New Zealand	Improved strategy	Sound archiving needs in NZ are adequately assessed and met	Archiving funding transferred to MCH from 1 July 2012
Assess Radio New Zealand's performance against qualitative measures	Agreed framework	Improved accountability and understanding of audience feedback	Assessment completed
Conduct Platinum Fund review	Revise funding criteria if necessary	Ensure broadcast outcomes are occurring as planned Maximise effectiveness of Platinum Fund expenditure	Review completed. Outcomes satisfactory
Review Rautaki Māori	Improve range and quality of funding applications for Māori programmes	Improve amount of prime time Māori television content on mainstream channels	Review to be completed in 2013
Monitor programming output of access and community radio stations to ensure programme diversity is being achieved	Ensure new performance indicators deliver improved results	Increase diversity of community representation on access radio Improve balance of public and third party funding	Monitoring ongoing
Conduct digital strategy review to consider the effectiveness of the current strategy	Funded digital projects contribute to an effective strategy	Ensure digital funding remains relevant and is targeted to the most appropriate audiences	Review completed and new strategy published.

Key Efficiency Goals and Measures

EFFICIENCY GOALS	EFFICIENCY MEASURES	2011-2012 ACTUAL	2010-2011 ACTUAL	2009-2010 ACTUAL	2008-2009 ACTUAL
Low administration costs to maximise broadcast funding	Administration costs as a % of total revenue	2.3%	2.2%	2.2%	2.3%
What we fund gets broadcast	% of funded projects broadcast within 15 months of formal delivery	100%	99%	98.3%	100%
Our processes are efficient and effective	% of complete applications received by deadline are considered by the Board at its next meeting	100%	100%	100%	100%
	% of funding decisions made in accordance with approved policies and procedures	100%	100%	100%	100%
We make the right decisions	Funding decision or process with a significant adverse judicial review or Ombudsman finding	0%	0%	0%	0%

Impact Measures

The following trend table was included in our Statement of Intent for the period 2011-2014. The actual results for 2011/12 are now included.

IMPACT MEASURES		PERFORMANCE TARGETS AND ACTUAL RESULTS				
		2011-14 TARGET	2011/12 ACTUAL	2010/11 ACTUAL	2009/10 ACTUAL	2008/09 ACTUAL
% of New Zealanders that believe NZ On Air supports programmes and activities important to New Zealanders	Television	More than 2/3rds	78%	74%	71% all activities	53%
	Radio		not measured			
% of NZ music on radio	Commercial	20%	18.10%	18.65%	19.66%	20.08%
	Alternative	30%	36.59%	not measured		
% of industry participants and related stakeholders that believe NZ On Air is efficient, fair, balances competing demands well and makes the right choices (measured three yearly)		89%	Not measured in 11/12	not measured		88.5% gave a positive response
Target average prime-time 5+ audience for programmes funded for Type 1 channels (the major free-to-air national channels - TV One, TV2, TV3)	Drama	310,000	307,900	333,200	These measures were first reported in 2010/11	
	Documentary/Factual	360,000	453,700	383,500		
	Comedy	210,000	312,200	228,900		
	Arts/Culture	310,000	169,900*	219,100		

Note: First run screening counted, audience numbers for repeat screenings not included in these figures.

*Only 2 Arts programmes screened in primetime (*The Secret Lives of Dancers* and *Unzipped*)

PART 2 / ACCOUNTABILITY STATEMENTS

Statement of responsibility

In terms of the Crown Entities Act 2004 the Board is responsible for the preparation of NZ On Air's financial statements, the statement of service performance and for the judgements made in them.

The Board of NZ On Air has the responsibility for establishing, and has established, a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

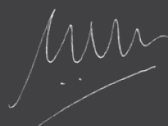
In the Board's opinion these financial statements and the statement of service performance fairly reflect the financial position and operations of NZ On Air for the year ended 30 June 2012.

Signed on behalf of the Board:



Miriam Dean
Chair

31 October 2012



Stephen McElrea
Chair Audit & Risk Committee

31 October 2012

AUDIT REPORT

To the readers of the Broadcasting Commission (known as NZ on Air)'s financial statements and statement of service performance for the year ended 30 June 2012

The Auditor General is the auditor of NZ on Air. The Auditor General has appointed me, J.R. Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of NZ on Air on her behalf.

We have audited:

- the financial statements of NZ on Air on pages 29 to 48, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of NZ on Air on pages 49 to 52.

Opinion

In our opinion:

- the financial statements of NZ on Air on pages 29 to 48:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect NZ on Air's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of NZ on Air on pages 49 to 52:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2012, NZ on Air's:
 - service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
 - actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2012. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected

depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of NZ on Air's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of NZ on Air's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of service performance that:

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

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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

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



J.R. Smail
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of NZ on Air for the year ended 30 June 2012 included on NZ on Air's website. NZ on Air's board is responsible for the maintenance and integrity of NZ on Air's website. We have not been engaged to report on the integrity of NZ on Air's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 31 October 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

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

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Income				
Crown revenue	2	130,332	130,776	126,926
Other revenue	3	3,062	2,050	3,374
Recovery of previously expensed debts	4	2	-	4
Total income		133,396	132,826	130,304
Operating expenditure				
Administration	5	3,022	3,285	2,819
Total operating expenditure		3,022	3,285	2,819
Funding expenditure				
<i>Television & digital media</i>				
National television	6	86,569	81,611	82,486
Regional television	7	2,116	2,350	1,451
Digital media	8	995	1,800	1,791
<i>Radio & digital media</i>				
Public radio	9	32,590	32,796	32,530
Community radio	10	5,756	6,300	3,467
Commercial and alternative radio	11	5,689	6,401	5,493
Total funding expenditure		133,715	131,258	127,218
Total expenditure		136,737	134,543	130,037
Net surplus/(deficit) for the year		(3,341)	(1,717)	267
Other comprehensive income		-	-	-
Total comprehensive income/(Loss)		(3,341)	(1,717)	267

Explanations of major variances against budget are provided in Note 31.
The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Current assets				
Cash and cash equivalents	12	14,345	4,000	10,054
Investments	13	40,000	45,000	43,500
Debtors and other receivables - interest		317	700	513
Debtors and other receivables - other	14	280	500	40
Total current assets		54,942	50,200	54,107
Non-current assets				
Property, plant and equipment	15	121	300	131
Intangible assets	16	83	-	58
Total non-current assets		204	300	189
Total assets		55,146	50,500	54,296
Current liabilities				
Creditors and other payables	17	1,055	500	863
Employee entitlements	18	107	100	98
Funding liabilities	19	48,886	45,408	44,896
Total current liabilities		50,048	46,008	45,857
Equity at 30 June – committed		2,508	4,378	5,510
Equity at 30 June – uncommitted		2,590	114	2,929
Equity		5,098	4,492	8,439
Total liabilities and equity		55,146	50,500	54,296

Explanations of major variances against budget are provided in Note 31.
The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2012

	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Balance at 1 July				
Equity at 1 July - committed		5,510	4,378	4,378
Equity at 1 July - uncommitted		2,929	1,831	3,794
Total public equity at 1 July		8,439	6,209	8,172
Total comprehensive income		(3,341)	(1,717)	267
Total equity at 30 June		5,098	4,492	8,439
<i>Being</i>				
Equity at 30 June – committed		2,508	4,378	5,510
Equity at 30 June – uncommitted		2,590	114	2,929

Explanations of major variances against budget are provided in Note 31.

Total equity is made up of two elements, committed and uncommitted:

- Committed equity reflects the level of commitments approved in the current or prior financial years but which have not been recorded as expenditure because the commitments are subject to substantive conditions yet to be met by the funding recipients. Note 19 details the conditions used to determine when a commitment can be recorded as expenditure. The \$2.508m (2011: \$5.510m) committed by the Board is recorded as a contingent liability.
- Uncommitted equity is the amount remaining to fund future projects

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 30 June 2012

	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Cash flows from operating activities				
Receipts from Crown revenue		130,776	130,776	126,926
Receipts from other revenue		612	-	1,069
Interest received		2,408	2,050	2,582
Payments to funded activities		(130,138)	(129,441)	(127,321)
Payments to suppliers and employees		(2,501)	(3,285)	(2,701)
GST (net)		(221)	-	(117)
Net cash from operating activities	20	936	100	438
Cash flows from investing activities				
Net (payments to)/receipts from investments		3,500	-	500
Receipts from the sale of property, plant and equipment		-	-	-
Purchases of property, plant and equipment and intangibles		(145)	(100)	(5)
Cash flows from investing activities		3,355	(100)	495
Net increase/(decrease) in cash and cash equivalents		4,291	-	933
Opening cash and cash equivalents		10,054	4,000	9,121
Closing cash and cash equivalents		14,345	4,000	10,054

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies for the year ended 30 June 2012

Reporting entity

The Broadcasting Commission (NZ On Air) was established by the Broadcasting Act 1989, and is an Autonomous Crown Entity in terms of the Crown Entities Act 2004.

Our functions and responsibilities are set out in the Broadcasting Act 1989. Our primary objective is to provide services to the public rather than make a financial return. Accordingly, we are a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

These financial statements reflect the operations of the Broadcasting Commission only and do not incorporate any other entities. These financial statements are for the year ended 30 June 2012 and have been approved by the Board.

Basis of preparation

Statement of compliance

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

These financial statements comply with NZ IFRS, as appropriate for public benefit entities.

Measurement base

These financial statements have been prepared on a historical cost basis.

Functional and presentation currency

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

Significant accounting policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

We are primarily funded through revenue received from the Crown, restricted in its use for the purpose of meeting our objectives as specified in the Broadcasting Act and our Statement of Intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Television programme and music revenue

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

Leases

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the term of the lease in the statement of comprehensive income.

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks with original maturities of three months or less.

Debtors and other receivables

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

Impairment of a receivable is established when there is objective evidence that we will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payment are all considered indicators that the debtor is impaired. Any impairment losses are recognised in the statement of comprehensive income.

Investments

Bank deposits

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

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

Property, plant and equipment

Property, plant and equipment asset classes consist of computer equipment, office equipment, furniture and fittings, and leasehold improvements. Property, plant and equipment are shown at cost, less accumulated depreciation and any impairment losses.

Additions

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as they are incurred.

Depreciation

Depreciation is provided on a straight line basis on all property plant and equipment at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates have been estimated as follows:

Computer equipment	3 years	33.3%
Office equipment	5 years	20.0%
Furniture and fittings	6 years	16.7%
Leasehold improvements	6 years	16.7%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Subsidiary Entities

Where there would be no material difference to the results being reported, subsidiary entities which are immaterial to the financial statements of NZ On Air are not consolidated. Information relating to any such entities is separately disclosed in the notes to the financial statements.

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of our website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of comprehensive income.

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

Acquired/ developed computer software	5 years	20%
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Impairment of non-financial assets

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

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

Creditors and other payables

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

Employee benefits

Employee entitlements that we expect to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

We recognise a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that we anticipate it will be used by staff to cover those future absences.

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

Superannuation schemes

Obligations for contributions to Kiwisaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive income as incurred.

Provisions

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

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

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

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables in the statement of financial position. These are presented on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables, as appropriate.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

We are exempt from the payment of income tax (s51 Broadcasting Act 1989) therefore no charge for income tax has been provided for.

Budget figures

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

Critical accounting estimates and assumptions

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

Critical judgements in applying our accounting policies

We have exercised the following critical judgements in applying our accounting policies for the period ended 30 June 2012:

Funding expenditure

Within our provisions accounting policy, the following two conditions of the four that must be met for us to recognise funding expenditure as an expense and liability, require us to make critical judgements:

- (a) There are no substantive contractual conditions for the funding recipient to fulfill.

The main substantive contractual condition that means a funding commitment made by the Board cannot be recorded as expenditure and as a liability is where Board approval is subject to confirmation of third party funding, and that funding is not in place at balance date.

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

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

Changes in accounting policies

There have been no changes in accounting policies during the financial year. Where necessary, comparatives have been restated to reflect current classifications and presentation.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to NZ On Air, are:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, NZ On Air is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means NZ On Air expects a transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, NZ On Air is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

2. Revenue from Crown

We have been provided with funding from the Crown for the specific purposes set out in the Broadcasting Act 1989 and the scope of the relevant Crown appropriations. Apart from these restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2011: nil).

3. Other revenue

	Actual 2012 \$000	Actual 2011 \$000
Sales of television programmes and music	845	1,078
Interest	2,212	2,295
Net gain on sale of property, plant and equipment	-	-
Other	5	1
Total other revenue	3,062	3,374

4. Recovery of previously expensed debts

	Actual 2012 \$000	Actual 2011 \$000
Public broadcasting fee*	2	4
Total recovery of previously expensed debts	2	4

*The Public Broadcasting Fee (PBF) was discontinued at 30 June 2000. We continue to collect outstanding amounts owed as at that date.

5. Administration expenditure

	Actual 2012 \$000	Actual 2011 \$000
Personnel*	1,620	1,311
Legal, public relations and expert advice	404	635
Other costs	368	338
Travel and communication	143	113
Board members fees	131	133
Rent	169	139
Depreciation	67	64
Amortisation	33	29
Loss on Disposal	30	-
<i>Audit fees</i>		
- Financial statement audit	57	56
PBF collection costs	-	1
Total administration expenditure	3,022	2,819

* Personnel cost includes Kiwisaver employer contribution of \$43,494 (2011: \$37,631) See note 31.

6. National television funding expenditure

	Actual 2012 Hours	Actual 2012 \$000	Actual 2011 Hours	Actual 2011 \$000
Commitments				
Drama and comedy	89	27,695	112	27,228
Documentary	112	11,150	110.5	10,308
Children and young people	465.4	13,818	466	13,546
Arts, culture and performance	34.8	3,417	31.5	3,266
Innovation	-	-	3	1,000
Special interest and captioning	148.5	10,862	151.5	11,162
Development	N/A	376	N/A	344
Platinum fund	116	16,142	109.5	17,262
Total television commitments	965.7	83,460	984	84,116
<i>Less commitments not utilised so written back</i>		(692)		(497)
<i>Plus impact of prior year commitments recognised as expenditure in current year when substantive contractual conditions had been met</i>		4,267		1,360
<i>Less current year commitments unable to be recognised as expenditure in current year as substantive contractual conditions have not been met (excludes write backs)</i>		(466)		(2,493)
Total national television funding expenditure		86,569		82,486

7. Regional television funding expenditure

	Actual 2012 \$000	Actual 2011 \$000
Commitments		
Local news and information	1,717	1,458
Regional television digital switchover assistance fund	406	-
Total regional television commitments	2,123	1,458
<i>Less commitments not utilised so written back</i>	(7)	(7)
Total regional television funding expenditure	2,116	1,451

8. Digital media funding expenditure

	Actual 2012 \$000	Actual 2011 \$000
Commitments		
NZ On Screen	1,000	997
Digital media fund	800	794
Total digital media commitments	1,800	1,791
<i>Less commitments not utilised so written back</i>	(5)	-
<i>Less current year commitments unable to be recognised as expenditure in current year as substantive contractual conditions have not been met (excludes write backs)*</i>	(800)	-
Total digital media funding expenditure	995	1,791

*Digital media fund RFP issued August 2012.

9. Public radio funding expenditure

	Actual 2012 \$000	Actual 2011 \$000
Commitments		
Radio New Zealand - RNZ National	27,130	27,130
Radio New Zealand - RNZ Concert	4,686	4,686
<i>Total Radio New Zealand</i>	31,816	31,816
Radio archiving – Sound archives / Ngā Taonga Kōrero	677	618
Resound – NZ classical music initiative (SOUNZ)	97	96
Total public radio commitments	32,590	32,530
<i>Less commitments not utilised so written back</i>	-	-
Total public radio funding expenditure	32,590	32,530

10. Community radio funding expenditure

	Actual 2012 \$000	Actual 2011 \$000
Commitments		
Access and special interest radio	2,051	2,580
Pacific radio	3,705	887
Total community radio commitments	5,756	3,467
<i>Less commitments not utilised so written back</i>	-	-
Total community radio funding expenditure	5,756	3,467

11. Commercial and alternative radio funding expenditure

	Actual 2012 \$000	Actual 2011 \$000
Commitments		
Spoken radio programmes	693	933
NZ Music - domestic	4,957	4,452
NZ Music - international	398	609
Total music commitments	6,048	5,994
Less commitments not utilised so written back	(359)	(501)
Total music funding expenditure	5,689	5,493

12. Cash and cash equivalents

	Actual 2012 \$000	Actual 2011 \$000
Cash	367	54
Call and short term deposits with maturities less than 3 months	13,978	10,000
Total cash and cash equivalents	14,345	10,054

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

13. Investments

	Actual 2012 \$000	Actual 2011 \$000
Term deposits	40,000	43,500
Total investments	40,000	43,500

The carrying value of term deposits approximates their fair value.

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

	Actual 2012 \$000	Actual 2011 \$000
Term deposits with maturities between 3 and 6 months*	40,000	31,000
Term deposits with maturities between 6 and 12 months*	-	12,500
<i>weighted average effective interest rate</i>	4%	4.29%

*At 30 June 2012 average maturity is 93 days (30/6/11: 148 days)

Term deposit investments at 30 June 2012 are invested at fixed rates ranging from 3.66% - 4.2%. These deposits are at a fixed interest rate and measured at amortised cost, so an increase or decrease in interest rates during the period would not impact the measurements of the investments and hence there would be no impact on the surplus/deficit or equity.

14. Debtors and other receivables - other

	Actual 2012 \$000	Actual 2011 \$000
Sales income receivables	200	40
Writeback receivables	80	-
Total accounts receivable	280	40

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

15. Property, plant and equipment

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

	Computer equipment \$000	Furniture and fittings \$000	Office equipment \$000	Leasehold improvements \$000	Total \$000
Cost					
Balance at 1 July 2010	141	43	53	86	323
Additions	1	-	4	-	5
Disposals	-	-	-	-	-
Balance at 30 June 2011	142	43	57	86	328
Balance at 1 July 2011	142	43	57	86	328
Additions	58	-	-	-	58
Disposals	(1)	(1)	-	-	(2)
Balance at 30 June 2012	199	42	57	86	384
Accumulated depreciation and impairment losses					
Balance at 1 July 2010	56	27	26	24	133
Depreciation	37	5	8	14	64
Impairment losses	-	-	-	-	-
Eliminate on disposal	-	-	-	-	-
Balance at 30 June 2011	93	32	34	38	197
Balance at 1 July 2011	93	32	34	38	197
Depreciation	40	4	9	14	67
Impairment losses	-	-	-	-	-
Eliminate on disposal	-	(1)	-	-	(1)
Balance at 30 June 2012	133	35	43	52	263
Carrying value					
At 30 June & 1 July 2010	85	16	27	62	190
At 30 June & 1 July 2011	49	11	23	48	131
At 30 June 2012	66	7	14	34	121

16. Intangible assets

Acquired computer software	2012 \$000	2011 \$000
Cost		
Balance at 1 July	142	142
Additions	87	-
Disposals	(142)	-
Balance at 30 June	87	142
Accumulated amortisation and impairment losses		
Balance at 1 July	84	55
Amortisation	33	29
Eliminate on disposal	(113)	-
Balance at 30 June	4	84
Carrying value		
At 1 July	58	87
At 30 June	83	58

17. Creditors and other payables

	Actual 2012 \$000	Actual 2011 \$000
Revenue in advance	444	-
GST payable	236	426
Accrued expenses	375	437
Total creditors and other payables	1,055	863

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

18. Employee entitlements

	Actual 2012 \$000	Actual 2011 \$000
Accrued salaries and wages	45	32
Annual leave	62	66
Total employee entitlements	107	98

19. Funding liabilities

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

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

At 30 June funding liabilities in the balance sheet include both contracted liabilities and liabilities that are uncontracted, but have no substantive contractual conditions unfulfilled. The value of our funding liabilities is as follows (all current as all expected to be paid in the next 12 months):

	Actual 2012 \$000	Actual 2011 \$000
National television	44,031	39,101
Regional television	547	256
Digital media	289	1,145
Public radio	-	25
Community radio	34	891
Commercial and alternative radio	3,985	3,478
Total funding liabilities	48,886	44,896

Movements for each class of funding liabilities are as follows:

	National television \$000	Regional television \$000	Digital media \$000	Public radio \$000	Community radio \$000	Commercial & alternative radio \$000	Total \$000
Balance at 1 July 2011	39,101	256	1,145	25	891	3,478	44,896
Additional provisions made	87,261	2,123	1,000	32,590	5,756	6,048	134,778
Amounts used	(81,639)	(1,825)	(1,851)	(32,615)	(6,613)	(5,182)	(129,725)
Unused amounts reversed	(692)	(7)	(5)	-	-	(359)	(1,063)
Balance at 30 June 2012	44,031	547	289	-	34	3,985	48,886

20. Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual 2012 \$000	Actual 2011 \$000
Net surplus/(deficit) from operations	(3,341)	267
Add non-cash items:		
Loss on disposal of assets	30	-
Depreciation/amortisation	100	93
Total non-cash items	130	93
Add/(less) movements in working capital items:		
Decrease/(increase) in accounts receivable	(44)	273
(Decrease)/increase in GST payable	(190)	279
(Decrease)/increase in accounts payable (incl. employee entitlements)	391	25
(Decrease)/Increase in funding liabilities	3,990	(499)
Net movement in working capital items	4,147	78
Net cash inflow/(outflow) from operating activities	936	438

21. Capital commitments and operating leases

	Actual 2012 \$000	Actual 2011 \$000
Operating leases as lessee		
Not later than one year	141	172
Later than one year and not later than two years	-	141
Later than two years and not later than five years	-	-
Total non-cancellable operating leases	141	313
Other operating commitments		
Not later than one year	35,493	35,674
Later than one year and not later than two years	-	-
Later than two years and not later than five years	-	-
Total other operating commitments	35,493	35,674

Other operating commitments relate to the 2012/13 Radio New Zealand operational funding and access radio and regional television programme contracts signed before 30 June. There are no capital commitments as at 30 June 2012 (2011: Nil)

22. Contingent liabilities

At 30 June 2012 we have contingent liabilities totaling \$2.508m (2011: \$5.510m). These are the result of decisions made to fund certain projects by categories. High level agreements have been entered into with providers, but individual projects have not yet been contracted.

23. Related party transactions and key management personnel

Related party transactions

All related party transactions have been entered into on an arms' length basis.

We are a wholly owned entity of the Crown. The government significantly influences our role in addition to being our major source of revenue.

Significant transactions with government-related entities

We have received funding from the Crown of \$130,776m (2011: \$126.926m) to provide services to the public for the year ended 30 June 2012.

Collectively, but not individually, significant transactions with government-related entities

In conducting our activities, we are required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. We are exempt from paying income tax.

We also purchase goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2012 totalled \$0.127m (2011 \$0.102m). These purchases included the purchase of electricity from Genesis, air travel from Air New Zealand, and postal services from New Zealand Post.

We also provide funding to entities controlled, significantly influenced, or jointly controlled by the Crown. Payments to these government-related entities for the year ended 30 June 2012 totalled \$46.139m (2011 \$41.470m). These payments included payment to TVNZ, Radio NZ, Sound Archives/Ngā Taonga Kōrero, NZ Film Archives and National Pacific Radio Trust.

We enter into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect we would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

If a member of the Board has an interest in an application made to NZ On Air, that interest is disclosed. That member does not take part in the decisions relating to that application or in the decisions relating to other proposals in the genre to which that application relates.

We provided \$71,982 in funding to one project for Cinco Cine Film Productions, a company in which Board member Nicole Hoey has an interest (2011: \$67,859 in relation to one project).

At 30 June 2012 we had a funding liability of \$26,982 to Cinco Cine Film Productions (2011: \$22,859).

In 2011/12 we provided \$1m (2011: \$0.997m) to a charitable trust, the NZ On Screen Trust, to maintain and develop the website nzonscreen.com. The trust is governed by up to seven trustees. During 2011/12 NZ On Air's chief executive Jane Wrightson was a trustee of the NZ On Screen Trust

Key personnel compensation	Actual 2012 \$000	Actual 2011 \$000
Salaries and other short-term employee benefits	572	569
Termination benefits	-	-
Total key personnel compensation	572	569

Key management personnel include all Board members, the Chief Executive and Chief Financial Officer.

24. Board member remuneration

The Board fees paid or payable during the year were:	Actual 2012 \$000	Actual 2011 \$000
Miriam Dean – Chair (appointed April 2012)	7	-
Neil Walter – Chair (retired March 2012)	25	38
Nicole Hoey (Acting Chair from March to April 2012)	22	19
Michael Glading	19	19
Stephen McElrea	19	19
Caren Rangī	19	19
Ross McRobie (appointed August 2011)	17	-
Murray Shaw – Deputy Chair (retired June 2011)	3	19
Total Board fees	131	133

Payment of \$6,125 was made to the independent member of the Audit and Risk Committee during the financial year. (2011:\$4,594).
We held Directors and Officers liability cover during the financial year in respect of the liability or costs of Board members and employees.

25. Employee Remuneration

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

	Number of Employees 2012	Number of Employees 2011
\$100,000 - \$109,000	-	1
\$110,000 - \$119,999	1	-
\$120,000 - \$129,999	-	-
\$130,000 - \$139,000	1	2
\$140,000 - \$149,000	2	1
\$150,000 - \$159,999	-	-
\$280,000 - \$289,000	-	-
\$290,000 - \$299,000	1	1

During the year ended 30 June 2012, no employee received benefits in relation to cessation (2011: nil).

26. Events after the balance sheet date

Other than the dissolution of the NZ On Screen Trust, as outlined in Note 28 below, there were no significant events after the balance sheet date.

27. Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2012 \$000	Actual 2011 \$000
Loans and receivables		
Cash and cash equivalents	14,345	10,054
Debtors and other receivables	597	553
Investments – term deposits	40,000	43,500
Total loans and receivables	54,942	54,107
Financial liabilities measured at amortised cost		
Creditors and other payables	50,048	45,857
Total financial liabilities measured at amortised cost	50,048	45,857

28. Non-Consolidation of NZ On Screen

NZ On Screen is a website showcasing NZ television, film and music video established and, as at 30 June 2012, operated by the NZ On Screen Trust, a charitable Trust established for the purpose of establishing and operating an online portal of digital and interactive Content.

The NZ On Screen Trust (“the Trust”) has been determined by the Office of the Auditor-General to be a controlled entity for accounting purposes arising from the application of the test of control in section 5(2)(b) of the Public Audit Act 2001. New Zealand Equivalent to International Accounting Standards Number 27; Consolidated and Separate Financial Statements (NZ IAS 27) is therefore deemed to be applicable.

Subsequent to 30 June 2012 the NZ On Screen Trust is in the process of being wound up and a new Trust established. The new Trust, the Digital Media Trust, effectively takes the place of the NZ On Screen Trust and in widening its objectives is able to incorporate additional project work. This additional work has an audio component which was not covered by the previous Trust Deed.

While the Trust remains independent and free to solicit funding from any source, its current funding remains predominantly that received from NZ On Air. This funding is provided under contract for specific objectives and with agreed upon annual targets. The annual financial statements of the Trust are prepared and audited independently of NZ On Air.

In accordance with present accounting policies, the operations of the Trust are not consolidated within the results of NZ On Air.

For the year ended 30 June 2012 the Trust had total revenue of \$1.012m (2011: \$1.4m) and total expenditure of \$1.238m (2011: \$1.1m). As at 30 June 2012 the Trust had total assets of \$0.204m (2011: \$0.4m) and total liabilities of \$0.067m (2011: \$0.07m).

Upon dissolution, all assets and liabilities of the NZ On Screen Trust will vest in the Digital Media Trust and the NZ On Screen website will remain operational.

29. Financial instrument risks

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

Market risk

The interest rates on our investments and cash holdings are disclosed in notes 12 and 13.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Our exposure to fair value interest rate risk is limited to our bank deposits which are held at fixed rates of interest.

Cash flow interest rate risk

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

Sensitivity analysis

At 30 June 2012, had interest rates on our term deposits been 50 basis points higher or lower, with all other variables held constant, the surplus would have been \$269,890 higher/lower (2011: \$216,202).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. We make occasional, low value payments in foreign currencies that are converted to New Zealand dollars at the spot rate on the day of payment. We have no foreign currency creditors at 30 June 2012. (2011: nil)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. We do not invest in equity financial instruments and hence have no exposure to price risk.

Credit risk

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

Our maximum credit exposure for each class of financial instrument is represented by the total carrying value of our cash and cash equivalents (note 12), investments (note 13) and accounts receivable (note 14). There is no collateral held against these financial instruments.

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

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

Liquidity risk

Liquidity risk is the risk we will encounter difficulty raising funds to meet our commitments as they fall due. We expect to receive 2012/13 Crown funding in equal installments on the first working day of each month from August 2012 to June 2013. In addition at 30 June 2012 we hold call and term deposits that will mature within the 2012/13 financial year totaling \$53.978m.

We have funding liabilities of \$48.886m at 30 June. We expect these to be paid by 30 June 2013. Most of these payments will be made on the achievement of milestones or activities whose timing is not specified rather than on contractual dates.

30. Capital management

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

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

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

31. Explanation of significant variances against budget

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

Statement of comprehensive income	Actual 2012 \$000	Budget 2012 \$000	Difference \$000	Explanation of significant variances
Revenue	133,396	132,826	570	<i>Crown revenue</i> (-\$0.444m): Treated as revenue in advance <i>Interest</i> (+\$0.162) Actual interest rates were higher than budgeted. <i>Sales revenue</i> (+840m): Due to its variability we do not forecast sales revenue in the SOI.
Administration expenditure	3,022	3,285	(263)	<i>Personnel costs</i> (-0.114m) less than budgeted due to less than planned staff training and less than planned use of contractors. The overall increase against the prior year actual arises from the reallocation of certain staff costs from funding to admin arising from some contractors changing to employee status. <i>Professional costs</i> (-0.126m): Actual professional services required were less than forecast.
Funding expenditure	133,715	131,258	2,457	<i>Variance related to:</i> <ul style="list-style-type: none"> <i>Television funding</i> (+\$4.958m) comprising \$1.265m increase in funding over budget, the net adjustment for prior/current year commitments (+\$3.801m) and funding ultimately not utilized (\$0.692m). <i>Music funding</i> (-\$0.542m). Arising primarily through writebacks (\$0.359m) <i>Community broadcasting</i> (-\$0.772m) less than budgeted for Access radio funding Digital strategy funding committed but not yet expensed (\$0.8m)
Total comprehensive income	(3,341)	(1,717)	(1,624)	

Statement of financial position	Actual 2012 \$000	Budget 2012 \$000	Difference \$000	Explanation of significant variances
Total assets	55,146	50,500	4,646	<i>Cash and Investments</i> (+\$5.345m): Contract payment dates occurred slightly behind forecast.
Total liabilities	50,048	46,008	4,040	<i>Funding Liabilities</i> (+\$3.478m): Contract payment dates occurred slightly behind forecast. Reflected also in higher than forecast Cash and Investments.
<i>Committed equity:</i>				<i>Actual opening balance of committed equity higher than forecast</i> (+\$1.132m). The forecast was completed in April 2011, before the end of the 2010/11 financial year.
<i>Opening</i>	5,510	4,378	1,132	
<i>Movement</i>	(3,002)	-	(3,002)	<i>Variance in the movement in committed equity</i> (+\$3.002m) is due to prior year commitments not recognised as expenditure until 2011/12, when substantive contractual conditions had been met, being less by \$3.002m (forecast \$nil) than 2011/12 such commitments.
<i>Closing</i>	2,508	4,378	(1,870)	
<i>Uncommitted equity:</i>				<i>Actual opening balance of uncommitted equity higher than forecast</i> (+\$1.098m). The forecast was completed in April 2011, before the end of the 2010/11 financial year.
<i>Opening</i>	2,929	1,831	1,098	
<i>Movement</i>	(339)	(1,717)	1,378	<i>Variance in the movement in uncommitted equity</i> (+\$1.378m) is due to the net deficit being lower than forecast. The 2011/12 uncommitted equity balance will be carried forward to 2012/13 and used to fund the forecast 2012/13 SOI budget deficit of \$1.490m.
<i>Closing</i>	2,590	114	2,476	
Total equity	5,098	4,492	606	

STATEMENT OF SERVICE PERFORMANCE

for the year ended 30 June 2012

The statements in this section provide the detailed results against targets, budgets and performance measures for the year ended 30 June 2012 as set out in our Statement of Intent for the period 2011/12 to 2013/14.

Summary of Revenue Received	2011/12 Actual \$'000	2011/12 Budget (SOI) \$'000	2010/11 Actual \$'000
Crown revenue	130,332	130,776	126,926
Interest revenue	2,212	2,050	2,295
Other revenue	852	0	1,083
Total Revenue	133,396	132,826	130,304
Funding Commitments	133,715	131,258	127,218
Administration Expenditure	3,022	3,285	2,819
Total Expenditure	136,737	134,543	130,037

Activity 1: Television and Digital Media funding

Activity description

Investing in television programmes and digital media local content to increase range and diversity.

Commentary on television and digital media funding results

All funding targets are subject to the receipt of satisfactory applications from viable entities. Target hours for all seven programme types were achieved or exceeded. Some written back funds provided the opportunity for some additional investment, mainly in Drama, Children's and Arts/Performance. This additional expenditure of \$1.849m purchased an additional 80.7 hours of programming.

Key performance measures

Television and digital media funding	Target	2012 Actual	2011 Actual
The majority of New Zealanders believe NZ On Air supports television programmes and activities important to New Zealanders	More than 2/3	78%	74%
Almost all television projects are broadcast within 15 months of the finished programmes being delivered to the broadcaster	99%	100%	99%
At least half of general contestable fund expenditure is for prime time (6pm – 10pm) programmes	50%	62%	64%

Other measures

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

National Television	Target			Actual		
	Hours	\$000	% in prime-time (6pm-10pm)	Hours	\$000	% in prime-time (6pm-10pm)
Television Contestable fund by genre						
Programme type						
Drama			100%	89	27,695	91%
Comedy	105	27,841	100%			100%
Documentary/factual	98	10,073	100%	112	11,150	91%
Children and Young People	433	14,448	0%	465.4	13,818	0%
Arts/Culture/Performance	22.5	2,414	70%	34.8	3,418	80%
Minorities	109	5,986	7%	127.5	6,693	2%
Disability	21	1,740	0%	21	1,768	0%
Captioning	N/A	2,800	N/A	N/A	2,400	n/a
Development	N/A	198	N/A	N/A	376	n/a
Innovation	N/A	1,000	N/A	-	-	-
Total contestable fund	788.5	66,500	-	849.7	67,318	-
Television Platinum fund by genre						
Programme type						
Drama	6.5	7,750	100%	9.5	7,663	100%
Documentary/Current Affairs	88	6,826	100%	91.5	7,167	100%
Arts and Culture	2	535	100%	15	1,312	0%
Total Platinum fund	96.5	15,111	-	116	16,142	-
Total national television funding	885	81,611	-	965.7	83,460	-

Regional television	Target Hours	Actual Hours	Target \$000	Actual \$000
Local news and information	800	1,200	1,500	1,717
Regional television digital switchover assistance fund	N/A	N/A	850	406
Total regional television funding	800	1,200	2,350	2,123

Digital media	Target Titles Uploaded	Actual Titles Uploaded	Budget \$000	Actual \$000
Digital media fund	N/A	N/A	800	800*
NZ On Screen	420	562	1,000	1,000
Total			1,800	1,800

* Refer note 8 to the financial statements for treatment of this item at year end.

Activity 2: Radio and Digital Media funding

Activity description

Investing in local content for radio and digital media and radio sound archiving.

Commentary on radio funding results

Radio New Zealand exceeded all NZ On Air-specific targets and materially achieved or exceeded all bar one of the 21 Charter function targets across both stations.

Commercial radio programme targets were exceeded.

Key performance measures

Radio and digital media	Target	2012 Actual	2011 Actual
The majority of New Zealanders believe NZ On Air supports local content for radio important to New Zealanders	More than 2/3	69%	65%
Increase the % of NZ music on commercial radio (% of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code)	20%	18.10%	18.65%
Improve the % of NZ music on alternative radio	30%	36.59%	New measure for 2012

Public radio:

Radio New Zealand quantitative measures	Notes	RNZ National Annual Target Hours	RNZ Concert Annual Target Hours	RNZ National Actual Hours	RNZ Concert Actual Hours	Budget \$000	Actual \$000
Ensure Radio NZ provides programme types specified in the Broadcasting Act 1989							
- Maori Language and Culture	1	350	N/A	323	N/A		
- Special Interest		340	N/A	440	N/A		
- NZ Drama, Fiction and Comedy		200	N/A	282	N/A		
Other Measures:							
- % of NZ music on rotate	2	33%	N/A	35.6%	N/A		
- % of NZ composition		N/A	3.5%	N/A	4.6%		
- % of NZ music performance		N/A	14%	N/A	17.1%		
- % of population able to receive transmission		97%	92%	97%	92%		
NZ On Air funding provided						\$31.816m	\$31.816m

Notes:

1. RNZ and NZ On Air did not include any hours for this category in the 2011/12 funding agreement. This agreement was completed after the SOI had been produced.
2. In addition to New Zealand music on rotate, RNZ National produces and broadcasts feature programmes on New Zealand music.

Radio New Zealand: qualitative measures	Target	Actual*
General public who agrees Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders	75%+	85%
Radio New Zealand National listeners who are very satisfied or quite satisfied with Radio New Zealand National programming	80%+	90%
Listeners who agree Radio New Zealand National provides in-depth news and current affairs about New Zealand	85%+	94%
Listeners who agree Radio New Zealand provides fair and balanced information	80%+	90%
Radio New Zealand Concert listeners who are very satisfied or quite satisfied with quality of RNZ Concert programming	75%+	80%
The number of formal complaints about Radio New Zealand programmes each year that are upheld by the Broadcasting Standards Authority against any one of the broadcasting standards as a breach of fairness, balance, accuracy or privacy	No more than 3	Nil

Radio archiving – Sound Archives/Ngā Taonga Kōrero	Target Hours	Actual Hours	Budget \$000	Actual \$000
Radio programmes archived	1,300	1,092	880	677
Radio programmes preserved	1,600	156		
Independent consultant confirms material archived appropriately	Achieved	Achieved		

Resound – NZ classical music initiative (SOUNZ)	Target Number	Actual Number	Budget \$000	Actual \$000
Recordings of music works relicensed and approved for broadcast	220	122	100	97
Recordings of music works relicensed and available online	300	286		
Relicensed works scheduled for broadcast on RNZ Concert	30	30		

Community radio:

Community radio	Target Hours	Actual Hours	Target \$000	Actual \$000
Access radio and special Interest radio	26,160	24,354	2,520	2051
Pacific radio				
Samoa Capital Radio	1,976	15,392	180	180
Niu FM and 531pi	8,672		3,600	3,525
Hours of programming in at least 9 Pacific languages	3,952			
Total community radio	-		6,300	5,756

Commercial radio and alternative radio:

Spoken radio programmes	Target Hours	Actual Hours	Budget \$000	Actual \$000
Drama and comedy	-	-	-	-
Children and youth	178	265	450	376
Spiritual	80	90	100	142
Ethnic	13	25	100	100
Māori issues (English language)	120	96	126	75
Total spoken radio programmes	391	476	776	693

NZ Music - Domestic		Target	Budget \$000	YTD Actual	YTD Actual \$000	
Funding						
MakingTracks	Commercial	Songs funded	120	1,220	82	1,329
		% of songs that achieve a Radio Scope NZ40 Airplay Chart peak	60%		48%	
		Music videos funded	120		167	
		% of music videos that achieve a Radio Scope TV Top 40 Chart peak	60%		19%	
	Alternative	Songs funded	80	820	70	1,209
		% of music videos that achieve a Radio Scope TV Top 40 Chart peak	60%		19%	
		Music videos funded	80		155	
		% of songs that achieve a Radio Scope Alt40 Airplay Chart peak	60%		45%	
	Kickstart fund – 2011/12 one off fund **included within the above details		50 projects	500	**	**
	Music Promotion					
Music radio programmes funded		18	1,300	30	1,453	
Music television programmes funded		4	350	3	350	
Other promotion and digital media		n/a	835	n/a	616	
Total NZ music - domestic		-	5,025	-	4,957	

NZ Music - International		Target	Budget \$000	YTD Actual	YTD Actual \$000
Promotion					
NZ On Air-backed songs released to radio in Australia		20	600	12	398
NZ On Air-backed songs that make The Music Network Hot 100 Airplay Charts in Australia through the year		2		2	
% of NZ On Air-backed songs released to radio in Australia that achieve national radio playlist adds in Australia		50%			

- The variation in budget to actual for songs vs videos reflects the demand-driven nature of the funding. As this was the first year of MakingTracks the SOI forecasts were, necessarily, estimates only. As the scheme evolves it is anticipated that targets will be refined to more closely reflect the market demand for funding.
- The % of music videos achieving a TV Top 40 chart peak has not reached the ambitious target that was set at the start of the year. It has become clear that the target was too high when viewed against the number of overseas music videos with which the MakingTracks funded videos compete. MakingTracks-funded music videos helped New Zealand music television channels to achieve a creditable 24.21% local content in the year to 30 June 2012.
- The variation in International promotion funding reflects the winding down of the programme after the decision to discontinue Australian promotion to allow full focus on the local market.

APPENDICES

Appendix 1: Television funding

Television production funding – Platinum fund

Genre	Programme name	Broadcaster	Producer	Hours	NZ On Air Funding	% of Cost
Arts/Culture/ Performance	<i>Atamira</i>	Māori Television	Black Inc Media	12.0	782,185	
	<i>With Strings Attached</i>	TV One	Eyeworks New Zealand	3.0	529,722	
Total Arts/Culture				15.0	1,311,907	85.36%
Documentary	<i>Keeping It Pure</i>	Prime	Greenstone TV	6.0	1,123,962	
	<i>Nancy Wake: A Love Story</i>	TV One	The Gibson Group	1.5	900,000	
	<i>Operation Overdue</i>	TV One	Rogue Productions	1.5	900,000	
	<i>Pirates Of The Airwaves</i>	TV One	Lippy Pictures	1.5	900,000	
	<i>The Forgotten General</i>	Prime	Kingfisher Films	1.0	179,971	
	<i>Wild About NZ</i>	TV One	NHNZ	6.0	1,463,330	
Total Documentary				17.5	5,467,263	89.59%
Drama	<i>Harry</i>	TV3	Desert Road	6.0	3,454,985	
	<i>Siege</i>	TV One	Screenetime New Zealand	2.0	2,644,965	
	<i>What Really Happened? The Women's Vote</i>	TV One	Eyeworks New Zealand	1.5	1,563,200	
Total Drama				9.5	7,663,150	90.98%
Current Affairs	<i>Q + A 2012</i>	TV One	Television New Zealand	38.0	800,000	
	<i>The Nation 2012</i>	TV3	Front Page	36.0	900,000	
Total Current Affairs				74.0	1,700,000	82.45%
Total Platinum fund				116.0	16,142,320	89.06%

Television Production Funding – Contestable fund

Genre	Programme name	Broadcaster	Producer	Hours	NZ On Air Funding	% of Cost
Arts/Culture/ Performance	<i>ANZAC Day 2012 National Commemorative Service</i>	TV One	Television New Zealand	1.5	43,919	
	<i>Behind The Brush</i>	Māori Television	Awa Films	3.5	157,500	
	<i>Dame Kiri Te Kanawa - A Gala Evening</i>	Māori Television	Arts & Entertainment Productions	1.5	136,708	
	<i>Dawn Service 2012: In Remembrance</i>	Māori Television	Black Inc Media	2.3	104,594	
	<i>New Zealand's Got Talent</i>	TV One	Imagination TV	14.0	1,600,000	
	<i>Vodafone NZ Music Awards 2011</i>	FOUR	TVWorks	2.0	140,000	
	<i>Polyfest 2012</i>	TV 2	Television New Zealand	3.0	245,009	
	<i>Showtime</i>	TV One	Greenstone TV	3.0	328,578	
	<i>The Secret Lives Of Dancers 3</i>	TV3	Eyeworks New Zealand	4.0	661,212	
	Total Arts/Culture			34.8	3,417,520	87.52%
Children	<i>I Am TV 2012</i>	TV 2	Television New Zealand	35.0	1,433,300	
	<i>Just The Job 7</i>	TV 2	Dave Mason Productions	5.0	167,617	
	<i>Kapa Haka Kids - Second Chances</i>	TV 2	Black Inc Media	3.0	355,308	
	<i>Let's Get Inventin' 6</i>	TV 2	Luke Nola & Friends	5.0	562,232	
	<i>Operation Hero 2</i>	TV 2	The Gibson Group	5.0	480,000	
	<i>Small Blacks TV 2012</i>	TV 2	Cereal TV	10.5	200,000	
	<i>Smokefree Rockquest 2012</i>	FOUR	Satin & Lace Productions	3.0	301,312	
	<i>Sticky TV 2012</i>	FOUR	Pickled Possum Productions	145.8	2,244,510	
	<i>The Erin Simpson Show 2012</i>	TV 2	Whitebait Productions	88.1	2,280,390	
	<i>The Missing Christmas</i>	TV 2	Mukpuddy Animation	0.5	83,425	
	<i>The Nowies</i>	TV 2	Whitebait Productions	1.0	145,700	
	<i>Tiki Tour 2</i>	TV 2	Tiki Tour (2010)	77.0	2,180,000	
	<i>What Now 2012</i>	TV 2	Whitebait Productions	80.0	3,043,785	
<i>Wiki The Kiwi</i>	TV 2	Flux Animation Studio	6.5	340,000		
	Total Children			465.4	13,817,579	89.34%
Children's Drama	<i>Girl vs Boy</i>	TV 2	KHF Media	4.0	1,034,600	
	Total Children's Drama			4.0	1,034,600	94.09%
Comedy	<i>7 Days 2012</i>	TV3	TVWorks	13.0	757,060	
	<i>Agent Anna</i>	TV One	Great Southern Television	3.0	1,349,850	
	<i>AotearoHA: Next Big Things</i>	TV3	TVWorks	1.0	110,653	
	<i>Christmas Comedy Special</i>	TV 2	Satellite Media Group	2.0	102,914	
	<i>Comedy Festival Bonanza 2012</i>	TV3	TVWorks	6.0	298,578	
	<i>Golden</i>	TV3	South Pacific Pictures	3.0	1,267,185	
	<i>The Jono Project 3</i>	TV3	TVWorks	10.0	897,364	
	<i>Sunny Skies</i>	TV3	Subtext	3.0	1,219,799	
	<i>Wilson Dixon: A New Zealand Tour</i>	TV 2	Satellite Media Group	1.0	91,622	
	Total Comedy			42.0	6,095,025	70.87%

Genre	Programme name	Broadcaster	Producer	Hours	NZ On Air Funding	% of Cost
Documentary	<i>Aftermath</i>	Prime	Paua Productions	2.0	393,285	
	<i>Beyond The Darklands 5</i>	TV One	ScreenTime New Zealand	8.0	706,272	
	<i>Blakey</i>	TV One	Sticky Pictures	2.0	85,000	
	<i>Coasters 2</i>	TV One	Fisheye Films	5.0	512,542	
	<i>Country Calendar 2012</i>	TV One	Television New Zealand	13.0	361,311	
	<i>Finding Mercy (additional)</i>	TV One	Spacific Films	0.0	16,500	
	<i>First Crossings</i>	TV One	Eyeworks New Zealand	5.0	591,268	
	<i>Global Radar 2</i>	TV One	Jam TV	4.0	487,174	
	<i>Inside Reports</i>	TV3	Red Sky Film & Television	2.0	365,000	
	<i>Missing Pieces 4</i>	TV3	Eyeworks New Zealand	6.5	813,748	
	<i>NZ Story</i>	TV One	Jam TV	8.0	923,509	
	<i>Operation Hurricane</i>	Prime	Messenger Films	1.0	146,850	
	<i>Prison Families</i>	TV3	The Gibson Group	5.0	549,878	
	<i>Sex & Agriculture</i>	Prime	Notable Pictures	1.0	119,988	
	<i>Shearing Gang 2</i>	Prime	Great Southern Television	5.0	423,845	
	<i>The GC</i>	TV3	Black Inc Media	4.0	419,408	
	<i>The Helen Clark Story</i>	TV3	Octopus Pictures	2.0	274,505	
	<i>The Last Ocean</i>	Prime	Ross Sea Documentary	2.0	80,000	
	<i>The Politically Incorrect Guide To Grownups</i>	TV One	Razor Films	4.0	540,000	
	<i>The Princess And The Pauper (additional)</i>	TV One	Inkubator	0.0	10,000	
	<i>The Prophets</i>	Māori Television	Scottie Productions	3.5	211,524	
	<i>What's Really In Our Food 4</i>	TV3	Top Shelf Productions	5.0	623,324	
	<i>When A City Falls</i>	TV3	Frank Film	2.0	115,000	
	<i>Pakipumeka Aotearoa 2012</i>	Māori Television				
	<i>Charlie Shelford: Rebel Hero</i>		Black Inc Media	1.0	116,107	
	<i>He Toki Huna</i>		Occasional Productions	1.0	133,709	
	<i>Living In The Dreamtime</i>		Raukatauri Productions	1.0	124,988	
	<i>Logan's Run</i>		Omicron Productions	1.0	125,685	
	<i>Nga Tamatoa: 40 Years On</i>		Tumanako Productions	1.0	124,970	
	<i>Restoring Hope</i>		Notable Pictures	1.0	125,992	
	<i>Saving Tuna</i>		The Gibson Group	1.0	115,000	
	<i>Why be a Māori? When you can pass for Italian</i>		Itinui Productions	1.0	113,048	
	<i>The Confessions Of Prisoner T</i>		Blueskin Films	1.0	125,012	
	<i>The Road To The Globe</i>		Monsoon Pictures International	1.0	135,554	

Genre	Programme name	Broadcaster	Producer	Hours	NZ On Air Funding	% of Cost
Documentary (cont)	<i>TV One Docs 2011</i>	TV One	Television New Zealand			
	<i>New Zealand Journeys</i>		Jam TV	6.0	570,001	
	<i>The Glorivale Project</i>		Pacific Screen	1.0	104,033	
	Funds Remaining		tbc	5.0	465,966	
	Total Documentary			112.0	11,149,996	68.13%
Drama	<i>Go Girls 5</i>	TV 2	South Pacific Pictures	13.0	6,672,500	
	<i>Medicine Woman</i>	TV One	Medicinal Films	2.0	199,999	
	<i>Mt Zion</i>	Māori Television	Small Axe Films	2.0	199,500	
	<i>Nothing Trivial 2</i>	TV One	South Pacific Pictures	13.0	6,618,000	
	<i>The Blue Rose</i>	TV3	South Pacific Pictures	13.0	6,874,922	
	Total Drama			43.0	20,564,921	68.88%
Special Interest	<i>Attitude 2012</i>	TV One	Attitude Pictures	20.0	1,660,200	
	<i>Attitude Awards 2011</i>	TV One	Attitude Pictures	1.0	108,270	
	<i>Black And White</i>	Prime	Attitude Pictures	2.0	83,885	
	<i>Both Worlds</i>	TV3	Notable Pictures	5.0	377,538	
	<i>Fresh 2012</i>	TV 2	Television New Zealand	16.0	769,117	
	<i>Media3 2012</i>	TV3	Top Shelf Productions	10.0	491,324	
	<i>Neighbourhood</i>	TV One	Satellite Media Group	17.5	1,391,123	
	<i>Praise Be 2012</i>	TV One	Television New Zealand	20.0	454,457	
	<i>Pukana Subtitles 2012</i>	FOUR	Cinco Cine Film Productions	0.0	71,982	
	<i>Rural Delivery 2012</i>	TV One	Showdown Productions	20.0	1,060,000	
	<i>Tagata Pasifika 2012</i>	TV One	Television New Zealand	26.0	1,547,898	
	<i>The Nutters Club 3</i>	Māori Television	Top Shelf Productions	10.0	346,832	
<i>Young Farmer Contest 2012</i>	TV One	Dexterity Productions	1.0	99,321		
Disability services	<i>TV Captioning & Audio Description 2011-12</i>		Television New Zealand	0.0	2,400,000	
	Total Special Interest			148.5	10,861,947	97.04%
Total Contestable fund				849.7	64,541,588	76.63%

Television development funding

Programme name	Broadcaster	Producer	NZ On Air Funding
<i>Terry Teo</i>	FOUR	Bunker Media	10,000
<i>Agent Anna</i>	TV One	Great Southern Television	10,000
<i>Auckland Daze 2</i>	TV One	Brown Sugar Apple Grunt Productions	12,750
<i>Coverband</i>	TV One	The Downlowconcept	19,875
<i>How To Murder Your Wife</i>	TV One	Screenime New Zealand	15,000
<i>J Geek Vs The World (additional)</i>	TV3	Black Inc Media	6,500
<i>Sheepy & Robert</i>	Prime	Firehorse Films	3,000
<i>Step-Dave (additional)</i>	TV 2	South Pacific Pictures	15,000
<i>Super City 2</i>	TV3	Super Fumes	60,000
<i>Super Māori Fullas</i>	TV One	Black Inc Media	10,000
<i>Echoes Of Gondwana</i>	TV3	Razor Films	26,640
<i>NZ Story</i>	TV One	Jam TV	3,250
<i>Turning Point</i>	TV One	The Gibson Group	10,000
<i>War News</i>	Prime	The Gibson Group	10,000
<i>Faultlines</i>	TV3	Gaylene Preston Productions	20,000
<i>Field Punishment No. 1</i>	TV One	Lippy Pictures	17,500
<i>Milkbar Murder</i>	TV One	Comedia Pictures	16,900
<i>Otara Millionaire</i>	TV One	Black Inc Media	15,000
<i>Pitcairn: Paradise Lost</i>	TV3	Quail TV New Zealand	25,000
<i>That Jones Girl</i>	TV One	Top Shelf Productions	15,000
<i>Turori</i>	TV3	Ponsonby Productions	10,000
<i>When We Go To War</i>	TV One	Jump Film and Television	45,000
Total development funding			376,415

Appendix 2: Radio funding

Radio programme production

Genre	Programme name	Broadcaster	Producer	Hours	NZ On Air Funding
Children & Youth	<i>That's The Story 2011-12</i>	Loud Mouth Productions	The Radio Network	52.0	39,000
	<i>The Great Big Kids' Show 5</i>	Treehut Limited	The Radio Network	53.0	118,175
	<i>Sealed Section</i>	The Radio Network	The Radio Network	60.0	49,000
	<i>Te Puutake & The Source 2011-12</i>	Stretchmark Productions	Mediaworks Radio	100.0	169,918
Total Children and Youth				265.0	376,093
Special Interest	<i>The New Radio Show 2011-12</i>	Holy Cow Media	Mediaworks Radio	25.0	100,000
	<i>Paakiwaha 2011-12</i>	UMA Broadcasting Limited	UMA Broadcasting	96.0	75,000
	<i>Christmas 2011</i>	Christian Broadcasting Association	NewstalkZB	18.0	17,142
	<i>Easter 2012</i>	Christian Broadcasting Association	NewstalkZB	12.0	15,000
	<i>Preaching to the Converted 2012 (OMG)</i>	The Downlowconcept	Radio Live	6.0	27,660
	<i>Real Life 2011-12</i>	Christian Broadcasting Association	NewstalkZB	48.0	12,000
	<i>Scrubcutter 2011-12</i>	Christian Broadcasting Association	NewstalkZB	6.0	70,000
Total Special Interest				211.0	316,802
Total Radio Programme production				476.0	692,895

Appendix 3: Community broadcasting funding

Regional television programme production 2011-2012

Programme name	Broadcaster	Producer	Hours	NZ On Air Funding
<i>9 Local News</i>	Channel 9, Dunedin	Allied Press	168.0	198,333
<i>Central News</i>	TV Central, Matamata	Alpha Media Production	140.0	180,833
<i>Channel North News</i>	Channel North, Whangarei	Northland TV Charitable Trust	65.0	102,083
<i>Chatroom</i>	TVHB	Television Hawkes Bay	80.5	99,167
<i>City News - Rotorua</i>	TV Rotorua	Rotorua Television Trust	120.0	128,333
<i>CTV News</i>	CTV, Christchurch	Canterbury Television	116.8	221,667
<i>Far North News</i>	FTN, Kaitaia	Te Hiku Media	140.0	43,747
<i>Mainland Local News</i>	Mainland TV, Nelson	Mainland Television	67.5	95,000
<i>South Today</i>	Cue TV, Invercargill	Mercury Television t/a Cue TV	106.0	198,333
<i>Tonight at 7</i>	Triangle TV, Auckland	Triangle Television	140.0	350,000
<i>Undercurrent</i>	Tararua Television	Tararua Television Trust	56.0	99,167
Total Regional television funding			1,199.8	1,716,663

Access and Pacific radio funding

Access and Pacific radio funding	Capital Fund	Radio Station	NZ On Air Funding
Access Radio Taranaki Trust		133,333	133,333
Auckland Access Radio Planet FM 104.6		208,333	208,333
Coast Access Radio, Kapiti		108,333	108,333
Community Radio Hamilton/Fresh FM	72,004	191,667	263,671
Manawatu Access Radio Charitable Trust		137,500	137,500
National Pacific Radio Trust	275,000	3,250,000	3,525,000
Otago Access Radio 105.4FM		137,500	137,500
Plains FM, Christchurch		191,667	191,667
Print Disabled Radio		110,348	110,348
Radio Kidnappers, Hawkes Bay		141,667	141,667
Radio Southland		133,000	133,000
Samoa Capital Radio		180,000	180,000
Tasman Broadcasting Trust, Nelson	25,700	162,500	188,200
Wairarapa Access Radio		108,333	108,333
Wellington Access Radio		175,000	175,000
Manager's workshop and other			13,518
Total Access ad Pacific radio	372,704	5,369,181	5,755,403

Appendix 4: NZ Music funding

NZ Music – MakingTracks (*Recordings with videos*)

Artist and Song (all \$10,000 except Two Cartoons – Better Coast \$8,900 and Awa – Midnight \$9,250). Categorisation of “Alternative” and “Mainstream” based on the recommendation of the MakingTracks panels of the day.

Alternative

Two Cartoons - Better Coast
At Peace - Be Like
Bang Bang Eche - Dreamers
Bang Bang Eche - Secret
Beach Pigs - Catch Up In The Sun
Beach Pigs - Night Surfing
Beastwars - Dune
Beastwars - Realms
Bury Me Low - The Wolf & The Moon
Cool Rainbows - House By The Beach
Dear Time's Waste - Fortune
Dear Time's Waste - Heavy / High
Decortica - Helix
Delaney Davidson - How Lucky You Are
Delaney Davidson - Time Has Gone
Die! Die! Die! - Oblivion:Oblivious
Die! Die! Die! - Smelter
Die! Die! Die! - Twitching Sunshine
Earthworm - The Magpies
Ghost Wave - Bootlegs
Glass Owls - Let's Take The Road
Glass Vaults - Ancient Gates
Goodshirt - So Charming
Grayson Gilmore - Minus Times Infinity
Great North - Lead Me To The Light
Haunted Love - Love Underwater
Heart Attack Alley - Don't Waste My Time
Home Brew - Dedicated To
Home Brew - Plastic Magic
Janine & The Mixtape - Dark Mind
Lawrence Arabia - Travelling Shoes
Lips - We Don't Have Much Time
Loui The Zu with Leroy Clampitt - Fake Friends
Maisey Rika - What I Am
Mountaineater - Lord Of Sumo

N.O.X featuring Tyson Tyler - Mosh
NO - Stay With Me
O'Lovely - Closer To You
Parallel Dance Ensemble - Mind Free
Pikachunes - Cinnamon Pop Dream
Popstrangers - My House
Rackets - Karma Is A Drag
Rhian Sheehan - Little Sines
Sharpie Crows - Thank You Ladies For The Spread
Sherpa - Love Film
She's So Rad - Confetti
She's So Rad - Sounds Of Houses
Signer - Languid Too
SJD - I Wanna Be Foolish
Skallander - Rain
Sleepy Age - Summer Times
Street Chant - Frail Girls
T54 - Life Is Swell
The Adults - Anniversary Day (Live)
The Drag Doo Riffs - Tesla Girl
The Heavy Metal Ninjas - M45
The Kumpnee - Two Bux In My Wallet
The Ruby Suns - Real Life
The Unfaithful Ways - Trouble
The Veils - Train With No Name
The Veils - Turn From The Rain
Thought Creature - Smoke Machine
Tom Lark - All You Want Is Money
Tom Lark - Give You All My Lovin'
Tom Lark - Hipsteranity
Transistors - Abandoned
Trip Pony - Now Honey
Unknown Mortal Orchestra - So Good At Being In
Urbantramper - Utopia In Williamsberg
Watercolours - Pazzida

Mainstream

Awa - Midnight
1814 - Relax
Aaradhna - Great Man
All My Brothers - Find A Way
All The Colours - Love Like This
All The Colours - Second To None (In My Head)
Annah Mac - The Sun
Artisan Guns - Baby Blue
Artisan Guns - It Pulled You In
Avalanche City - Sunset
Awa - Never Never
Awa - Papatuanuku
Beat Kamp - Ain't Going Nowhere
Beat Kamp - Same Thing
Blacklistt - Worth Fighting For
Brooke Duff - Till The End
Chasing April - Burn The City
Computers Want Me Dead - Little Steps
Computers Want Me Dead - We're Your Family
Dane Rumble - Closer
Dane Rumble - Lights Go Out
Derty Sesh - Let Me Go
Dukes - My Two Feet
Eden Mulholland - Cry Cry Cry
Five Mile Town - Kids & Their Chemicals
Five Mile Town - Solo
Gemma Copas - Hey Boy
Gemma Copas - Invisible
Gin Wigmore - Happy Ever After
Hera & Jed Parsons with House Of Mountain - Issues
Illegal Banditz - Bring Me Back
J Geeks - Coz I Love Ya
Jamie McDell - Rewind
Janine & The Mixtape - Hold Me
Jon Lemmon - Exodus
Junica - And It Hurts
Junica - Stay
Jupiter Project - Catch Me
Jupiter Project - The Celebration
Just - D-Floor

Justyn featuring Eiko - Blood Type B
K.One - All Over Again
Katie Scott & The Miss T's - Nothing's Gonna Stop
King Cannons - Brightest Light
King Kapisi featuring Teremoana - Can't Stop, Won't Stop
Knives At Noon - Heartache For The Heartbreak
Kurt & Lani - What Do You Take Me For?
L.A. Mitchell - Apple Heart
Late Nyte Hype - Electricity
Late Nyte Hype - Revelations
Like A Storm - Never Surrender
Lisa Crawley - You Won't Be There
Lydia Cole - Hibernate
Lydia Cole - Love & Loss & Love
Maitreya - Wake The Neighbours
Massad - Maybe One Day
Massad - My Heart Won't Let You Go
MayaVanya & P Money - Turn Me Out
Mixt Frequencies - Breathe
Outsiders - My Answer
Recommended Dosage - Product Of Society
Ria - Possibility
Ria - The One
Ruby Frost - Water To Ice
Sidney Diamond - No Sympathy
Sir T - Forgot Me
The Babysitters Circus - Everything's Going To Be
The Babysitters Circus - No More
The Good Fun - Say It To Me Now
The Hypnotics - Give It Time
The Peasants - Best Days
Tiki Taane - Is Our Love Worth Fighting For
Tommy III - Birdbath
Tyson Tyler - To Be King
Villainy - Ammunition
Villainy - Gather Yourself
Villainy - The Answer
Vince Harder featuring P-Money & Dan Aux - It's The Life
Young Lyre - Both Burn Blue
Zionhill - Foot Soldier

NZ Music – MakingTracks (*Videos only*)

Artist and Song (all \$6,000). Categorisation of “Alternative” and “Mainstream” based on the recommendation of the MakingTracks panels of the day.

Alternative

1995 - Love Your Ghost
Ahoribuzz - Ground My Ego
Alizarin Lizard - Not Addicted
At Peace - Home
Badd Energy - Ba-Zing
Badd Energy - How Do You Sleep
Bailter Space - World We Share
Bannerman - Rocks Are Just Lonely Hearts
Beastwars - Empire
Black City Lights - Parallels
Cairo Knife Fight - The Violence Of Action
Chris Hurn - Day Of My Escape
Collapsing Cities - Queue For The Queue
Collapsing Cities - Regret
Concord Dawn featuring Thomas Oliver - These Prison Walls
Concord Dawn featuring Nina McSweeney - The River
Cool Rainbows - Reality & A Clue
Crushington featuring Armani Reign - Pushin'
Cut Off Your Hands - Hollowed Out
Dam Native - Lick My Patu
Diana Rozz - Walk On By
Dictaphone Blues - Burning Ball In Outer Space
Disasteradio - Drop The Bomb
Doug Jerebine - Ain't So Hard To Do
Ed Muzik - A Song Falls In The Woods
F In Math - Aether Teens
Family Cactus - Moss Green Cape
Glass Vaults - Gold Star
Golden Axe - Space Fire
Immram - Dignity
Iva Lamkum - Bankrupt Visa
James Duncan featuring Watercolours - Anti-Radiation Fez
Jason Eli featuring Imagine - That's Right
Joe Blossom - Neon Beaus
Julien Dyne featuring Ladi6 & Parks - Who Are You
L.A. Mitchell - It's All Too Much
Lawrence Arabia - The Listening Times
Leno Lovecraft - Scandalous
Lips - Everything To Me
Luckless - Skin & Bones
Module - The Pieces Fit
Mt Eden - Mirage
Myele Manzanza featuring Rachel Fraser - On The Move

Olie Bassweight - The Tides Have Turned
Olmecha Supreme - Timebeast
O'Lovely - Bright Lights
Opossum - Blue Meanies
Opossum - Fly
Opossum - Getaway Tonight
Panther & The Zoo - Do Whatever
Parallel Dance Ensemble - Possessions
Pikachunes - Nervous
Popstrangers - Heaven
Porcelaintoy - Monsters
Princess Chelsea - Caution Repetitive
Rockets - Snake In The Grass
Ria Hall - I Am Child
Saving Grace - Oaxaca
Secret Knives - Blackhole
Sherpa - I'm Happy Just To Lie
Sherpa - Turtles
She's So Rad - Circles
Sola Rosa - Spinning Top
Steve Abel - Best Thing
Sun & The Wolf - You
The Adults - Reunite
The Bats - Simpleton
The DHDfDs - Babysitters Club
The Drab Doo-Riffs - I'm Depressed
The Eversons - Creepy
The Eversons - Marriage
The Ruby Suns - Kingfisher Calling
The Unfaithful Ways - 29 Days
The Upbeats - Diffused
Tommy III - New Car Money
Tono & The Finance Company - Marion Bates Reality
Tourettes - Tonight
Toy Love - Swimming Pool
Transistors - Your Life Could Be So Easy
Trei featuring MC Tali - Homecoming
Two Cartoons - Rainbows
Unknown Mortal Orchestra - Ffunny Ffriends
Unknown Mortal Orchestra - Nerve Damage!
Urbantramper - Kate Bush Saved My Life
Wilberforces - Haunted

Mainstream

Aaradhna - Wake Up
Bic Runga - Tiny Little Piece Of My Heart
Black River Drive - Hold The Line
Bury Me Low - Three Winds
Cairo Knife Fight - The Origin Of Slaves
Cavell - I Need You
Clap Clap Riot - Lie
Coast - The Dream Away
Cobra Khan - In Fray's We're Tied
David Dallas - Start Looking Round
David Dallas featuring Buckshot - Ain't Coming Down
Dead Fools Fiesta - Bedroom Eyes
Decortica - Shinkansen
Dictaphone Blues - Spicy Fruit Loaf
DJ CXL featuring J Williams, K.One & TT - Stuck On You
Drew - Explosive
Drew - Feel Alright
Erakah - Everyday
Fiord & Tim Richards - Another Day
Fire At Will - Can't Wait
Fire At Will - Move
Funkcommunity - Pass It On
Gin Wigmore - Black Sheep
Head Like A Hole - Glory Glory
Illegal Banditz featuring Brooke - Keep It Moving
J Williams - Live It Up
Jesse Sheehan - By Your Side
JGeek & The Geeks - YTIMGF (Youtube Is My Girlfriend)
K Lab featuring Sacha Vee - Need To Know
K.One - So Long
Katie Thompson - Cruel To Be Kind
Kids Of 88 - Badtalk
Kimbra - Good Intent
Ladi6 - Jazmine DL
Late Nyte Hype - We All Are
Lindon Puffin - Drive By
Machete Justice - The Ballad Of Bubba J White
Maisey Rika - Tangaroa Whakamautai
MayaVanya - Hot Nights
Mel Parsons - I'll Go
Mel Parsons - True Story
Midnight Youth - Too Young To Wonder
Midnight Youth - Who Said You're Free

Minuit - Book Of The Dead
Mother Motor - We'll Find The Way
Mt Eden - Bang
Paper Plane - Love Oh Love
Paper Plane - Yes Ma'am
Pieter T - It Would Be You
Pieter T - My Baby
PNC featuring Awa - I'll Be On It
Ria - All My Ladies
Ria Hall - Best Of Me
Rival State - Apollo Me
Ruby Frost - Porcupine
Savage featuring Ria - I Promise
Savage featuring Spawnbreezie - Because Of You
School For Birds - 10,000 Things
School For Birds - Before Sunrise
Shotgun Alley - Can't Stop The Rock
Simple Day - Take A Breath
Six60 - Forever
Sola Rosa featuring Olivier Daysoul - Promise
The Black Seeds - Cracks In Our Crown
The Black Seeds - Love Me Now
The Black Seeds - Pippy Pip
The Checks - Jet Plane
The Checks - Ready To Die
The Datsuns - Gods Are Bored
The Datsuns - Gold Halo
The Disco Three - Kinda Lovin'
The Feelers - Dosvidanija
The Nok - Lost In NYC
The Sami Sisters - Oh Boy
The Wyld - Full Circle
Tommy III - Living Dead
Tyson Tyler featuring Jae'O - My Life
Victoria Girling-Butcher - Night Scout
Victoria Girling-Butcher - The Taxidermist
Vince Harder - Far From Here
Von Voin Strum - Shiver Roses
Young Lyre - Make Light
Zowie - My Calculator
Zowie - Nothing Else
Zowie - Ping Ping

Plus *RubberBand – Love (Pacifica Beats)* and *The Peasants – Letting Go (Rockquest)* funded outside of the MakingTracks process, each to the amount of \$10,000.

NZ Music Radio Programmes

Programme and Station	NZ On Air Funding
Classic Hits, As Kiwi As Jul - Dec 2011	20,100
Mai FM, Backyard Beats Nov - Dec 2011	7,533
Base FM, In The Neighbourhood	20,000
Base FM, Native Tongues	20,000
Classic Hits, As Kiwi As 2012	40,000
RDU, Exposed	20,000
Flava, Fresh Produce 2012	30,000
Flava, Fresh Produce Oct - Dec 2011	11,250
Rhema, Homegrown Jul - Dec 2011	16,880
Radio One, Just Landed	20,000
Kiwi FM, Radio Shows 2011/12	300,000
Mai FM, Backyard Beats 2012	30,000
More FM, Wired 2012	40,000
The Rock, Off The Record Sep - Dec 2011	16,666
Rhema, Homegrown 2012	30,000
RDU, Roundup	45,600
Radio Control, The Aotearoa Breakfast Hit	9,400
The Edge, The Slab 2012	50,000
George FM, The Jump	20,000
Radio Active, The Moot Sound	20,000
The Rock, Off The Record 2012	50,000
The Edge, The Slab Jul - Dec 2011	18,000
ZM, The Word Jul - Dec 2011	22,500
bFM, True Fan	20,000
More FM, Wired Jul - Dec 2011	25,000
ZM, The Word 2012	50,000
Total	952,929

Student Radio Stations

Station	NZ On Air Funding
95bFM, Auckland	180,000
Radio Active, Wellington	100,000
Radio Control, Palmerston North	55,000
Radio One, Dunedin	75,000
RDU, Christchurch	90,000
Total	500,000

NZ Music Television Programmes

Programme and Channel	NZ On Air Funding
FOUR Live/C4 NZ Music Content 2012	160,000
FOUR/C4 Decent Exposure 2012	90,000
Juice TV NZOwn 2011-12	100,000
Total	350,000

Appendix 5: Music promotion

NZ Music - Local	NZ On Air Funding
Music Sponsorship and Advertising	170,508
Kiwi Hit Discs	73,465
kiwihits.co.nz	6,778
NZ Music Month	5,000
Promotions	71,241
Radioscope	11,585
Total NZ Music - Local	338,577

NZ Music - International	NZ On Air Funding
Trade Publications	24,820
Trade Fairs	10,984
NZ Music Commission	200,000
Representation	9,375
Radio Shows Promotion	12,500
Artist Funding (all Australia)	
Awa	5,000
Illegal Musik	20,000
Junica	10,000
Kids Of 88	17,385
Luger Boa	6,850
Opossom	7,250
Ruby Frost	20,000
The Adults	20,000
The Babysitters Circus	20,000
The Checks	5,000
The Thomas Oliver Band	4,500
Tom Lark	4,750
Total NZ Music - International	398,414

Appendix 6: Digital and Archiving funding

Activity	Recipient	NZ On Air Funding
Radio programmes archived and preserved	Sound Archives Ngā Taonga Kōrero	677,000
Total Archiving		677,000

Music

Activity	Recipient	NZ On Air Funding
NZ Music Digital	The Audience	217,600
	The Audience – Radio Show	17,400
	Mediaworks Radio Music Feature Apps	40,000
Total		275,000

Digital Strategy

Activity	Recipient	NZ On Air Funding
Digital Media Fund		
<i>Hook Ups</i>	Fumes Productions	44,950
<i>Kiwi ABC</i>	Baba La	34,500
<i>Let's Get Inventin' app</i>	Luke Nola and Friends	45,000
<i>The Big Sing 2012</i>	R2	18,270
<i>Woodville</i>	Clayweaver Productions	44,819
Funds remaining	tbc	612,461
Regional television digital switchover assistance fund	5 Regional TV stations	406,000
NZ On Screen	NZ On Screen Trust	1,000,000
Total Digital		2,206,000

Appendix 7: Māori broadcasting funding

Television

Programme Name	Genre	Broadcaster	Producer	Hours	NZ On Air Funding
Platinum Fund					
<i>Atamira</i>	Arts/Culture	Māori Television	Black Inc Media	12.0	782,185
Total Platinum fund				12.0	782,185

Contestable Fund					
<i>Behind The Brush</i>	Arts/Culture	Māori Television	Awa Films	3.5	157,500
<i>I Am TV 2012</i>	Children	TVNZ	Television New Zealand	35.0	1,433,300
<i>Kapa Haka Kids – Second Chances</i>	Children	TV2	Black Inc Media	3.0	355,308
<i>Tiki Tour 2</i>	Children	TV2	Tiki Tour (2010)	77.0	2,180,000
<i>NZ Story</i>	Documentary	TV One	Jam TV	3.0	*346,315
<i>The GC</i>	Documentary	TV3	Black Inc Media	4.0	419,408
<i>Pakipumeka Aotearoa 2012</i>					
<i>Charlie Shelford: Rebel Hero</i>	Documentary		Black Inc Media	1.0	116,107
<i>He Toki Huna</i>	Documentary		Occasional Productions	1.0	133,709
<i>Living In The Dreamtime</i>	Documentary		Raukatauri Productions	1.0	124,988
<i>Logan's Run</i>	Documentary		Omicron Productions	1.0	125,685
<i>Ngā Tamatōa: 40 Years On</i>	Documentary		Tumanako Productions	1.0	124,970
<i>Restoring Hope</i>	Documentary		Notable Pictures	1.0	125,992
<i>Saving Tuna</i>	Documentary		The Gibson Group	1.0	115,000
<i>Why be a Māori? When you can pass for Italian</i>	Documentary		Itinui Productions	1.0	113,048
<i>The Confessions Of Prisoner T</i>	Documentary		Blueskin Films	1.0	125,012
<i>The Road To The Globe</i>	Documentary		Monsoon Pictures International	1.0	135,554
<i>Medicine Woman</i>	Drama	TV One	Medicinal Films	2.0	199,999
<i>Mt Zion</i>	Drama	Māori Television	Small Axe Films	2.0	199,500
<i>Pukana Subtitles 2012</i>	Special Interest	FOUR	Cinco Cine Film Productions	0.0	71,982
Total Contestable fund				139.5	6,594,177

*estimated

Radio

Programme Name	Genre	Broadcaster	Producer	Hours	NZ On Air Funding
<i>Te Puutake & The Source 2011-12</i>	Youth	Mediaworks Radio	Stretchmark productions	100.0	169,918
<i>Paakiwaha 2011-12</i>	Special Interest	UMA Broadcasting	UMA Broadcasting Limited	96.0	75,000
Total Radio				196.0	244,918

DIRECTORY

Members

Miriam Dean, Chair	of Auckland
Neil Walter, Chair (until March 2012)	of Wellington
Nicole Hoey	of Auckland
Michael Glading	of Auckland
Stephen McElrea	of Auckland
Caren Rangī	of Napier
Ross McRobie	of Wanaka

Staff

Jane Wrightson	Chief Executive
Anita Roberts	Personal Assistant to CEO
Gina Rogers	Senior Communications Advisor (shared with NZ Film Commission)
Brendan Smyth	NZ Music Manager
Sarah Crowe	NZ Music Funding Coordinator
Jeff Newton	Broadcast Promotions Executive
Tania Dean	Repertoire Executive
Jubt Avery	Digital Music Strategist
Glenn Usmar	Television Manager
Benedict Reid	TV Contracts Executive
Fiona Mulder	TV Funding Coordinator
Teresa Tito	Executive Assistant Television
Keith Collins	Community Broadcasting Manager
Alan Shaw	Chief Financial Officer
Hui-Ping Wu	Accountant
Christine Westwood	Finance & Administration Assistant (part time)
Trish Cross	Reception/Administrator (shared with BSA)

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