



NZ On Air Six Monthly Report

30 June 2013



Sector Collaboration Update

- **Music Coordination Group** (Creative NZ, the Music Commission, TMP and NZ On Air). Met again in May
- **Broadcasting Standards Authority.** Co-location and continuing provision of financial services
- **Te Mangai Paho.** Assistance provided with music funding assessment
- **NZ Film Commission.** Board to Board meetings initiated. Joint documentary fund developed. NZOA initiated co-location: now completed. NZFC, NZOA and BSA now all co-located
- **Captioning:** special project to transfer captioning services. NZOA, TVNZ and Media Access Charitable Trust meeting regularly and successfully to transfer service by December 2013
- **MCH:** ongoing liaison on sector matters.
- **Online:** AudioCulture launched by Digital Media Trust- partnered to share back office and governance services with NZ On Screen

Statement of Service performance Summary (for more details refer pages 5 - 10)

	Area	Activity	Top Line Points
Screen content	Television	General Contestable Fund	Targets achieved
		Platinum Fund	Targets achieved
		Regional Television	Targets achieved
	Web-Only	NZ On Screen	Targets achieved
		Digital Media Fund	On track. DMF Kickstart and Ignite funds launched
Sound content	Radio	Public Radio	Targets expected to be achieved. Excellent audience results.
		Special Interest Radio	Targets achieved
		Commercial and Alternative Radio	Targets achieved
	Music	Music Content	Targets achieved
		Music Promotion	Targets achieved
Strategy developments			
	Digital and Archiving	Digital Strategy	Targets achieved

Key Financial Statement Summary (for more details refer pages 11 and 12)

Statement	
Statement of Comprehensive Income	Revenue budget exceeded. Funding targets achieved
Statement of Financial Position	No issues. Swifter uptake on funding

Key Efficiency Goals and Measures

Efficiency Goals	Efficiency Measures	SOI 2012-2015 Target	YTD Actual
Low administration costs to maximize available investment funds	Administration costs as a % of total revenue	Less than 3%	2.4%
What we fund gets released	% of funded projects broadcast within 15 months of formal delivery	99%	100%
Our processes are efficient and effective	% of complete applications received by deadline are considered by next Board meeting	100%	100%
	% of funding decisions made in accordance with approved policies and procedures	100%	100%
We make the right decisions	Funding decision or process with a significant adverse judicial review or Ombudsman finding	0%	0%

Highlights

Top 10 NZ On Air-funded television programmes for the financial year



Is Modern Medicine Killing You?

Rank	Programme	Channel	Episodes	Average Rating %	Average Audience
1	<i>New Zealand's Got Talent</i>	TV One	13	22.00%	899,965
2	<i>Beyond The Darklands</i>	TV One	10	14.61%	597,565
3	<i>Hyundai Country Calendar</i>	TV One	26	14.45%	593,386
4	<i>The Investigator Special: Who Killed The Crewes</i>	TV One	1	14.08%	575,833
5	<i>High Country Rescue</i>	TV One	8	12.64%	518,223
6	<i>Is Modern Medicine Killing You?</i>	TV One	10	11.67%	477,261
7	<i>Unsung Heroes</i>	TV One	10	11.45%	470,915
8	<i>Primeval New Zealand (R)</i>	TV One	1	11.06%	455,786
9	<i>Radar Across The Pacific</i>	TV One	4	11.09%	453,711
10	<i>The X Factor NZ</i>	TV3	21	10.65%	438,979

All people 5+: 1 July 2012 to 30 June 2013 (source Nielsen)

Top 5 most played NZ songs on NZ radio

Rank	Song	Artist	Kiwi Hit Disc
1	Take It Easy	Stan Walker	156
2	Wake Up	Aaradhna	152
3	Never Leave Me Again	Opshop	155
4	Life In Sunshine	Jamie McDell	154
5	Come on Home	Titanium	153



Radio New Zealand audience figures

*Results are for the 12 months to 31 March 2013 as carried out by Nielsen and reported by RNZ. The cumulative audiences place RNZ National 2nd among all stations and its station share of 10.6% places it at number one nationwide.

Total weekly live audience for RNZ National*	492,000 About 14% of the 15+ available audience
Total weekly live audience for RNZ Concert*	123,000 About 3% of the 15+ available audience
Annual online requests for time-shifted RNZ and Concert content	Target 10,500,000

Reviews



TV Review: *Harry*

By Diana Wichtel 23/5/13 The Listener

“Kightley’s trademark hangdog affect, only leaner and more played, finds a more grown-up outlet... After years of playing for laughs, Kightley can seem a little tentative. But the baffled bashfulness that serves him as a comedian continues to work its magic... Harry shows it is possible to treat viewers as if they have half a brain and still be entertaining. Who knows? Maybe it will catch on.”

TV Review: *The X-Factor*

By Russell Baillie 23/7/2013 The Herald

“And while the finale had its gremlins.....it must be said *X Factor NZ* has been a really good show. Sure, it padded out proceedings with sponsor-product plugs that made you wish for the relative sales pitch subtlety of the ad breaks. Sure it went on way too longBut *X Factor* was really good. Engaging, dramatic, emotional, superficial, and a heap of fun.”



TV Review: *The Blue Rose*

By Jane Clifton 6/2/13 The Dominion Post

“The dialogue is crisp and amusing and the pace brisk...While appealing and attractive, the characters are also commonplace enough to be a welcome change from the ultra-slick folk who inhabit overseas dramas with similar themes.”

TV Review: *Agent Anna (the audience fights back)*

“Agent Anna squanders a good start.....and so it is that, after six full episodes (comprising the entire first season), I can tell you that this is *not* a good show after all..... The directing, the sets, production values on the show - they were all good. But that writing just let the team down by dropping the ball two or three times an episode and killing the momentum of the story.”

By Chris Philpott, TV blogger 8/3/2013 Stuff.co.nz

[JamesMason](#) 132 days ago

I've read some stupid things on this blog but this one is a doozy. You were expecting it to be like the Big C or Enlightened? No wonder you were disappointed. You want to compare light 8.30 comedy with 2 (VERY niche) US cable series that rate very low and are on at 9.30+. It's like watching Big Bang theory and complaining you didn't get A Beautiful Mind. Ridiculous. As many have pointed out, it's a light, feel good fun show and I really enjoy sitting down to it at the end of a hard day.



Statement of Service Performance *(subject to any year-end audit adjustments)*

Activity 1: Screen content

Investing in digital content to increase range and diversity options for target audiences. Content is expected to screen on at least two platforms where practicable. This category also includes specific funding available to assist regional television operators with switchover to digital broadcasting.

- Almost all targets achieved or exceeded.
- There is considerable pressure on funding.
- On-air performance of funded programming remains strong. Some issues emerging with changing audience behaviour around drama series.

Measures

Key Performance Measures	SOI Forecast	Full Year Actual
The majority of New Zealanders believe NZ On Air supports screen content important to New Zealanders	More than 2/3rds	68%
Almost all screen projects are released within 15 months of the finished programme being delivered to the commissioner.	99%	100%
At least half of general contestable fund expenditure is for prime time content (6pm -10pm first screening).	50%	59%
More historic local content in a curated context is cleared and made available to online audiences through NZ On Screen (cumulative total of titles, music, profiles and Screentalk)	3,287	3,176
Target average prime-time audience aged 5+ for content funded for the major FTA national channels	Drama 310,000 Doc/Factual 360,000 Comedy 210,000 Arts/Culture 310,000	272,305 428,800 282,643 601,332

General Contestable Fund	SOI Forecast Hours	Full Year Actual Hours	SOI Forecast \$000	Full Year Actual \$000	SOI Forecast % Prime-time	Actual % Prime-time
Drama/Comedy	87	101.5	27,735	27,170	100%	92% *
Documentary/factual	86	94.9	9,840	9,187	100%	99%
Children & young people	426.5	447.6	14,361	14,377	0%	7% **
Arts/culture/performance	28.5	44.5	2,913	2,737	70%	79%
Minorities	118	143	6,441	7,508	0%	0%
Disability	21	19.5	1,790	1,988	0%	0%
Captioning & audio description	n/a	n/a	2,800	2,860	n/a	n/a
Development	n/a	n/a	300	247	n/a	n/a
Total General Fund	767	851	66,180	66,074		

*some late night comedy was commissioned

**one children's drama screened in prime-time

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Platinum Fund	SOI Forecast Hours	YTD Actual Hours with programme information		SOI Forecast \$000	Full Year Actual \$000	SOI Forecast % in prime-time	Actual % in prime-time
Drama	6.5	9	<i>Field Punishment No. 1</i> (2.0) <i>Harry</i> (additional) <i>Hope & Wire</i> (7.0 including 1 hour making of)	7,750	7,898	100%	100%
Documentary	83	102	<i>Beyond the Edge</i> (2.0) <i>Making New Zealand</i> (4.0) <i>Our Big Blue Backyard</i> (6.0) <i>War News</i> (5.0) <i>The Sixth Man</i> (1.0)	6,371	6,920	100%	100%
Current Affairs			<i>The Nation 2013</i> (36.0) <i>The Vote</i> (10.0) <i>Q & A 2013</i> (38.0)			0%	35%
Arts and culture	6	-		990	-	100%	
Total Platinum Fund	95.5	111		15,111	14,818		

Regional television	SOI Forecast Hours	SOI Forecast \$000	Full Year Actual Hours	Full Year Actual \$000
Local news and information	800	1,500	993	1,722
Regional television digital switchover	n/a	*	n/a	108
Total	800	1,500	993	1,830

*A balance of \$443,585 carried forward from 2011-12 remained available for the 2012-13 financial year

Web-only	SOI Forecast Hours	SOI Forecast \$000	Full Year Actual Hours	Full Year Actual \$000
Digital Media Fund	-	-	-	600
NZ On Screen	-	-	-	1,000
Total	n/a	1,600	n/a	1,600

Activity 2: Sound content

Investing in digital content to increase range and diversity options for target audiences. Content is expected to be heard on at least two platforms where practicable.

Key Performance Measures	SOI Forecast	Full Year Actual
The majority of New Zealanders believe NZ On Air supports sound content important to New Zealanders	more than 2/3rds	68%
Increase the % of NZ music on commercial radio (% of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code)	20%	17.43%
Improve the % of NZ Music on Alternative Radio	31%	38.14%

Detailed measures

Radio New Zealand: Quantitative Measures	SOI Forecast		YTD Actual**	
Ensure RNZ provides programme types specified in the Broadcasting Act 1989	RNZ National	RNZ Concert	RNZ National	RNZ Concert
Maori Language and Culture	350 hours	NA	342	-
Special Interest	400 hours	NA	462	-
NZ Drama, Fiction and Comedy	250 hours	NA	295	-
% of NZ Music on Rotate	33%	NA	34.6%	-
% of NZ Composition	NA	3.5%	-	4.1%
% of Music Performance	NA	14%	-	16.8%
% of Population able to Receive Transmission*	97%	92%	97%	92%
NZ On Air Funding Provided	31.816m		31.816m	

*This is the proportion of the population able to receive RNZ National and RNZ concert via terrestrial transmission. 100% of the country is able to access RNZ National and RNZ Concert via a Freeview of Sky TV satellite dish or decoder.

**provisional results, not yet audited.

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Radio New Zealand: Qualitative measures		
	SOI Forecast	Full Year Actual*
Of New Zealanders independently surveyed, maintain the percentage of;		
General public who agree RNZ broadcasts programmes of interest to a wide cross-section of New Zealanders	85%	85%
RNZ National listeners who are very satisfied or quite satisfied with the quality of RNZ National programming	88%	90%
Listeners who agree RNZ National provides in-depth news and current affairs about New Zealand	94%	94%
Listeners who agree RNZ National provides fair and balanced information	90%	90%
RNZ Concert listeners who are very satisfied or quite satisfied with the quality of RNZ Concert programming	81%	80%
The number of formal complaints about RNZ 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

* provisional results, not yet audited.

Resound – NZ classical music initiative to increase broadcast of NZ-composed fine music	SOI Forecast Number	SOI Forecast \$000	Full Year Actual Number	Full Year Actual \$000
Recordings of music works relicensed by SOUNZ and approved for broadcast+	225	100	‡	100
Recordings of music works relicensed and available online	300		‡	
Relicensed works scheduled for broadcast on RNZ Concert	30		‡	

‡full year results not yet available

Special Interest Radio: Access to the airwaves for diverse regional communities through 12 community access radio stations from Auckland to Invercargill. Funding is also provided to NPRT (Niu FM and 531pi), Radio for the Print Disabled and Samoa Capital Radio.

Community Radio	SOI Forecast Hours	SOI Forecast \$000	Full Year Actual Hours	Full Year Actual \$000
Access and special interest radio	26,160	6,199	26,160	6,041
Pacific radio	1,976		1,976	
	8,672		8,672	
	3,952		3,952	
Total special interest radio	-	6,199	-	6,041

Commercial and Alternative Radio: Increasing diversity for commercial radio audiences.

Spoken content	SOI Forecast Hours	SOI Forecast \$000	Full Year Actual Hours	Full Year Actual \$000
Children and Youth	212	450	212	262*
Spiritual	90	110	84	115
Ethnic/Special Interest	24	141	104	73
Maori issues (English language)	96	75	96	75
Total spoken radio programmes	422	776	496	525

*lower-cost programmes supported

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NZ Music – Funding Funding – Making Tracks (5 of 10 planned funding rounds completed) directly supports local recording projects.		SOI Forecast	SOI Forecast \$000	Full Year Actual	Full Year Actual \$000
Commercial	Songs funded	124	1,240	74*	2,044
	% of songs that achieve a Radio Scope NZ40 Airplay Chart	60%		‡	
	Music videos funded	124		134	
	% of music videos that achieve a Radio Scope Alt40 Airplay Chart Peak	60%		‡	
Alternative	Songs funded	80	800	67*	
	% of songs that achieve a Radio Scope NZ40 Airplay Chart	60%		‡	
	Music videos funded	80		113	
	% of music videos that achieve a Radio Scope Alt40 Airplay Chart Peak	60%		‡	
Music promotion					
Content promoting NZ music - sound		24 titles	1,525	22	1,487
Content promoting NZ music - screen		3	730	2	350
Other Promotion and Digital Media		n/a	954	3**	1,204
Total music content and promotion		-	5,249	-	5,084

*reflects the demand driven nature of the applications (cannot predict whether grant for music, video, or music & video will be awarded)

‡Available in late August

**theaudience.co.nz , AudioCulture. Funding includes other promotion projects (eg Kiwi Hit Disc)

Key Financial Statements (excludes statements of movements in equity and cash flows. Subject to any year-end audit adjustments)

Statement of Comprehensive Income to 30 June 2013

		Annual Budget SOI (\$000)	Actual (\$000)	Variance (\$000)
Income	Crown Revenue	128,226	128,333	107
	Other Income	2,050	3,069	1,019 ¹
	Total Income	130,276	131,402	1,126
Operating Expenditure	Administration and consultation	3,235	3,152	(83)
	Total Operating Expenditure	3,235	3,152	(83)
Funding Expenditure	Screen content			
	National Television	81,291	80,892	(399)
	Regional Television	1,500	1,830	330 ²
	Web Only	1,600	1,600	-
	Sound content			
	Public Radio	31,916	31,916	-
	Special Interest Radio	6,199	6,039	(160)
	Music and Other Content	6,025	5,608	(417) ³
	Funding Expenditure	128,531	127,885	(646)
	Less Funding Write-backs	-	(399)	(399)
	IFRS adjustment (timing)	-	1,083	1,083
	Total Recognised Funding Expenditure	128,531	128,569	38
Total Expenditure	131,766	131,721	(45)	
Net (deficit)/surplus for the year		(1,490)	(319)	(1,171)

¹the variance primarily reflects greater than budgeted for revenue associated with TV sales

² funding provided for one programme not budgeted for plus DSO assistance budgeted for in the previous year

³variance primarily due to lower than budgeted expenditure on radio programmes

Statement of Financial Position as at 30 June 2013

	Annual Budget SOI (\$000)	Actual (\$000)	Variance (\$000)
Current assets			
Cash and cash equivalents	4,000	2,896	(1,104)
Investments	45,000	43,000	(2,000)
Trade and other receivables	1,200	417	(793)
Total current assets	50,200	46,313	(3,887)
Non-current assets			
Property, plant and equipment	300	143	(157)
Total non-current assets	300	143	(157)
Total assets	50,500	46,456	(4,044)
Current Liabilities			
Trade and other payables	600	1,084	484
Funding liabilities	43,295	40,593	(2,702)
Total current liabilities	43,895	41,677	(2,218)
Public equity			
Public equity – committed	5,510	1,426	(4,084)
Public equity – uncommitted	1,095	3,353	2,258
Total public equity	6,605	4,779	(1,826)
Total liabilities and public equity	50,500	46,456	(4,044)

Performance Improvement Actions

The table below details progress on the performance improvement actions being undertaken in 2012/13 as per SOI p20

Initiative	Short Term Deliverable	Medium Term Impact	Progress to date
Review the operation of the MakingTracks funding scheme	Establish effective performance measures	Efficiency and effectiveness of music funding scheme confirmed	Completed. Results published and procedural changes implemented.
Collaborate with other agencies involved in music funding	Establish contemporary popular music group	Prospect of funding duplication minimised and gaps considered	Contemporary Popular Music Group met and reported formally to Ministers. Twice-yearly meetings scheduled. Sector research project funded.
Review documentary strategy for screen content funding	Revised strategy approved by the Board	Range and quality of prime time screen documentary improved	Nearly complete by year-end. Publication planned for Q4 2013.
Complete the review of Rautaki Maori	Confirm sector agreement for revised Rautaki	Amount of prime time Maori television content on mainstream channels improved	Completed. Updated Rautaki published and dedicated Māori budget line created.
Develop a Pacific broadcast funding strategy	Improve understanding of range of current services and options to improve them	Range and diversity of content for Pacific audiences in New Zealand supported	Completed. Inaugural strategy published.

