



Annual Report 2015



Highlights

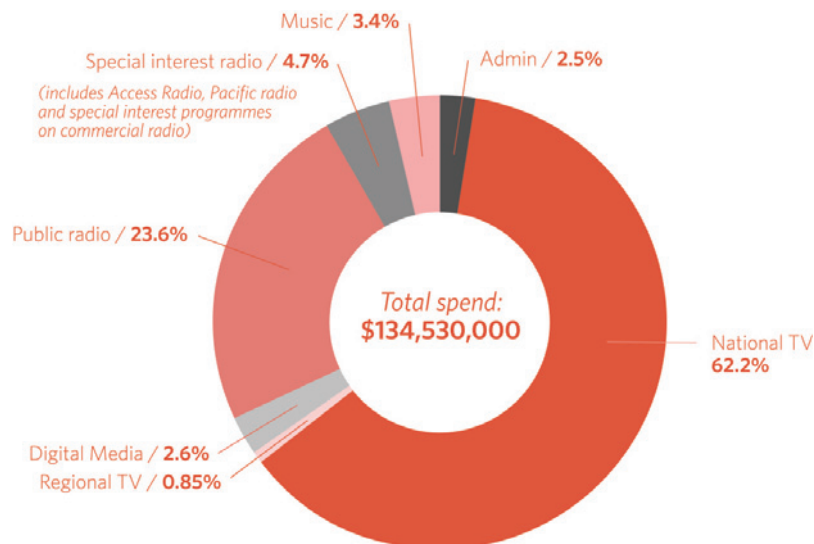
This year we marked 25 years of NZ On Air supporting diverse, local content of a type that the market cannot deliver alone. We committed nearly \$132m to support local content on television, radio and online.

- We funded 916 hours of television, made by 58 different production companies.
- 100% of content completed this year is being released.
- Our top 10 funded television programmes attracted audiences of more than 400,000 people each.
- The largest audience was just under 600,000 people for an episode of *Country Calendar*.
- Songs funded in the past year achieved 11.5 million spins or streams; 109.5 million over the four years of the Making Tracks scheme.
- Funded community radio programming featured over 40 different languages.

In a fast-changing environment NZ On Air's key success is providing quality local cultural content that appeals to many different people. Funded content is appreciated by audiences who actively choose it over the high volume of foreign content available.

We finished the year with a small planned deficit, funded from reserves, so we could maintain output in an environment of static funding. With careful investment, we still met our targeted outputs.

NZ On Air Expenditure



916

hours of TV content

spins/streams of songs funded this year

11.5m

40

different languages on community radio

largest TV audience

600k

(for an episode of *Country Calendar*)

Contents

part 1:

Board overview	3
Who we are	4
Our performance	6
Environment	8
Television	10
Music	12
Digital media	14
Radio	16
Community broadcasting	17
Targeted audiences	18

part 2:

Audited financial statements	21
------------------------------	----

part 3:

Funding details for the year 2014-15	57
--------------------------------------	----

part 4:

Statement of performance expectations	75
---------------------------------------	----

This Annual Report is the print version of our first online Annual Report. For a more interactive experience, view the report at www.nzonair.govt.nz/about-nz-on-air/#anchoraccountability-documents



When We Go To War,
Jump Film and Television for TV One



Board overview

This past year has seen continued transformation in the New Zealand media landscape and the way audiences watch and listen to media content. Yet 25 years after NZ On Air was established, our funding model has stood the test of time. Our core purpose, to ensure New Zealanders have access to diverse, relevant local content, is more important than ever.

In spite of ever-expanding content options from around the world, New Zealanders continue to demonstrate an appetite for local stories and songs. Whether that content entertains, informs or challenges us, New Zealanders consistently respond appreciatively to creative, professional content made by, for and about, us.

At the end of our 25th anniversary year we thank the broadcasters and content creators who have given New Zealand such a diverse cultural gift. We also thank the Minister of Broadcasting, the Hon Amy Adams, for hosting a celebration at Parliament to mark the occasion.

This year we also marked the World War One centenary by supporting and encouraging the creation of a rich range of programmes on many different platforms. These fresh stories of a nation-building event gave a younger generation insight into the horrors of war, as well as reminding us all of the sacrifices made by young New Zealanders last century.

Central to the flexibility of our funding model is the need to stay fully aware of changes in the media environment. It's crucial that we invest where we can achieve the most impact. Partnering with the Broadcasting Standards Authority, this year we commissioned and released in-depth research on children's media use. This will help inform a new children's content funding strategy. We also began reviewing regional television investments, inviting regions to participate by proposing new partnerships.

Exciting opportunities are unfolding through media convergence. We recently implemented a progressive digital promotions plan for music. This included the launch of the new AllTracks portal to encourage people to explore New Zealand music through playlists curated by passionate genre specialists. We also partnered with Canada to create our first international digital media co-production fund.

We respond to the changing media environment by future-proofing investment strategies. In particular we ensure audiences can find our funded content on both broadcast and online platforms. This exposes that content to larger potential audiences. Linear television and live radio still attract the greatest numbers of viewers and listeners. Accordingly, we focus our digital media funding on innovative ways to serve audiences less well-served by mainstream media. We use every possible lever to ensure New Zealanders can continue to enjoy local stories and songs whenever and however they choose.

I thank the Board and our staff for their outstanding commitment this year. In our small but increasingly diverse nation, NZ On Air ensures that local content reflects that diversity while giving programme makers, musicians and content creators an outlet at home for their talents and skills.

Twenty five years on, New Zealand audiences are the richer for their inspiration and the colourful range of local media on many different platforms.

Miriam Dean CNZM, QC
Chair

Who we are

Mission: To champion local content that engages, stimulates and satisfies intended audiences.

In a media world with few global barriers, NZ On Air preserves a place for content made by and about New Zealanders – on television, radio and online. This local content plays a key role in our cultural identity.

We invest over \$130 million each year in a diverse range of media for both mainstream and special interest audiences – from drama and comedy, to music, to specialist current affairs. The flexible NZ On Air model is unique. We are not tied to any one platform – we go where the audiences are.

Our contestable funding schemes incentivise professional content creators to make the best ideas, to a high quality, at the best price. Television programmes, digital media, music, and some radio programmes are funded this way.

We also operate separate public broadcasting funding schemes for Radio NZ, access radio and Pacific radio.

Our objectives are cultural, but our investments also have an economic impact – growing local businesses, creating skilled jobs, and having a flow-on economic benefit to other sectors. NZ On Air’s consistent investment provides a stable base for screen production, helping develop skilled personnel and the sophisticated infrastructure integral to other screen work. Production companies also earn revenue selling their content offshore, with returns to NZ On Air reinvested. Our support for recording and promoting songs, envied by other countries, helps underpin the music sector. From this base, artists can achieve radio airplay, market professionally-produced music, and create momentum for their careers.

Public support for NZ On Air’s mission

73% of NZers agree NZ On Air supports television programmes and activities that are important to NZers

68% agree NZ On Air supports local content for radio that is important to NZers

75% believe it is important for NZ On Air to support community broadcasting

70% believe it is important for NZ On Air to support local music and artists

52% believe it is important for NZ On Air to support digital media



Our Board

Our Board of six members has backgrounds in law, business and broadcasting. Chaired by Miriam Dean QC, the Board comprises Stephen McElrea, Caren Rangī, Ross McRobie and Kim Wicksteed. In August 2015 Ian Taylor was appointed to the Board.

The Board sets our strategic direction, and makes funding decisions on television projects seeking over \$1 million, and radio or digital media projects seeking over \$300,000. Other decisions, including all music investment decisions, are delegated to senior staff.

The Board has two standing committees: Audit & Risk, and Remuneration & HR.

We report to the Minister of Broadcasting who may not direct us on cultural or content matters, but may issue directives through Parliament on general matters. There were no such directives this year.

Board members, left to right: Miriam Dean, Chair (seated), Stephen McElrea, Kim Wicksteed, Caren Rangī, Ian Taylor, Ross McRobie (seated)

Operations

NZ On Air is a small, nimble organisation. We aim to minimise our overheads so we can maximise investment in content.

Our staff of 18 is led by Chief Executive Jane Wrightson. We share a receptionist with and provide support services to the Broadcasting Standards Authority. We are also co-located with the NZ Film Commission which assists collaboration on project funding and our joint work under the mantle of Screen NZ.



Our performance

We focus our work on cultural outcomes to increase the diversity of local content available to many different audiences. Here's how we did this year against the three top-level impacts we aim for.

Investment matches the changing audience environment

- We began consulting on a proposed new children's content strategy following research into the changing way children use media.
- We are seeking new ideas for converged news and information options for regional audiences in 2016.
- We launched AllTracks, a new portal to improve discovery of NZ music.
- We created a new fund for online interactive documentaries that may also have a broadcast component.
- We continued support for access radio's joint web platform AIR that enables sharing programmes by, for and about multilingual communities.
- Our interagency music and film collaborations ensure investments also contribute to a coherent sector strategy addressing the changing media environment.

Mainstream content is balanced with special interest content

- Two thirds (66%) of our television investments of over \$84 million created programmes for mainstream audiences and one third for special interest audiences including children.
- 56% of funded new music was for mainstream audiences and 44% for alternative.
- 100% of digital media fund projects were made for specially targeted audiences.
- Over 25,000 hours of content on access radio was made for special interest audiences in more than 40 different languages.
- Our \$2.4 million funding for Able ensured hearing and sight impaired audiences were able to access on average 265 captioned hours (5.5% increase) and 32 audio described hours (23% increase) of television content per week.
- Digital media funding continues to increase as audiences increase.



Six60



Gloriavale: Life And Death
Pacific Screen for TV2



The audience is generally satisfied with our investments

- 71% of people aware of our funding for television programmes like those programmes. In music it's 70%, community broadcasting 62% and digital media (our newest fund) 59%.
- Our top 10 funded television programmes each attracted audiences of more than 400,000 people. Four programmes delighted audiences of over half a million people each: *Country Calendar*, *Gloriavale: A World Apart*, *Our Big Blue Back Yard* and *Keeping Up With The Kaimanawas*.
- Music funded through the Making Tracks scheme has now had more than 109.5 million spins or streams on radio, television and online in the four years the scheme has been running.
- Funded website *thecoconet.tv* has had 1.5 million visits and 1.5 million views on YouTube.
- 80% of finalists at the 2014 NZ Music Awards were supported by NZ On Air.

Key performance measures:

<i>Television & Digital</i>	<i>Target</i>	<i>Actual</i>
The majority of New Zealanders believe NZ On Air supports television programmes and activities important to New Zealanders	75%	73%
At least half of television contestable fund expenditure is for prime time content	50%	64%
The average number of New Zealanders watching funded television programmes that are broadcast during prime time on Type One channels	300,000	325,300
Every week at least half of all New Zealanders are reached by the broadcast of funded television programmes	55%	46%
Increase investment in online content and platforms as NZ audiences grow (2% in 2014)	3%	2.6%
<i>Radio & Music</i>	<i>Target</i>	<i>Actual</i>
The majority of New Zealanders believe NZ On Air supports local content for radio important to New Zealanders	72%	68%
NZ music content on radio and music television is at least 20%	20%	17.2%
Achieve an increasing % of NZ music on alternative radio	38.75%	42.4%

our performance:
Environment

This year has seen a further slow shift in television viewing habits, together with skyrocketing use of music streaming services. The challenge for both NZ On Air and local content makers is finding new ways to help audiences find professional local content among a myriad of options.

There are now four subscription video on demand (SVOD) services in NZ; the majority of NZ homes can now time-shift their viewing with a personal video recorder (PVR); broadcasters are investing heavily in their on demand services; and prime time viewing on linear television is down 3%.

While the largest audiences remain on broadcast platforms, our ongoing strategy reviews focus on being where the audiences are.

In PriceWaterhouseCooper's Global Entertainment and Media Outlook 2015-2019 the authors noted:

"It's increasingly clear that New Zealanders see no significant divide between digital and traditional media: what they want is more flexibility, freedom and convenience in when and how they consume their preferred content..."

With the roll-out of ultrafast broadband, and cheaper data plans, more people than ever before are consuming media on mobile devices. Many users are interacting with two devices at once and are often indifferent to which platform is used to access content. Tablet use is rapidly increasing: Nielsen's Media Trends report notes that in 2014 tablet ownership in New Zealand increased 47% on the previous year. At the same time audiences still expect content with high production values and production costs continue to rise.

In music, use of streaming services has increased exponentially with vigorous competition between platforms like Spotify, iHeartRadio, Pandora, Soundcloud and

YouTube. Recorded Music NZ reports revenue from streaming in NZ has increased from 3% in 2012 to 24% in 2014. Find out about our response under Music.

Research informs future strategy

Worldwide, children and young people continue to move fastest to online platforms. As part of reviewing our approach to funding children's content, along with the Broadcasting Standards Authority, we commissioned comprehensive research into how children are consuming media. Among the key findings:

- YouTube now rivals TV2 as the main source of entertainment for children
- 88% watch television daily
- 66% of children use the internet daily
- 72% have access to a tablet or mobile phone.

This research informed a discussion paper we issued in May 2015 considering options to serve children in this rapidly changing environment.

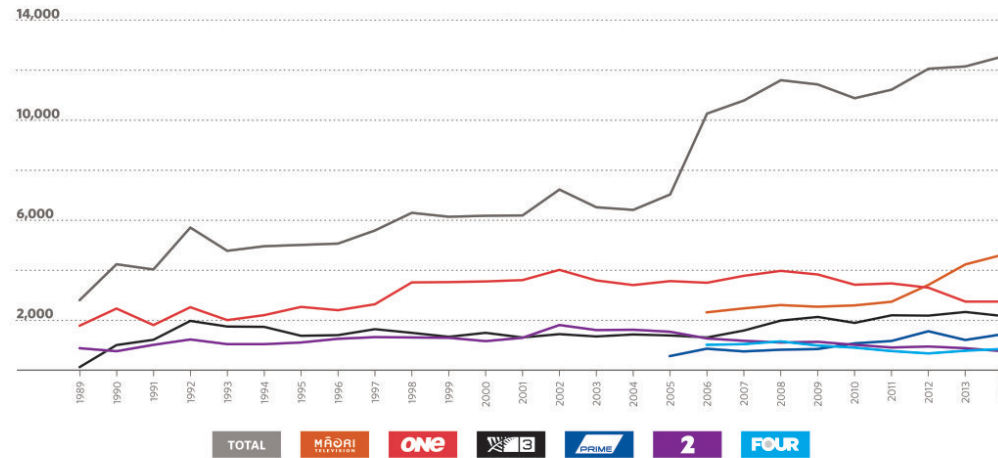
We also published research on regional television audiences, before commissioning an independent review of funded regional television channels. The combined picture, also indicating major environmental change, was of a model under severe pressure. Find out about our response under Community Broadcasting.

Availability of local content

Local content on the schedules of the six main free-to-air television broadcasters increased by 3% in the 2014 calendar year, comprising 33% of the combined schedules. However first-run (new) content did not grow, reflecting a difficult economic environment.

At year end 17.16% of music played on commercial radio was by local artists, compared to 42.42% on alternative radio stations.

Local Content by Channel since 1989



Source: Nielsen and NZ On Air

Increase in overall local content

3%

YouTube

now rivals TV2 for children's viewing

42%

of music on alternative radio was local

our performance:
Television

NZ On Air adds diversity to free-to-air television by supporting quality local content that we would not see otherwise. It's New Zealand's unique way of ensuring local stories can screen amid a sea of less-expensive global options.

Our investment of over \$84 million reaches the largest audiences achieved by the creative sector. With viewing options rapidly multiplying this is a significant achievement. The most popular funded programme this year was the perennial favourite *Country Calendar* with an average audience of just under 600,000 people. 36 programmes achieved audiences of more than 200,000 viewers.

Audiences continue to want quality, insightful programmes in prime time. Large audiences watched and appreciated three excellent series from Nigel Latta – on societal problems, Antarctica, and science. The spectacular *Our Big Blue Back Yard*, *Descent From Disaster 2* and *I Am Innocent* brought important historical stories to new audiences. A new documentary series for younger viewers *Reality Trip* explored the truths behind cheap

consumer goods. We supported investigative journalism in prime time with a new strand, *3D Investigates*, within TV3's *3D* series.

Creative story-telling through drama takes our stories to the nation and the world. This year we explored the aftermath of the Christchurch earthquakes in *Hope & Wire*; we were moved by the salutary *Consent: The Louise Nicholas Story*; and the previously untold stories of the Police recovery team were portrayed in acclaimed docu-drama *Erebus: Operation Overdue*. We enjoyed stylish new series *The Brokenwood Mysteries*, and our own WW1 story *When We Go To War*. *Westside* took us back to the 1970s in a prequel to the hugely popular *Outrageous Fortune*. Dramas yet to screen include a new series *Filthy Rich*, season two of *Step Dave*, and a series on Sir Edmund Hillary.



Little Monstar
 Tiki Tour for TV2



Westside
 South Pacific Pictures for TV3



Diversity means something for everyone

A number of factual programmes, and extensive live Anzac Day coverage from Gallipoli, commemorated 100 years since the fateful landing. These programmes provided a contemporary lens through which a younger generation could view a significant historical event.

Our children’s programming continues to engage audiences. Our Children’s Media Use survey found strong appreciation for these programmes from children and parents. However internet options, in particular YouTube, are challenging television as the main source of children’s media. There’s more on this under Environment.

We measure success both by audience response and professional acclaim. A survey in early 2015 showed that a remarkable 71% of people who were aware of the television content we fund liked that content. Funded programmes also won many awards both here and overseas. At the prestigious New York Festivals International Film and TV Awards 2015 Lippy Pictures won a Drama Gold with *Field Punishment No.1* (TV One); Zeitgeist Productions won Silver in the Travel and Tourism category with *Radar Across The Pacific* (TV One); and South Pacific Pictures won a Drama Bronze for *The Brokenwood Mysteries* (Prime).

Where we have common interests, we co-invest with other agencies: Māori content mainly in English with Te Māngai Pāho and, with the NZ Film Commission, the innovative online micro-documentaries, *Loading Docs*, and a small number of feature films.

Broadcasters continue to provide off-peak homes for special interest programming. Off-peak live audiences on mainstream channels still outnumber those on other platforms, and on demand plays further boost viewer numbers. Debate and current affairs series such as *The Nation*, *Q + A*, *Media Take* and *Back Benches* discuss the issues of the day. Widely-respected factual series such as *Attitude*, *Praise Be* and *Neighbourhood* provide important public broadcasting content.

For more about special interest programmes see Targeted Audiences.

largest TV audience

600k

(for an episode of *Country Calendar*)

+200k

audience size achieved by 36 programmes

public approval of funded TV content

71%

our performance:
Music

Our music mission is to get more New Zealand songs played – on air and online. We do this by funding the recording of songs and videos and helping promote them.

Demand for funding from artists remains high. We received 1,254 applications to our Making Tracks funding scheme and funded 239 songs and/or videos. 56% were considered mainstream and 44% alternative. The diversity is further demonstrated by the range of music within those broad categories – everything from hip hop and RnB to pop, country, folk, electronic and dance music and rock.

Over the past year we have been rolling out a new music promotions strategy which aims to ensure local music is easy to find on the main online music platforms – at this stage Spotify, YouTube and Soundcloud. That’s what our new portal www.alltracks.co.nz is all about. With seven playlists sorted by genre, curated by people who know and love that genre, it is helping people find local music they love on their preferred platform. Launched in May 2015, the feedback has been very positive.

While online music consumption is growing at pace, for now radio is still where most people get their daily music fix. We actively help commercial and alternative radio stations find local music that their listeners will enjoy. We deliver the latest releases to radio through our online NewTracks, which has replaced the longstanding CD Kiwi Hit Disc.

In the past year commercial radio stations have been struggling to meet their local content targets, while alternative radio is the quiet over-achiever with 42.42% of their playlists local music. Commercial radio achieved 17.16% in the year to 30 June while the All Radio result was 18.48%. With more than 20 songs funded each month through the Making Tracks scheme, we ensure there is plenty of diverse music for radio programmers to choose from.

AllTracks.co.nz

AllTracks.co.nz



Stan Walker at NZ Music Awards 2014





We measure the success of Making Tracks through the numbers of streams and spins of the funded songs, the popularity of those songs (as recorded by the NZ Music Chart), and the awards and accolades received. At the 2014 NZ Music Awards 80% of the finalists were Making Tracks recipients. In total, songs funded through Making Tracks this year have been streamed or played on radio 11.5 million times. Over the four-year life of the Making Tracks scheme, songs have notched up 109.5 million spins and streams.

The most streamed or played Making Tracks-funded song this year was *Special* by Six60 which had 2.9 million spins/streams.

1,254

applications to Making Tracks

109.5m

spins/streams over 4 years

2.9m

highest number of spins/streams
of a funded song



The curated collection of historic content *NZ On Screen* achieved two million site visits, up from 1.4 million in the previous year. With 180,000 visitors the 'noisy library' of NZ music *Audioculture* is also continuing to reach larger audiences. Both are operated by the Digital Media Trust.

We support content on *The Wireless*, Radio New Zealand's news and entertainment website for young New Zealanders, which averaged 50,000 users a month. *The Wireless* achieved remarkable success this year with a comic by Toby Morris called *Pencilsword*. One specific strip had an amazing 1.1 million page views in a month.

1m

views of funded webseries

2m

site visits to *NZ On Screen*

1.1m

page views in one month on *The Wireless*

our performance:
Radio

Our radio investments include public broadcasting funding for Radio New Zealand, Pacific and access radio, and some carefully selected special interest programmes for commercial radio audiences.

Over the past year Radio New Zealand has been making strategic changes in response to a rapidly changing media environment. With an objective to deliver quality content across multiple platforms, Radio New Zealand announced new outlets for its content: iHeartRadio, MSN news, and Rivet Radio.

1.2 million people now listen to RNZ online (via website, iTunes and the RNZ App), 44% higher than a year earlier. Radio New Zealand won a gold and two silver awards at the New York Festival International Radio Program Awards 2015.

For commercial radio audiences, in addition to supporting NZ music and programmes showcasing new music, we fund a small number of special interest spoken programmes to extend choices. These include programmes for children, Māori audiences and series covering spiritual and mental health issues. We also expect all this content to be streamed and available as podcasts.

The Nutters Club radio show demonstrates how successful an integrated radio and online presence can be. Fronted by comedian Mike King, and broadcast nationwide on NewstalkZB, the series is helping lead a national conversation about mental health issues. The programme has strong audience engagement through social media and, with extra support from our Digital Media Fund, is building an online home for programme podcasts and video content.

Awards won this year by funded radio programmes included two Golds for the Christian Broadcasting Association at the New York International Radio Program Awards.



+44%

increase in RNZ online listeners



our performance:

Community broadcasting

Community broadcasting delivers the most diverse content to specialist audiences throughout New Zealand. This is broadcasting with high cultural value – made by, for and about communities.

This year we reviewed our approach to investment in regional television, where our focus is on supporting local news and information. We commissioned audience research from Colmar Brunton and an independent review of the regional stations. This work confirmed there are serious pressures faced by this sector. As a result of this review we are changing our investment approach. At year end we sought expressions of interest in providing new ways to deliver appealing multi-platform regional news and information.

We've been pleased to see growing collaboration among the Pacific radio broadcasters we support, which is delivering better audience outcomes. Wellington's Samoa Capital Radio began providing six hours a week of programmes to the national Niu FM network. New Zealand's largest Pacific community nationwide now has access to more content in the Samoan language, both on air and online.

Our access radio family of 12 stations around the country is providing more special interest programming than ever before. This year saw a 4.6% increase in first-run (new) content that meets the special interest audience criteria described in the Broadcasting Act. This is content made by, for and about ethnic, spiritual, disabled, cultural, refugee, and other audiences which are rarely well-served by mainstream media. Programmes in more than 40 different languages are broadcast and podcast.

Another way our funding reaches diverse audiences is through the ongoing expansion of the access radio AIR platform. This project allows access radio stations to share content online so stations and communities can find a wider range of content in their language or about their interest. Online listening to these programmes is growing with more than 660,000 streams and downloads this year, up from 450,000 in the previous year.



+4.6%

increase in special interest content

our performance:

Targeted audiences

Special interest content on television and online ensures many different audiences experience stories about their world. We target a number of our funds to support content specifically for audiences less well-served by mainstream media.

Māori programmes we fund are predominantly in English. This complements the work of Te Māngai Pāho and ensures all of us have the opportunity to experience stories from te ao Māori and learn some Te Reo along the way.

A number of our funded Māori programmes screened on Māori Television, such as the Pakipūmeke documentaries, a third season of the acclaimed music-making series *Songs From The Inside*, and the voyaging series *Waka Warriors*. We also support Māori programmes on other free-to-air networks. A new comedy and variety show *Happy Hour* screened on TV One and a second season of youth programme *2Kaha* screened on TV2. *The Crayfishers*, in production for Prime, will follow a whānau who have fished the passages of their tipuna for over 500 years.

In 2015 five Māori webseries, co-funded in 2013/14 with Te Māngai Pāho are being released. Two are for younger audiences, and two will be in both Te Reo and English. The first two are *Anamata - Future News* and *Mahinga Kai*.

Pacific audiences continued to enjoy two long-running television series, *Tagata Pasifika* and *Fresh*, as well as a second series of the foodie's journey *Real Pasifik*. Demonstrating how entwined broadcast and online outcomes have become, *Fresh* boasts an online audience comparable to its average broadcast audience. Some online clips generate tens of thousands or even millions of views. For content that has relevance to specific communities, publishing online provides excellent opportunities for engaging with those audiences. The funded online hub for youthful Pacific content *thecoconet.tv* had 1.5 million visits last year, and an equal number of YouTube views.

Happy Hour
Pango Aotearoa for TV One



Real Pasifik 2,
Zoomslide Media for TV One





We invested \$3.43 million this year supporting a range of Pacific radio services. The National Pacific Radio Trust continues to grow its nationwide radio services in several Pacific languages on NiuFM and 531pi. Samoa Capital Radio rounds out the Pacific-targeted radio stable, while the 12 funded access radio stations throughout the country provide programmes in a variety of Pacific languages on air and online.

People living with disabilities, and their supporters, have a strong voice through the popular weekly television series *Attitude*. The series piled up more awards this year including two at the Asia Image Apollo Awards 2015 for an episode *Living With Parkinsons* and an Asia-Pacific Broadcasting Union TV Perspective Award for the televised *Attitude Awards*. This year we were also pleased to fund a one-off documentary *The Dream Team* which will follow our Paralympic hopefuls on the road to Rio.

NZ On Air's support for captioning and audio description makes television programmes accessible to the hearing and sight-impaired communities. This year audiences enjoyed even more content than ever before with captioning or audio description. Captioned hours increased 5.5% and audio described hours increased 23%. Our funding to the independent provider of this service Able will be further boosted by \$400,000 in 2015/16.

1.5m

visits to *thecoconet.tv*

\$3.43m

supporting a range of Pacific radio services

+23%

increase in audio described hours



part 2

Audited financial statements





Audited financial statements

Statement of responsibility

We are responsible for the preparation of NZ On Air's financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by NZ On Air under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of NZ On Air for the year ended 30 June 2015.

Signed on behalf of the Board:

Miriam Dean
Chair
30 October 2015

Stephen McElrea
Chair Audit & Risk Committee
30 October 2015

Independent Auditor's Report

To the readers of the Broadcasting Commission's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of the Broadcasting Commission (known as NZ On Air). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of NZ On Air on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of NZ On Air on pages 26 to 45, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of NZ On Air on pages 6 to 7 and 46 to 54.

In our opinion:

- the financial statements of NZ On Air:
 - present fairly, in all material respects:
 - › its financial position as at 30 June 2015; and
 - › its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity (PBE) standards.
- the performance information:
 - presents fairly, in all material respects, NZ On Air's performance for the year ended 30 June 2015, including:
 - › for each class of reportable outputs:
 - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 October 2015. 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 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 the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. 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 the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, 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 performance information 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 appropriateness of the reported performance information within NZ On Air's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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 performance information that:

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

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

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

Chrissie Murray
 Audit New Zealand
 On behalf of the Auditor General
 Wellington, New Zealand

AUDIT NEW ZEALAND
 Mana Arotake Aotearoa

NZ On Air

Statement of comprehensive revenue and expense

for the year ended 30 June 2015

	Note	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
<i>Revenue</i>				
Crown revenue		128,726	128,726	128,226
Other revenue	2	2,932	2,650	2,626
Recovery of previously expensed debts	3	-	-	1
Total revenue		131,658	131,376	130,853
<i>Operating expenditure</i>				
Administration services	4,5	3,416	3,400	3,365
Total operating expenditure		3,416	3,400	3,365
<i>Funding expenditure</i>				
Screen content				
National television	6	83,689	81,411	80,792
Regional television	7	1,138	1,500	1,239
Digital media	8	3,464	3,400	2,558
Sound content				
Public radio	9	31,816	31,816	31,816
Special interest radio	10	6,376	6,690	6,554
Music and other content	11	4,631	4,814	3,929
Total funding expenditure		131,114	129,631	126,888
Total expenditure		134,530	133,031	130,253
Net (deficit)/surplus for the year		(2,872)	(1,655)	600
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(2,872)	(1,655)	600

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



NZ On Air Statement of financial position

as at 30 June 2015

	Note	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
<i>Current assets</i>				
Cash and cash equivalents	12	2,309	1,168	5,882
Investments	13	41,500	41,326	37,000
Debtors and other receivables - interest		321	600	230
Debtors and other receivables - other	14	21	450	116
Total current assets		44,151	43,544	43,228
<i>Non-current assets</i>				
Property, plant and equipment	15	326	529	406
Intangible assets	16	30	31	48
Total non-current assets		356	560	454
Total assets		44,507	44,104	43,682
<i>Current liabilities</i>				
Trade and other payables	17	518	600	639
Employee entitlements	18	109	130	175
Funding liabilities	19	41,403	40,964	37,519
Total current liabilities		42,030	41,694	38,333
<i>Equity</i>				
Equity at 30 June		2,477	2,410	5,349
Total Equity		2,477	2,410	5,349
Total liabilities and equity		44,507	44,104	43,682

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

NZ On Air
Statement of changes in net assets/equity
 for the year ended 30 June 2015

	Note	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Balance at 1 July		5,349	4,065	4,749
Total comprehensive revenue and expense for the year		(2,872)	(1,655)	600
Balance at 30 June		2,477	2,410	5,349

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

NZ On Air
Statement of cash flows
 for the year ended 30 June 2015

	Note	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
<i>Cash flows from operating activities</i>				
Receipts from the Crown		128,390	128,726	128,226
Receipts from other revenue		819	700	609
Interest received		2,117	2,050	2,089
Payments to funded activities		(127,051)	(129,137)	(130,363)
Payments to suppliers and employees		(3,286)	(3,290)	(3,330)
Net GST		(31)	-	183
Net cash from operating activities	20	958	(3,001)	(2,586)
<i>Cash flows from investing activities</i>				
Net (payments to)/receipts from investments		(4,500)	-	6,000
Receipts from the sale of property, plant and equipment		-	-	-
Purchases of property, plant and equipment		(31)	(250)	(428)
Cash flows from investing activities		(4,531)	(250)	5,572
Net increase/(decrease) in cash and cash equivalents		(3,573)	(1,201)	2,986
Cash and cash equivalents at 1 July		5,882	2,369	2,896
Cash and cash equivalents at 30 June		2,309	1,168	5,882

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 2015

Reporting entity

The Broadcasting Commission (NZ On Air) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing NZ On Air's operations includes the Crown Entities Act 2004 and the Broadcasting Act 1989. NZ On Air's ultimate parent is the New Zealand Crown. These financial statements reflect the operations of NZ On Air only and do not incorporate any other entities.

NZ On Air's primary objective is to provide services to the New Zealand public. Our functions and responsibilities are set out in the Broadcasting Act 1989. The primary function is to serve audiences by investing in a wide range of New Zealand television, radio and online content. The purpose is to add a diversity of local content to the almost-limitless range of foreign options available. NZ On Air does not operate to make a financial return.

NZ On Air has designated itself as a public benefit entity (PBE) for financial reporting purposes. These financial statements are for the year ended 30 June 2015 and have been approved by the Board on 30 October 2015.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

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).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE accounting standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There are no material adjustments arising on transition to the new PBE accounting standards.

Presentation currency and rounding

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

Standards issued and not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. NZ On Air has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate the requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. NZ On Air will apply these updated standards in preparing its 30 June 2016 financial statements. NZ on Air expects there will be no change in applying these updated accounting standards.

Summary of significant accounting policies

Revenue

The specific accounting policies for significant revenue items are explained below:

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 Performance Expectations. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates. We consider there are no conditions attached to the funding and it is recognised at the point of entitlement.

Interest revenue

Interest revenue 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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held on call 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 revenue and expense.

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 revenue and expense.

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 revenue and expense 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.

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 the statement of comprehensive revenue and expense.

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 revenue and expense, any subsequent reversal of an impairment loss is recognised in the statement of comprehensive revenue and expense.

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

Provisions

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

- (a) The expenditure has been approved by the Board
- (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 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 the 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 Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, 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 2015:

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.

2. OTHER REVENUE

	Actual 2015 \$000	Actual 2014 \$000
Sales of television programmes and music	692	586
Interest revenue	2,208	2,001
Net gain on sale of property, plant and equipment	-	-
Other revenue	32	39
Total other revenue	2,932	2,626

3. RECOVERY OF PREVIOUSLY EXPENSED DEBTS

	Actual 2015 \$000	Actual 2014 \$000
Public broadcasting fee*	-	1
Total recovery of previously expensed debts	-	1

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

4. PERSONNEL COSTS

	Actual 2015 \$000	Actual 2014 \$000
Salary and wages	1,838	1,790
Kiwisaver employer contributions	87	65
Increase/(decrease) in employee entitlements	(2)	32
Total personnel costs	1,923	1,887



5. OTHER EXPENSES

	Actual 2015 \$000	Actual 2014 \$000
Legal, public relations and expert advice	288	392
Other costs	601	511
Travel and communication	129	91
Board members fees	120	135
Rent	176	180
Depreciation	111	99
Amortisation	18	17
Loss on Disposal	-	-
<i>Audit fees - Financial statement audit</i>	50	53
Total administration expenditure	1,493	1,478

6. NATIONAL TELEVISION FUNDING EXPENDITURE

	Actual 2015 Hours	Actual 2014 Hours	Actual 2015 \$000	Actual 2014 \$000
<i>Funding expenditure</i>				
Drama and comedy	115.5	71.5	28,004	23,027
Documentary	94	111.0	11,267	11,053
Children and young people	392.1	380.8	16,088	16,215
Arts, culture and performance	52.5	40.8	2,214	3,339
Special interest and captioning	145	162.5	11,258	12,864
Development	N/A	N/A	315	438
Platinum fund	116.5	110.0	15,180	14,970
Total television funding expenditure	915.6	876.5	84,326	81,906
<i>Less approved funds not utilised so written back</i>			(772)	(1,364)
<i>Plus impact of prior year approved funds recognised as expenditure in current year when substantive contractual conditions had been met</i>			135	250
<i>Less current year approved funds unable to be recognised as expenditure in current year until substantive contractual conditions have been met (excludes write backs)</i>			-	-
Total national television funding expenditure			83,689	80,792

7. REGIONAL TELEVISION FUNDING EXPENDITURE

	Actual 2015 \$000	Actual 2014 \$000
<i>Funding expenditure</i>		
Local news and information	1,143	1,262
Total regional television funding expenditure	1,143	1,262
<i>Less approved funds not utilised so written back</i>	(5)	(23)
Total regional television funding expenditure	1,138	1,239

8. DIGITAL MEDIA FUNDING EXPENDITURE

	Actual 2015 \$000	Actual 2014 \$000
<i>Funding expenditure</i>		
Digital - Digital Media Trust	1,400	1,130
Digital - Digital media (contestable)	2,035	1,474
Total digital media funding expenditure	3,435	2,604
<i>Less approved funds not utilised so written back</i>	-	(46)
<i>Plus impact of prior year approved funds recognised as expenditure in current year when substantive contractual conditions had been met</i>	29	-
<i>Less current year approved funds unable to recognised as expenditure in current year as substantive contractual conditions have not been met (excludes write backs)</i>	-	-
Total digital media funding expenditure	3,464	2,558

9. PUBLIC RADIO FUNDING EXPENDITURE

	Actual 2015 \$000	Actual 2014 \$000
<i>Funding expenditure</i>		
Radio New Zealand - RNZ National	27,131	27,131
Radio New Zealand - RNZ Concert	4,685	4,685
Total Radio New Zealand	31,816	31,816
Total public radio funding expenditures	31,816	31,816
Less approved funds not utilised so written back	-	-
Total public radio funding expenditure	31,816	31,816

10. SPECIAL INTEREST RADIO FUNDING EXPENDITURE

	Actual 2015 \$000	Actual 2014 \$000
<i>Funding expenditure</i>		
Access and special interest radio	2,440	2,473
Pacific radio	3,430	3,430
Commercial radio: Spoken content	540	658
Total special radio funding expenditure	6,410	6,561
Less approved funds not utilised so written back	(34)	(7)
Total special interest radio funding expenditure	6,376	6,554

11. MUSIC & OTHER CONTENT FUNDING EXPENDITURE

	Actual 2015 \$000	Actual 2014 \$000
<i>Funding expenditure</i>		
Music content	4,697	4,677
Resound - NZ classical music initiative (SOUNZ)	130	128
Total music funding expenditure	4,827	4,805
Less approved funds not utilised so written back	(196)	(876)
Total music funding expenditure	4,631	3,929

12. CASH AND CASH EQUIVALENTS

	Actual 2015 \$000	Actual 2014 \$000
Cash	67	90
Call and short term deposits	2,242	5,792
Total cash and cash equivalents	2,309	5,882

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

13. INVESTMENTS

	Actual 2015 \$000	Actual 2014 \$000
Term deposits	41,500	37,000
Total investments	41,500	37,000

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 2015 \$000	Actual 2014 \$000
Term deposits with maturities greater than 3 months and less than 6 months*	33,500	28,000
Term deposits with maturities of 6 months and over*	8,000	9,000
<i>weighted average effective interest rate</i>	4.24%	4.19%

*At 30 June 2015 average term is 136 days (30/6/14: 101 days)

Term deposit investments at 30 June 2015 are invested at fixed rates ranging from 4% - 4.4%. 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 2015 \$000	Actual 2014 \$000
Other receivables	21	116
Total debtors and other receivables - other	21	116

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



15. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment \$000	Furniture & fittings \$000	Office equipment \$000	Leasehold improvements \$000	Total \$000
Cost					
Balance at 1 July 2013	207	42	57	47	353
Additions	77	89	11	251	428
Disposals	(39)	(22)	(39)	-	(100)
Balance at 30 June 2014	245	109	29	298	681
Balance at 1 July 2014	245	109	29	298	681
Additions	31	-	-	-	31
Disposals	(6)	-	-	-	(6)
Balance at 30 June 2015	270	109	29	298	706
Accumulated depreciation and impairment losses					
Balance at 1 July 2013	173	39	52	11	275
Depreciation	36	14	4	45	99
Impairment losses	-	-	-	-	-
Eliminate on disposal	(38)	(23)	(38)	-	(99)
Balance at 30 June 2014	171	30	18	56	275
Balance at 1 July 2014	171	30	18	56	275
Depreciation	43	16	3	49	111
Impairment losses	-	-	-	-	-
Eliminate on disposal	(6)	-	-	-	(6)
Balance at 30 June 2015	208	46	21	105	380
Carrying value					
At 30 June & 1 July 2013	34	3	5	36	78
At 30 June & 1 July 2014	74	79	11	242	406
At 30 June 2015	62	63	8	193	326

*Additions to leasehold improvement represent WIP at 30 June 2013.

16. INTANGIBLE ASSETS

	2015 \$000	2014 \$000
Acquired computer software		
<i>Cost</i>		
Balance at 1 July	87	87
Additions	-	-
Disposals	-	-
Balance at 30 June	87	87
Accumulated amortisation and impairment losses		
Balance at 1 July	39	22
Amortisation	18	17
Eliminate on disposal	-	-
Balance at 30 June	57	39
<i>Carrying value</i>		
At 1 July	48	65
At 30 June	30	48

17. CREDITORS AND OTHER PAYABLES

	Actual 2015 \$000	Actual 2014 \$000
Revenue in advance	-	336
PAYE and withholding tax payable	-	46
GST payable	155	7
Accrued expenses	363	250
Total creditors and other payables	518	639

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 2015 \$000	Actual 2014 \$000
Accrued salaries and wages	-	63
Annual leave	109	112
Total employee entitlements	109	175

19. FUNDING LIABILITIES

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

- The expenditure has been formally approved
- The funding recipient has been advised
- There are no substantive contractual conditions for the funding recipient to fulfill
- 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 2015 \$000	Actual 2014 \$000
National television	36,805	33,277
Regional television	305	326
Digital media	1,521	935
Public radio	-	-
Special interest radio	211	81
Music & other content	2,561	2,900
Total funding liabilities	41,403	37,519

Movements for each class of funding liabilities are as follows:

	National Television \$000	Regional Television \$000	Web-only \$000	Public Radio \$000	Special interest Radio \$000	Music & other content \$000	Total \$000
Balance at 1 July 2014	33,277	326	935	-	81	2,900	37,519
Additional provisions made	84,461	1,143	3,464	31,816	6,410	4,827	132,121
Amounts used	(80,161)	(1,159)	(2,878)	(31,816)	(6,246)	(4,970)	(127,230)
Unused amounts reversed	(772)	(5)	-	-	(34)	(196)	(1,007)
Balance at 30 June 2015	36,805	305	1,521	-	211	2,561	41,403

20. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FROM OPERATING ACTIVITIES

	Actual 2015 \$000	Actual 2014 \$000
<i>Net surplus/(deficit) from operations</i>	(2,872)	600
<i>Add non-cash items:</i>		
Loss on disposal of assets	-	-
Depreciation/amortisation	129	117
Total non-cash items	129	117
<i>Add/(less) movements in working capital items:</i>		
Decrease/(increase) in accounts receivable	4	71
(Decrease)/increase in GST payable	148	(218)
(Decrease)/increase in accounts payable (incl. employee entitlements)	(335)	(82)
(Decrease)/Increase in funding liabilities	3,884	(3,074)
Net movement in working capital items	3,701	(3,303)
Net cash inflow/(outflow) from operating activities	958	(2,586)

21. CAPITAL COMMITMENTS AND OPERATING LEASES

	Actual 2015 \$000	Actual 2014 \$000
<i>Operating leases as lessee</i>		
Not later than one year	141	109
Later than one year and not later than two years	109	98
Later than two years and not later than five years	203	294
Total non-cancellable operating leases	453	501

There are no capital commitments as at 30 June 2015 (2014: Nil). Operating lease commitments reflects the Auckland office lease agreement and a 70% share of the Wellington office lease agreement. The Wellington office lease agreement is jointly signed with BSA. The balance of 30% is reflected in the BSA financial statements.

22. CONTINGENT LIABILITIES

At 30 June 2015 we have contingent liabilities totaling \$0.003m (2014: \$0.167m). These are the result of decisions made to fund certain projects. 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 \$128.390m (2014 \$128.226m) to provide services to the public for the year ended 30 June 2015.

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 2015 totalled \$0.123m (2014 \$0.103m). 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 2015 totalled \$37.739m (2014 \$40.603). These payments included payment to TVNZ, Radio NZ and National Pacific Radio Trust.

We also provide services to an entity controlled, significantly influenced, or jointly controlled by the Crown. Payments to the government-related entity for the year ended 30 June 2015 totalled \$0.032m (2014: \$0.036m). The services included financial services provided to Broadcasting Standards Authority.

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.

In 2014/15 we provided \$1.40m (2014: \$1.13m) to a charitable trust, the Digital Media Trust, to maintain and develop the website nzonscreen.com. The trust is governed by up to seven trustees. NZ On Air's chief executive Jane Wrightson is a trustee of the Digital Media Trust.

Key management personnel compensation

	Actual 2015 \$000	Actual 2014 \$000
Board Members Remuneration	120	135
Full-time equivalent members*	0.1	0.1
Leadership Team Remuneration	1,188	1,119
Full-time equivalent members	7	7
Total key management personnel compensation	1,308	1,254
Total full time equivalent personnel	7	7

NZ On Air Board meets 6 times per year, each meeting taking approximately 1 day. Individual pre meeting reading time is additional.

24. BOARD MEMBER REMUNERATION

The Board fees paid or payable during the year were:

	Actual 2015 \$000	Actual 2014 \$000
Miriam Dean – Chair (appointed April 2012)	40	40
Michael Glading (retired December 2013)	-	10
Stephen McElrea (reappointed December 2013)	19	19
Caren Rangi (reappointed April 2013)	19	19
Ross McRobie (reappointed June 2014)	19	19
Kim Wicksteed (appointed January 2013)	19	19
Donna Grant (resigned October 2014)	4	9
Total Board fees	120	135

Payment of \$6,313 was made to the independent member of the Audit and Risk Committee during the financial year. (2014:\$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 2015	Number of Employees 2014
\$100,000 - \$109,999	1	-
\$110,000 - \$119,999	2	2
\$130,000 - \$139,999	2	-
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	1	1
\$310,000 - \$319,999	-	1
\$330,000 - \$339,000	1	-

During the year ended 30 June 2015, no employees received benefits in relation to cessation (2014: Nil).



26. EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

27. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 29 categories are as follows:

	Actual 2015 \$000	Actual 2014 \$000
<i>Loans and receivables</i>		
Cash and cash equivalents	2,309	5,882
Debtors and other receivables	343	346
Investments – term deposits	41,500	37,000
Total loans and receivables	44,152	43,228
<i>Financial liabilities measured at amortised cost</i>		
Creditors and other payables	42,030	38,333
Total financial liabilities measured at amortised cost	42,030	38,333

28. NON-CONSOLIDATION OF THE DIGITAL MEDIA TRUST

Digital Media Trust

The Digital Media Trust (The Trust), a charitable trust, was established on 7 September 2012 for the purpose of establishing and operating websites and governing the NZ On Screen and AudioCulture Websites.

The Trust’s status as 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, is in the process of being assessed by the Office of the Auditor-General. While the Trust is independent and free to solicit funding from any source, its current funding is 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.

No decision has yet been made about the status of the Trust as a controlled entity and the operations of the Trust have not been consolidated within the results of NZ On Air. However, to address the possibility that the Trust is deemed a controlled entity the following are the unaudited results for the year ended 30 June 2015;

The Trust had total revenue of \$1.406m (2014: \$1.196m) and total expenditure of \$1.384m (2014: \$1.233m). As at 30 June 2015 the Trust had total assets of \$0.089m (2014: \$0.162m) and total liabilities of \$0.048m (2014: \$0.074m).

As at 30 June 2015 the results of the Trust are not material for the purposes of NZ On Air’s financial statements.

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 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 2015, 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 \$216,727 higher/lower (2014: \$213,960).

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 2015. (2014: nil)

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.

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 2015/16 Crown funding in equal installments on the first working day of each month from July 2015 to June 2016. In addition, at 30 June 2015 we hold call and term deposits that will mature within the financial year totalling \$43.742m (2014: \$42.792m).

We have funding liabilities of \$41.403m at 30 June (2014: \$37.519m). We expect these to be paid by 30 June 2016. Most of these payments will be made on the achievement of milestones or activities whose timing is not specified rather than on contractual dates.

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 revenue and expense

	Actual 2015 \$000	Budget 2015 \$000	Difference \$000	Explanation of significant variances
Revenue	131,658	131,376	282	<i>Sales Revenue (+ \$0.106m):</i> Due to its variability we do not forecast sales revenue in the SPE. <i>Interest Revenue (+0.207m):</i> Due to actual interest rate higher than forecast
Funding expenditure	131,114	129,631	1,483	Variance related to: <ul style="list-style-type: none"> ▪ <i>Television Funding (+\$2.278m).</i> ▪ <i>Regional Television Funding (-\$1,362m).</i> ▪ <i>Special Interest Radio (-\$0.314m)</i> ▪ <i>Music Funding (-\$0.183m).</i> Prior year funded projects not proceeding so written back.
Admin expenditure	3,416	3,400	16	
Total comprehensive income	(2,872)	(1,655)	(1,217)	

Statement of financial position

	Actual 2015 \$000	Budget 2015 \$000	Difference \$000	Explanation of significant variances
Total assets	44,507	44,104	403	<i>Cash and Investments (+\$1.315m):</i> Funding expenditure lower than budget. <i>Debtors and Receivables (-\$0.708m):</i> Lower accrued interest at year end and better collection rates. <i>Property, plant and equipment (-\$0.204m):</i>
Total liabilities	42,030	41,694	336	<i>Funding Liabilities (+\$0.336m):</i> Contract payment dates occurring slightly late of forecast.
<i>Equity:</i>				
Opening	5,349	4,065	1,284	<i>Actual opening balance of equity greater than forecast (\$1.284m) due to prior year surplus.</i> The forecast was completed in April 2014, before the end of the 2013/14 financial year.
Movement	(2,872)	(1,655)	(1,217)	
Closing	2,477	2,410	67	Variance in the movement in equity is due to the additional planned expenditure. The 2014/15 equity balance will be used to fund the forecast 2015/16 SPE budget deficit of \$2.238m.

Statement of Service performance for the year ended 30 June 2015

The statements in this section provide the detailed results against targets, budgets and performance measures for the year ended 30 June 2015 as set out in our Statement of Performance Expectations for the year ending 30 June 2015. There is one output split into two activities: screen content (television and digital media) and sound content (radio and music).

Summary of Revenue Received	2014/15 Actual \$'000	2014/15 Budget (SPE) \$'000	2013/14 Actual \$'000
Crown revenue	128,726	128,726	128,226
Interest revenue	2,208	2,100	2,001
Other revenue	724	550	626
Total Revenue	131,658	131,376	130,853
Funding commitments	131,114	129,631	126,888
Administration expenditure	3,416	3,400	3,365
Total Expenditure	134,530	133,031	130,253

ACTIVITY 1: SCREEN CONTENT

Activity objective

Invest in diverse, relevant content; maximise available funding through skilful investment and collaboration opportunities; explore and maximise digital opportunities.

Commentary on screen funding results

Performance is positive and generally met expectations. Funded prime time television programmes continue to attract comparatively large audiences for the cultural sector. 36 programmes achieved audiences in excess of 200,000 viewers (not including on demand views) and one achieved 600,000. Documentary and factual programmes continue to be consistently among the strongest performers.

Key performance measures - screen	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
The majority of New Zealanders believe NZ On Air supports television programmes and activities important to New Zealanders.	73%	75%	75%	78%
At least half of general contestable fund expenditure is for prime time (6pm-10pm) programmes.	64%	50%	54%	55%
The average number of New Zealanders watching funded television programmes that are broadcast during prime time on Type One channels	325,300	300,000	*	*
Every week at least half of all New Zealanders are reached by the broadcast of funded television programmes	46%	55%	*	*
Increase investment in online content and platforms as NZ audiences grow	2.6%	3.0%	2.0%	1.8%

* New measure



Detailed measures

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

	Hours				\$'000			
	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
<i>General contestable fund</i>								
Drama/Comedy	114	85.5	71.5	101.5	27,894	26,239	23,027	27,171
Documentary/Factual	69	66	90	94.9	8,448	7,500	8,979	9,187
Children & Young People	379.6	361.2	368.5	447.6	15,063	14,142	15,190	14,377
Māori Programmes ¹	39	35.5	45	-	4,009	4,000	4,509	-
Arts/Culture/Identity	52.5	31	29	44.5	2,214	1,850	1,982	2,736
Minorities	126	139.5	143.5	143.0	6,677	7,959	8,121	7,508
Disability services	19	18.5	19	19.5	4,526	4,300	4,690	4,848
Development	-	-	-	-	315	310	438	247
Total general fund	799.1	737.2	766.5	851.0	69,146	66,300	66,936	66,074
<i>Platinum fund</i>								
Drama	6	8	8	9	6,419	8,800	8,858	7,898
Documentary	110.5	98	101	102	8,761	5,231	5,901	6,920
Current Affairs	-	-	-	-	-	-	-	-
Arts/Culture/Identity	-	6	1	0	0	1,080	211	0
Total Platinum fund	116.5	112	110	111	15,180	15,111	14,970	14,818
Total national television	915.6	849.2	876.5	962	84,326	81,411	81,906	80,892
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	(637)	-	(1,114)	32
Total national television	915.6	849.2	876.5	962	83,689	81,411	80,792	80,924

1 A separate Māori programmes category was first introduced in the 2013/14 financial year.

Regional television

	Hours				\$'000			
	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Local news and information	703 ²	800	844	993	1,143 ²	1,500	1,262	1,720
Total regional television	703	800	844	993	1,143	1,500	1,262	1,720

Digital media

	Quantity				\$'000			
	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Contestable digital media fund	9	12	15	8	865		949	470
Digital platforms	2	2	1	2	1,400	3,400	1,130	1,130
General	7	2	5	-	1,170		525	-
Total	18	16	21	10	3,435	3,400	2,604	1,600
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	29	-	(46)	725
Total Digital media	18	16	21	10	3,464	3,400	2,558	2,325

ACTIVITY 2: SOUND CONTENT

Activity objective: invest in diverse, relevant content; maximise available funding through skilful investment and collaboration opportunities; explore and maximise digital opportunities.

Key performance measures - Sound

	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
The majority of New Zealanders believe NZ On Air supports local content for radio important to New Zealanders	68%	72%	68%	74%
NZ music content on radio and music television is at least 20%	17.16%	20%	17.47%	17.43%
<i>(target % of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code)</i>				
Achieve an increasing % of NZ music on alternative radio	42.42%	38.75%	38.99%	38.14%

² Three funded programmes ceased production during the year.

Radio New Zealand: Qualitative measures

<i>Of New Zealanders independently surveyed, maintain the percentage of:</i>	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
The general public that agrees Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders.	85%	88%	85%	87%
Radio New Zealand National listeners who are very satisfied or quite satisfied with quality of Radio New Zealand National programming.	88%	88%	84%	90%
Listeners who agree Radio New Zealand National provides in-depth news and current affairs about New Zealand.	95%	93%	95%	93%
Radio New Zealand Concert listeners who are very satisfied or quite satisfied with quality of Radio New Zealand Concert programming.	80%	75%	77%	74%
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.	1	<3	1	1



Public radio

Radio New Zealand: Qualitative measures

<i>Ensure Radio New Zealand provides programme types specified in the Broadcasting Act 1989:</i>		2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
RNZ National	Māori Language and Culture (Hours)	389	350	364	350
	Special Interest (Hours)	484	400	472	400
	NZ Drama, Fiction and Comedy (Hours)	279	250	302	250
	% of NZ music on rotate	34.7%	33%	34%	33%
	% of population able to receive transmission	97%	97%	97%	97%
RNZ Concert	% of NZ composition	4.4%	3.5%	4.3%	3.5%
	% of NZ music performance	16.4%	16.0%	17.0%	16.0%
	% of population able to receive transmission	92%	92%	92%	92%
Total Radio New Zealand funding provided (\$'000)		31,816	31,816	31,816	31,816

Community radio

		Hours				\$'000			
		2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Access and special interest radio		25,274	24,000	24,673	26,160	2,440		2,473	2,394
Pacific Radio	Samoa Capital Radio	2,090			1,976	180		180	180
	Niu FM and 531pi	17,447	15,000	15,468	8,672		6,050		
	Total broadcast hours					3,250		3,250	3,465
	Incl. hours of programming in at least 9 Pacific languages	>4,160			3,952				
Total community radio		44,811	39,000	40,141	40,760	5,870	6,050	5,903	6,039

Commercial and alternative radio

		Hours				\$'000			
		2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
<i>Spoken content</i>									
Children and young people		156	264	265	212	337	375	396	261
Spiritual		62	60	60	84	118	115	117	114
Ethnic/special interest		4 ³	104	104	104	0	75	70	73
Māori issues (English language)		96	96	96	96	75	75	75	75
Total spoken content		321	524	525	496	539	640	658	523

New Zealand music

		Quantity				\$'000			
		2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
<i>Music funding⁴</i>									
Commercial projects funded		133	At least 120	139	133	2,054	2,040	2,028	2,044
Alternative projects funded		106	At least 80	99	114				
<i>Music promotion</i>									
Content promoting NZ music - sound		59	58	21	22	1,415	1,400	1,455	1,487
Content promoting NZ music - screen		3	3	2	2	250	350	350	350
Other promotion and digital media		2	-	-	3	1,108	1,024	844	1,304
Net effect of write-backs and accounting adjustments for timing differences		-	-	-	-	-	-	-	(71)
Total music		303	261	261	274	4,827	4,814	4,677	5,114

3 Plus 104 hrs of *The Nutters Club* funded in previous year.

4 Projects funded are a video or a song plus a video. We cannot separately forecast which type of application will be received.



EFFECTIVENESS INDICATORS

The table below sets out over-arching effectiveness indicators. These consider the wider contribution of local content diversity to the cultural and social fabric of New Zealand. In all the tables below, * indicates a new measure for 2014/15.

Effectiveness indicator: Cultural Impact

SOI strategies:

- Better understand our intended audiences needs
- Seek more mileage for music

<i>Impact</i>	<i>Impact measure</i>	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Intended audiences are generally satisfied with our investments	<i>The majority of New Zealanders believe NZ On Air supports content important to New Zealanders:</i>				
	Television programmes	73%	75%	75%	78%
	Radio programmes	68%	72%	68%	74%
	Audience response to funded television projects is tracked to measure reach				
		100%	100%	*	*
	<i>Making Tracks funded songs will achieve a targeted average number of plays on:⁵</i>				
	Radio	256	750	*	*
Music TV	30	150	*	*	
Online	47,975	50,000	*	*	

5 While the average number of plays on radio (and TV) appears significantly smaller than the number online, these plays have a significantly greater reach in that up to 400,000 people may be listening in any given week.

Effectiveness indicator: Cultural Impact
SOI strategy:

Maintain a balance of varied mainstream and special interest content

<i>Impact</i>	<i>Impact measure</i>	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Well-balanced mainstream and special interest content	At least half of television contestable fund expenditure is for prime time content. ⁶	64%	50%	54%	55%
	<i>This overall measure is a combination of the following genre targets:</i>				
	<i>Genre targets for prime time Contestable Fund screening are:</i>				
	Drama/Comedy	99%	95%	95%	92%
	Documentary/Factual	100%	100%	100%	99%
	Children & Young People	0%	9%	0%	7%
	Māori Programmes	73%	72%	50%	-
	Arts/Culture/Identity	87%	52%	66%	79%
	Minorities	0%	0%	0%	0%
	Disability	0%	0%	0%	0%
	<i>Genre targets for prime time Platinum Fund screening are:</i>				
	Drama	100%	100%	100%	100%
	Documentary/Current Affairs	80%	67%	100%	100%
	Arts/Culture/Identity	-	100%	100%	100%
	At least one special interest audience is surveyed every two years to establish target audience satisfaction with funded content	Achieved	Achieve	-	-
	Funded music is balanced between mainstream/ alternative audience appeal	56/44	60/40	58/42	54/46
	<i>For MakingTracks projects designated Commercial:</i>				
% of songs that achieve a Radio Scope NZ40 Airplay Chart peak ⁷	14%	65%	27%	64%	
% of music videos that achieve a Radio Scope Top 40 Music Television Chart peak	32%	25%	20%	58%	
<i>For MakingTracks projects designated Alternative:</i>					
% of songs that achieve a Radio Scope Alt40 Airplay Chart peak ⁸	50%	60%	23%	48%	
% of music videos that achieve a Radio Scope Top 40 Music Television Chart peak	0%	20%	7%	33%	

6 Prime time targets reflect anticipated outcomes.

7 Local content on commercial radio is down. As a result, fewer MakingTracks songs are achieving an NZ40 Airplay Chart peak.

8 There are significantly fewer opportunities for Alternative music videos to play on music television since the demise of C4 and Juice TV.



Effectiveness indicator: Cultural Impact

SOI strategy:

Foster greater collaboration in community radio

<i>Impact</i>	<i>Impact measure</i>	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Well-balanced mainstream and special interest content	Funded special interest radio broadcast programmes in at least 40 different languages including at least 9 of Pacific origin	Achieved	Achieve	*	*
	Maintain an active programme of community broadcasting collaboration discussions	Achieved	Achieve	*	*

SOI strategy:

Test different and diverse digital initiatives

Investment reflects changing audience behaviour	Expand the range of RFP's for digital media	Achieved	Achieve	*	*
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Effectiveness indicator: Economic Value

SOI strategy:

Be a respected source of information and expertise

<i>Impact</i>	<i>Impact measure</i>	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Useful data informs both investment decisions and industry knowledge	Published analytical reports inform stakeholders about marketplace activity	Achieved	Achieve	*	*

Effectiveness indicator: Industry Health

SOI strategy:

Industry trends are tracked

<i>Impact</i>	<i>Impact measure</i>	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
There is sufficient potential content partners	Demand for funding exceeds supply in that the number of applications received exceeds the funding available.				
	<i>% of successful applications for:</i>				
	Television ⁹	73%	75%	*	*
	Music	19%	20%	*	*
Commercial television broadcasters fully fund a proportion of local content	Digital	9%	10%	*	*
	First run free-to-air hours not funded by NZ On Air as a % of all local content. <i>(Calendar year: excludes publicly-funded Māori Television)</i>	77%	At least 75%	*	*

9 The percentage of successful television applications is highest due to the 'gatekeeper' role undertaken by broadcasters. NZ On Air will only consider television proposals that have secured a provisional broadcaster presale (to ensure funded content is actually broadcast). A much larger number of programme proposals do not pass this first step.

ANNUAL SERVICE MANAGEMENT INDICATORS

We minimise overhead to maximise content investment, so being efficient is crucial. We also make decisions using nine consistent investment principles (set out in the SOI). Our measures are summarised in the tables below.

Efficiency Goal: We make the right decisions using good processes

SOI strategy:

Ensure a sound business case supports each funding decision

Relevant Investment Principle (see Statement of Intent)	Impact measure	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Cultural value Content balance Competition Value for money No duplication Leverage/Risk	Investment processes are objective, based on current policy, and include a robust assessment of the application	100%	100%	100%	*
Fairness	Investment decision or process with a significant adverse judicial review or Ombudsman finding	0	0	0	0

Efficiency Goal: Content investments are delivered to broadcast quality

Partner capability Risk	Almost all completed projects are broadcast or uploaded within 12 months of formal delivery <i>(previously a 15 month target)</i>	99%	99%	99%	100%
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Efficiency Goal: Our funding processes serve industry clients efficiently and well

Fairness	% of complete applications received by deadline that are determined at the next funding round	100%	100%	100%	100%
Value for money	% of funding decisions notified to applicants within 5 working days of decision	100%	100%	100%	*
	% of funding contracts correctly issued within 15 working days once conditions precedent are met	100%	100%	100%	*
	% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	100%	100%	100%	*

Efficiency Goal: We keep administration costs low to maximise available investment funds

Cultural value Value for money	Administration costs are a low % of total revenue	2.6%	<3%	2.6%	2.4%
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ANNUAL ORGANISATIONAL HEALTH AND CAPABILITY INDICATORS

We are a small entity of 18 staff and rely on our staff being skilled, multi-functional and adaptable. We have formal good employer and personnel policies and a commitment to equal employment opportunities. We measure ourselves against the key elements of the Human Rights Commission’s Good Employer framework. This includes regular staff and management meetings, annual performance assessments, consideration of professional development needs and flexible work practices where appropriate.

Workplace gender profile: 33% Male and 67% Female. Workplace ethnicity profile: Maori 11%, Asian 11% and NZ European 78%. Workforce age profile: Our staff range in age from 23 to 65 years.

Specific goals and measures are summarised in the table below.

To see our over-arching sector outcomes framework, against which we developed our activities, refer to Page 81 in Part 4: Statement of performance expectations.

Goal	Measure	2014/15 Actual	2014/15 Target	2013/14 Actual	2012/13 Actual
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is no more than three people per annum	Achieved	Achieve	Achieved	Achieved
	Individual staff training needs assessed annually	Achieved	Achieve	Achieved	Achieved
	External salary comparisons conducted regularly to ensure staff are paid fairly	Next review scheduled for 15-16	Achieve	Some positions assessed	Conducted biannually (last done 2011/12)
Ensure staff are committed to the agency and its work	Staff engagement surveys conducted at least bi-annually; results target to be in the top quartile of the cultural sector	Survey conducted May 2015	Achieve	Biannually	Achieved
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards attended to promptly, significant hazards attended to immediately	Achieved	Achieve	Achieved	Achieved
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if instances are reported	Achieved. No instances.	Achieve	Achieved	Achieved
	Each new employee has an ergonomically suitable workspace within one week of beginning work	Achieved	Achieve	Achieved	Achieved
Incorporate equal employment opportunity principles in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size	EEO Principles included in all relevant documents and practices	Achieved	Achieve	Achieved	Achieved
	A workforce diversity summary is included in the Annual Report	Achieved	Achieve	Achieved	*
As vacancies arise in each agency, options are considered for improving capability that might result from the new co-location of three media agencies	NZ On Air will endeavour to consult NZFC and BSA as vacancies arise	100%	100%	*	*



part 3

Funding details for the year 2014/15

Television

Hours of funded television by genre

	2015*	2014*	2013*	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
Drama/Comedy	121.5	79.5	110.5	94.5	121.5	105	102	92	103	89	103	108	108
Documentary/Information	119.5	130	112.9	139.5	133	216	99	123	104	131	107	109	109
Children/Young People	392.1	380.8	447.6	469.4	468	410	445	401	490	497	395	436	436
Special Interest/Other	282.5	286.2	291	262.3	261.5	201	181	188	212	253	419	298	298
Total	915.6	876.5	962	965.7	984	932	827	804	909	1,024	1,100	951	951

* Includes Platinum Fund investments

TV funding percentages by broadcaster

	Audience Share [^]	2015*	2014*	2013*	2012*	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
		%	%	%	%	%	%	%	%	%	%	%	%	%
By Broadcaster														
TVNZ	37.7	67	72	58	64	58	55	58	65	60	65	74	75	80
MediaWorks	14	20	13	32	29	36	39	32	29	33	30	26	25	20
Prime	4.3	10	11	7	3	3	2	2	1	2	3	-	-	-
Māori TV	0.6	3	4	3	4	3	4	7	4	4	1	-	-	-
Regional channels [±]	-	-	-	-	-	-	-	1	1	1	1	-	-	-
		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

TV funding percentages by producer

Independents	90.2	88.8	85.4	87.7	86.8	85.4	85.8	89	87	84.8	91	88	85
TVNZ	3	6.3	7.7	9.6	7.6	11.9	13.8	10.8	12.7	15	9	11	15
MediaWorks	6.6	4.3	6.2	2.7	5.4	2	0.1	0.2	0.2	0.2	0	1	0
Prime	-	-	-	-	-	-	-	-	-	-	-	-	-
Māori TV	0.2	0.6	0.7	-	0.2	0.7	0.3	-	0.1	-	-	-	-
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Includes Platinum Fund investments (excludes Captioning/Audio Description and Development)

[±] Regional channels funded from Community Broadcasting from 2010

[^] Average 5+ Share 02:00 - 25:59, 1/7/14 to 30/6/15. Source The Nielsen Company

Top 20 NZ On Air funded TV programmes

#	Title	Channel	AUD 5+
1	Hyundai Country Calendar	TVONE	598,820
2	Gloriavale A World Apart	TV2	552,042
3	Our Big Blue Backyard	TVONE	546,807
4	Keeping Up With The Kaimanawas	TVONE	529,002
5	Topp Country	TVONE	496,376
6	Erebus Operation Overdue	TVONE	492,273
7	Radar Across The Pacific	TVONE	467,800
8	Global Radar	TVONE	442,517
9	I Am Innocent	TVONE	423,349
10	The Kick	TVONE	412,289
11	Global Radar (R)	TVONE	409,215
12	Nigel Latta Blows Stuff Up	TVONE	401,562
13	The Day That Changed My Life	TVONE	392,691
14	Nigel Latta	TVONE	390,811
15	Along For The Ride	TVONE	381,549
16	House Hunt	TVONE	350,643
17	Lost & Found	TV3	345,220
18	On Thin Ice Nigel Latta In Antarctica	TVONE	341,017
19	The X Factor	TV3	333,511
20	Descent From Disaster	TVONE	330,534

Source: The Nielsen Company

* Average hours per week, including repeat broadcasts

Funded TV captions and audio description

Year	NZ On Air Annual Funding	Weekly Captioning Hours Produced	Weekly Captioned Hours Broadcast*	Weekly Audio Description Hours Broadcast
2009/10	\$1,900,000	104	246	-
2010/11	\$2,271,110	109	245	13
2011/12	\$2,491,053	113	235	22
2012/13	\$2,610,148	113	252	23
2013/14^	\$2,800,000	105	259	28
2014/15	\$2,400,000	116	265	32

* Service transitioned from TVNZ Access Services to ABLE in Nov 2013

Television Funding

Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
TV Development	Comedy	<i>In Her Prime</i>	TV One	Brown Sugar Apple Grunt Productions		13,800.00
		<i>Karen And Mike's Police Programme</i>	TV One	Two Canoes		15,000.00
		<i>New Zoo Land</i>	TV One	Filthy Productions		10,000.00
	Documentary	<i>Artefact</i>	Māori Television	Greenstone TV		10,000.00
		<i>Banged Up</i>	TV3	Razor Films		15,000.00
		<i>Pike River: The Long Wait</i>	Prime	Screentime New Zealand		5,000.00
	Drama	<i>Bombshell</i>	TV One	Screentime New Zealand		15,000.00
		<i>Dirty Laundry</i>	TV One	Filthy Productions		35,000.00
		<i>Home Sweet Home Detention</i>	TV One	South Pacific Pictures		43,230.53
		<i>Horse Called Kiwi (stage 2)</i>	TV One	Rogue Productions		10,000.00
		<i>Jean - Garbo Of The Skies</i>	TV One	Lippy Pictures		15,000.00
		<i>Miss New Zealand</i>	TV One	The Gibson Group		47,600.00
		<i>Otara Millionaire</i>	TV One	Black Inc Media		10,000.00
		<i>Soon</i>	TV One	Jump Film and Television		15,000.00
		<i>War Stories</i>	TV One	Making Movies		20,000.00
<i>Westside 2</i>	TV3	South Pacific Pictures		20,000.00		
Total TV Development						299,630.53
TV Production — Platinum Fund	Documentary	<i>Coast New Zealand</i>	TV One	Great Southern Television	6.0	1,748,576.00
		<i>Decades In Colour</i>	Prime	Greenstone TV	3.0	580,060.00
		<i>Descent From Disaster - Gallipoli Special</i>	TV One	Screentime New Zealand	1.0	224,785.00
		<i>Making New Zealand - Mining And Drilling</i>	Prime	Top Shelf Productions	1.0	184,845.00
		<i>Our Big Blue Backyard 2</i>	TV One	NHNZ	6.0	2,066,927.00
		<i>The Monster Of Mangatiti</i>	TV One	Screentime New Zealand	1.5	897,101.00
		<i>The New Zealand Home</i>	TV One	Eyeworks NZ	7.0	746,889.00
	Total			25.5	6,449,183.00	
Drama	<i>Hillary</i>	TV One	Great Southern Television	6.0	6,418,835.00	
Total			6.0	6,418,835.00		



Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
	News / Current Affairs	<i>3D Investigates</i>	TV3	MediaWorks TV	5.0	567,420.00
		<i>Q + A 2015</i>	TV One	TVNZ	40.0	845,356.00
		<i>The Nation 2015</i>	TV3	MediaWorks TV	40.0	899,260.00
		Total			85.0	2,312,036.00
Total Platinum Fund					116.5	15,180,054.00
TV Production — General Fund	Arts/Culture	<i>Anzac 2015</i>	Māori Television	Māori Television	2.0	140,000.00
		<i>Anzac 2015: Dawn Service & Commemorative Service</i>	TV One	TVNZ	2.5	141,340.00
		<i>Rock Chicks (additional)</i>	Prime	Kingfisher Films	0.5	51,598.00
		<i>The Dragon Story (additional)</i>	Prime	Notable Pictures	0.5	25,000.00
		<i>Twain's Tour</i>	TV One	Jam TV	4.0	890,556.00
		<i>Vodafone NZ Music Awards 2014</i>	FOUR	MediaWorks TV	2.0	165,938.00
		<i>X Factor NZ 2</i>	TV3	MediaWorks TV	41.0	800,000.00
		Total			52.5	2,214,432.00
	Children	<i>Little Monstar 2</i>	TV 2	Tiki Tour (2010)	1.7	394,980.00
		<i>Smokefree Rockquest 2015</i>	FOUR	Commotion	3.0	319,050.00
		<i>Sticky TV 2015</i>	FOUR	Pickled Possum Productions	154.0	2,364,627.00
		<i>The 4.30 Show 2015</i>	TV 2	Whitebait Productions	100.0	3,080,400.00
		<i>The Barefoot Bandits</i>	TV 2	Mukpuddy Animation	5.0	827,670.00
		<i>The Moe Show 2</i>	FOUR	Pop-Up Workshop	9.5	1,974,926.00
		<i>What Now 2015</i>	TV 2	Whitebait Productions	80.0	3,189,000.00
		<i>Wiki The Kiwi 3</i>	TV 2	Wiki the Kiwi	1.4	339,670.00
		Total			354.6	12,490,323.00
	Children's Drama	<i>The Cul De Sac (incl devt funding)</i>	TV 2	Greenstone TV	3.0	1,139,942.00
		Total			3.0	1,139,942.00
	Youth	<i>2Kaha 2015</i>	TV 2	Whitebait Productions	12.5	1,025,000.00
		<i>Fresh 2015</i>	TV 2	Tikilounge Productions	12.5	1,143,890.00
		<i>University Challenge</i>	Prime	Cue Productions	9.5	303,918.00
		Total			34.5	2,472,808.00

Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
	Comedy	<i>7 Days 2015</i>	TV3	MediaWorks TV	16.0	947,692.00
		<i>Best Bits 3</i>	TV One	The Downlowconcept	6.5	357,502.00
		<i>Chopper's Republic Of Anzakistan</i>	TV3	Hikoi NZ	3.0	90,080.00
		<i>Comedy Gala 2015</i>	TV3	MediaWorks TV	2.0	121,477.00
		<i>Funny Girls</i>	TV3	MediaWorks TV	3.0	278,997.00
		<i>Jono And Ben 2015</i>	TV3	MediaWorks TV	26.0	1,611,390.00
		<i>Word Up</i>	TV One	South Pacific Pictures	6.5	337,265.00
		Total			63.0	3,744,403.00
	Documentary	<i>Beyond The Bullies</i>	Prime	Te Amokura Productions	1.0	177,000.00
		<i>Bogans</i>	TV 2	Workhouse	5.0	321,902.00
		<i>Country Calendar 2015</i>	TV One	TVNZ	15.0	425,036.00
		<i>Deer Devils</i>	Prime	Iguana Films	1.0	154,980.00
		<i>Forensics: The Science Behind The Truth</i>	Prime	South Pacific Pictures	6.0	1,019,124.00
		<i>Great War Stories (additional)</i>	TV3	A C Productions	0.0	30,000.00
		<i>House Hunt</i>	TV One	Imagination Television	5.0	686,799.00
		<i>I Am Innocent 2</i>	TV One	Screentime New Zealand	8.0	964,819.00
		<i>Kanikani</i>	Māori Television	Rogue Productions	3.0	279,183.00
		<i>Keeping Up With The Kaimanawas (additional)</i>	TV One	Bravo Communications	0.0	30,250.00
		<i>Kiingitanga - The Untold Story</i>	Māori Television	Enter The Dragon	3.0	574,540.00
		<i>Nigel Latta Blows Stuff Up (additional)</i>	TV One	Razor Films	0.0	45,500.00
		<i>Peak Antibiotics</i>	Prime	Octopus Pictures	1.0	149,675.00
		<i>Songs From The Inside 3</i>	Māori Television	Awa Films	5.5	285,000.00
		<i>Te Radar's Chequered Past (reformatted)</i>	TV One	Zeitgeist Productions	0.0	445,240.00
		<i>Te Taki A Merata Mita</i>	Māori Television	Arama Pictures	2.0	99,999.00
		<i>The Art Of Recovery</i>	TV One	New City Films	1.0	183,042.50
		<i>The Big Ward</i>	TV 2	Greenstone TV	5.0	433,996.00
		<i>The Crayfishers</i>	Prime	Great Southern Television	5.0	647,200.00
		<i>The DNA Detectives</i>	TV One	Jam TV	6.0	1,045,671.00
		<i>The Gloriavale Project - Part 2</i>	TV 2	Pacific Screen	1.0	170,000.00
		<i>The Hard Stuff With Nigel Latta 2</i>	TV One	Razor Films	8.0	1,361,790.00
		<i>The Price Of Peace (additional)</i>	Māori Television	Conbrio Media	0.5	10,000.00



Contract Type	Genre	Description	Broadcaster	Producer	Hours	NZ On Air Funding
		<i>Till Death Do Us Part</i>	TV3	Pan Pacific Films	1.0	195,000.00
		<i>Topp Country 2</i>	TV One	Diva Productions	5.0	685,095.00
		<i>Waka Warriors</i>	Māori Television	Zoomslide Media	5.0	746,430.00
		<i>We Kill</i>	Online Platform	White Balance Pictures	1.0	99,999.00
		Total			94.0	11,267,270.50
	Drama	<i>Born To Dance</i>	Māori Television	Sector 7 Productions	1.5	110,000.00
		<i>Filthy Rich</i>	TV 2	Filthy Productions	20.0	8,125,000.00
		<i>Pork Pie</i>	Prime	Four Knights Film	2.0	150,000.00
		<i>Step Dave 2</i>	TV 2	South Pacific Pictures	13.0	6,820,420.00
		<i>The Brokenwood Mysteries 2</i>	Prime	South Pacific Pictures	8.0	4,036,000.00
		<i>The Guinea Pig Club</i>	TV One	Crimbil Equities	2.0	199,500.00
		<i>Westside</i>	TV3	South Pacific Pictures	6.0	4,818,254.00
		Total			52.5	24,259,174.00
	Special Interest	<i>Arranged</i>	TV3	Notable Pictures	6.0	499,354.00
		<i>Back Benches 2015</i>	Prime	TVNZ	20.0	606,036.00
		<i>Both Worlds 4</i>	TV3	Notable Pictures	5.0	389,499.00
		<i>Media Take 2</i>	Māori Television	Top Shelf Productions	10.0	482,193.00
		<i>Neighbourhood 2015</i>	TV One	Satellite Media Group	17.5	1,395,776.00
		<i>Praise Be 2015</i>	TV One	TVNZ	20.0	455,505.00
		<i>Pukana Subtitles 2015</i>	FOUR	Cinco Cine Film Productions	0.0	54,901.00
		<i>Rural Delivery 2015</i>	TV One	Showdown Productions	20.0	1,100,000.00
		<i>Tagata Pasifika 2015</i>	TV One	Sunpix	26.5	1,641,392.00
		<i>Young Farmer Contest 2015</i>	TV One	Dexterity Productions	1.0	107,767.00
		Total			126.0	6,732,423.00
	Disability Services	<i>Attitude 2015</i>	TV One	Attitude Pictures	17.0	1,787,300.00
		<i>Attitude Awards 2015</i>	TV One	Attitude Pictures	1.0	162,200.00
		<i>The Dream Team - An Attitude Special</i>	TV One	Attitude Pictures	1.0	176,500.00
		TV Captioning & Audio Description 2014/15	Various	Media Access Charitable Trust (ABLE)	-	2,400,000.00
		Total			19	4,526,000.00
Total General Fund					799.1	68,846,775.50

Regional TV Programmes

Programme Name	Broadcaster	Producer	Hours	NZ On Air Funding
39 Dunedin News and Southern Newsweek 2014/15	39 Dunedin Television	Allied Press	144.00	175,000
Central News 2014/15	TV Central	Kaimai Family Television Network Trust	120.00	175,000
Channel North News 2014/15	Channel North TV	Northland TV Charitable Trust	53.75	90,000
Chatroom 2014/15	Television Hawkes Bay	Television Hawkes Bay	69.00	90,000
City News 2014/15	TV Rotorua	Rotorua Television Trust	120.00	115,000
CTV News 2014/15	CTV - Channel 40	Canterbury Television	125.00	240,000
Haukainga - Te Hiku Issues 2014/15	Te Hiku TV	Te Reo Irirangi o Te Hiku O Te Ika (Incorporated)	22.50	40,000
Mainland TV - Local News 2014/15	Mainland Television	Mainland Television Ltd	50.00	85,000
South Today 2014/15	Cue Television	CUE Television	110.00	175,000
Total			814.25	1,185,000

Music

Making Tracks (Mainstream)

Artist and Song

Music Video Only

Fire At Will - <i>Bloody Arcade</i>
Silence The City - <i>The Chase</i>
Arma Del Amor - <i>The Watcher</i>
Baloo - <i>Weekend</i>
Barry Conrad - <i>Anywhere We Go</i>
Benny Tipene - <i>Step On Up</i>
Black River Drive - <i>Wake Up</i>
Boycrush - <i>Flirt</i>
Ciaran McMeeken - <i>City</i>
Ciaran McMeeken - <i>I Need Love</i>
Clap Clap Riot - <i>All About The Weather</i>
Dead Beat Boys - <i>2</i>
Diaz Grimm - <i>Quarterbacks</i>
Don McGlashan - <i>Lucky Stars</i>
Donell Lewis - <i>Won't Be Long</i> Featuring Sid Diamond
Edward Waaka - <i>No Enemy Of Mine</i>
Ekko Park - <i>Validation</i>
J Williams - <i>Piece Of Me</i> Featuring Brooke Duff
Jesse Sheehan - <i>Girl If You Are Who You Say You Are</i>
Kings - <i>Jump</i>
Knives At Noon - <i>Trust Trust</i>
Maala - <i>Touch</i>
Marino Mariner - <i>Stronger</i> Featuring Shaqles (The Document)
Mel Parsons - <i>Don't Wait</i>

Artist and Song

Moorhouse - <i>Somebody Loves You</i>
Nameul - <i>Only16</i>
PNC - <i>Feelin' Crucial</i>
PNC - <i>If It Wasn't For Love</i> Featuring Nylo
Rival State - <i>Keepsake</i>
Sam Allen - <i>Us</i>
Saxi - <i>Lipstick</i>
Setting Fire To Stacey - <i>Vital Signs</i>
Shapeshifter - <i>Solitaire</i>
Sons Of Zion - <i>Stuck On Stupid</i>
Spycc - <i>Run It</i>
The Datsuns - <i>Claw Machine</i>
The Heart Of Katherine - <i>Baby Gives Her Love</i>
The Upbeats - <i>Split</i> Featuring Armani Reign
Three Houses Down - <i>On My Heart</i>
Tomorrow People - <i>No Rush</i>
Troy Kingi - <i>Just A Phase</i>
Twin Cities - <i>Worry No More</i>
Recording & Music Video
Gap5 - <i>Hold On</i>
Ash Graham - <i>Restart</i>
Ezra Vine - <i>Braver Than Most</i>
Ophelia - <i>Play With Me</i>
Dictaphone Blues - <i>Cryptic Lipstick</i>
Anika Moa - <i>Running</i>
Anna Coddington - <i>Release Me</i>
Arcee - <i>Rebound</i>
Aurenda - <i>Tunnel Vision</i> (Wildcard)



Artist and Song

Avalanche City - <i>Inside Out</i>
Awa - <i>Summer Vibe</i> Featuring Sir T
Bec Laughton - <i>Worry 'Bout It</i>
Benny Tipene - <i>Good Man</i>
Benny Tipene - <i>Lighthouse</i>
Bulletproof - <i>Light Up</i> Featuring Jupiter Project
Cairo Knife Fight - <i>Reality Engine</i>
Candice Milner - <i>Run For It</i> (Wildcard)
Charity Children - <i>Holy War</i>
Chelsea Jade - <i>Low Brow</i>
Chris Hurn - <i>If I Were You</i>
Ciaran McMeeken - <i>Accelerate</i>
City Of Souls - <i>Water</i>
Cymbol 303 & This Pale Fire - <i>Burst Of Colour</i>
Cymbol 303 & This Pale Fire - <i>Don't Rob Me</i>
Delete Delete - <i>Heaven's Never Been So Far Away</i>
Departure Club - <i>Horizon</i> Featuring Sam Allen
Eden Mulholland - <i>Thoroughbred</i>
Edward Waaka - <i>Crazy</i>
Elly - <i>Elvis</i>
Emily Rice - <i>On The Road To Moab</i> (Wildcard)
Estere - <i>Ambition</i>
Gala - <i>Serendipity</i>
Georgia Lines - <i>Wannabe</i> (Rockquest)
Ginny Blackmore - <i>Love Me Anyway</i>
Ginny Blackmore - <i>Under My Feet</i>

Artist and Song

Headchef - <i>Think Of Me</i> (Rockquest)
Hollie Smith - <i>Helena</i>
I Am Giant - <i>Kiss From A Ghost</i>
Jackie Thomas - <i>Until The Last Goodbye</i>
Jamie Mcdell - <i>Back Of My Mind</i>
Jamie Mcdell - <i>Crash</i>
Jason Kerrison - <i>You Want Me As Me</i>
Jon Lemmon - <i>When It Came Along</i>
Joseph & Maia - <i>Stay</i>
Jupiter Project - <i>Sweet Disguise</i>
Jupiter Project - <i>You And Me</i>
K.One - <i>Gtha</i>
K.One - <i>I Wanna Tell You</i> Featuring Pieter T
K.One - <i>So Good</i> Featuring P.Money
Kittens Of The Internet - <i>Bitter</i>
Kittens Of The Internet - <i>Golden Lights</i>
L.A.B - <i>28 Months Later</i>
Ladies And Gentlemen - <i>You Make Me So High</i>
Little Oceans - <i>Peace</i>
Maala - <i>In The Air</i>
Madeira - <i>Manipulator</i>
Marino Mariner - <i>N.Y.C</i>
Massad - <i>Devoted</i>
Maya Payne - <i>Falling</i>
Maya Payne - <i>Lucky Ones</i>
Nomad - <i>Love Will Call</i>
Openside - <i>Branches</i>
Openside - <i>Worth It</i>
Pieter T - <i>Doin' The Most (That Girl)</i>

Artist and Song

Pieter T - <i>Missing You</i>
PNC - <i>Deep</i>
Racing - <i>Stereo Fields</i>
Ruby Frost - <i>Comeback Queen</i>
Sachi - <i>Hold On</i>
Sam Verlinden - <i>What You've Done For Me</i>
Six60 - <i>Special</i>
Sons Of Zion - <i>Fill Me Up</i>
Soulful7 - <i>Do It</i> (Pacifica Beats Winner)
Sweet Mix Kids - <i>Pure Heart</i> Featuring Helen Corry
Sweet Mix Kids - <i>Wired</i> Featuring Iva Lamkum
Swiss - <i>Lovely Women</i>
Swiss - <i>Rest Of My Days</i>
The Black Seeds - <i>Hypnotized Again</i>
Thomas Oliver - <i>If I Move To Mars</i>
Titanium - <i>Honey 'N' Bees</i>
Titanium - <i>Parade</i>
Titanium - <i>Take Us Back</i>
Trinity Roots - <i>El Kaptain</i>
Troy Kingi - <i>Break A Bone</i>
Tunes Of I - <i>Give In</i> (Wildcard)
Twin Cities - <i>Greatest Ever</i>
Villainy - <i>Nothing</i>
Villainy - <i>Safe Passage</i>
Vince Harder - <i>Find Love</i> Featuring Stan Walker
Vince Harder - <i>Shot Me Down</i>
Young Lyre - <i>We Go Faster</i>

Making Tracks (Alternative)

Artist and Song

Music Video Only
@Peace - <i>Gravity</i>
Anthonie Tonnon - <i>Railway Lines</i>
Anthonie Tonnon - <i>Water Underground</i>
Bespin - <i>Take Control</i>
Bulletbelt - <i>Deathgasm</i>
Coco Solid - <i>Slow Torture</i> Featuring Disasteradio
Devilskin - <i>Fade</i>
Dictaphone Blues - <i>Her Heart Breaks Like A Wave</i>
Dictaphone Blues - <i>Lance's Tape</i>
Eden Mulholland - <i>River Of Hurt</i>
Ha The Unclear - <i>Growing Mould</i>
Ha The Unclear - <i>Secret Lives Of Furniture</i>
K Lab & Laughton Kora - <i>Super Gravy</i> Featuring Bailey Wiley
Kamandi - <i>Martys</i>
Kong Fooey - <i>Right As Rain</i> Featuring Topaz & David Hasle
Lake South - <i>Good Keen Man</i>
Las Tetas - <i>Two Marriages</i>
Liam Finn - <i>Helena Bonham Carter</i>
Little Bark - <i>Poly</i>
Lontalius - <i>Kick In The Head</i>
Marlon Williams - <i>Hello Miss Lonesome</i>
Mel Parsons - <i>Driving Man</i>
Mel Parsons - <i>Get Out Alive</i>
Mulholland - <i>Sleep Forever</i>
My Halo - <i>Islands Of Love</i>
Nadia Reid - <i>Call The Days</i>

Artist and Song

Oakley 'O.G' Grenell – <i>We On It Now</i> Featuring Raiza Biza
Raiza Biza – <i>New Kings</i> Featuring Spycck & Maja Rata
Randa – <i>Rangers</i>
Saving Grace – <i>The Anthem Of The Underground</i>
Shocking Pinks – <i>Double Vision Version</i>
Shocking Pinks – <i>Us Against The City</i>
SJD – <i>Unplugged</i>
Suren Unka – <i>Weather Science</i>
Tami Neilson – <i>Dynamite</i>
Team Dynamite – <i>Comos Reup</i>
The Leers – <i>I Can't Cope</i>
Third3Ye – <i>Levitate</i>
Toni Huata – <i>Hopukia Te Tao</i>
Yumi Zouma – <i>Second Wave</i>
Recording & Music Video
The Libres – <i>Come Lay Around</i>
Idiio – <i>Sway</i>
Lakes – <i>Daydream</i>
Majic – <i>Mi Deh Yah</i> (Wildcard)
Shunkan – <i>Our Names</i>
SJD – <i>Little Pieces</i>
Ahoribuzz – <i>Into The Sunshine</i>
All The Colours – <i>I'll Be There With You</i>
Beach Pigs – <i>Painkiller</i>
Beastwars – <i>Horse</i>
Bunnies On Ponies – <i>Nothing</i>
Charity Children – <i>You Want Me</i>
Coral – <i>Shooting You Up</i> (Wildcard)

Artist and Song

Delaney Davidson – <i>Broken Wheel</i>
Electric Wire Hustle – <i>March</i>
Esther Stephens & The Means – <i>Light In You</i>
Fazerdaze – <i>Little Uneasy</i>
French For Rabbits – <i>The Lights Go Out</i>
Gareth Thomas – <i>I'd Like</i>
Gareth Thomas – <i>Wallow</i>
Ghost Wave – <i>All U Do Is Kill</i>
Henika – <i>You Bring Me Down</i> (Wildcard)
Hollie Smith – <i>Lady Dee</i>
Husk – <i>Out To Kill</i>
Husk – <i>Take Your Time</i>
Jonathan Bree – <i>Miss You</i>
Junica – <i>Looking Out</i>
Lake South – <i>Whanau</i>
Lawrence Arabia – <i>A Lake</i>
Lawrence Arabia – <i>Another Century</i>
Lips – <i>Traces Of Teddy</i>
Lontalius – <i>All I Wanna Say</i>
Lydia Cole – <i>Dream</i>
Males – <i>Heavy Going</i>
Marlon Williams – <i>Dark Child</i>
Mayavanya – <i>Rockets</i> Featuring Tali
Mermaidens – <i>Under The Mountain li</i>
Modern Chair – <i>Can't Look Back</i>
Nadia Reid – <i>The Arrow & The Aim</i>
Olmecha Supreme – <i>Like That</i>
Pacific Heights – <i>Buried By The Burden</i>
Parabola West – <i>Fire</i> (Wildcard)
Racing – <i>Misbehaving</i>

Artist and Song

Randa – <i>Lifeguard</i> (Critics Choice 2014)
Rezist – <i>Lockdown</i> (Wildcard)
Scott Mannion – <i>Your Kinda Love</i>
Secret Knives – <i>Simple Bliss</i>
Signer – <i>When I'M Lonely</i>
Tami Neilson – <i>Lonely</i>
Taste Nasa – <i>Time Goes By</i>
The Essential Tremor – <i>Curious Cut</i> (Wildcard)
The Impending Adorations – <i>When The Wind Blows</i>
The Phoenix Foundation – <i>Give Up Your Dreams</i>
The Phoenix Foundation – <i>Mountain</i>
The Phoenix Foundation – <i>Sunbed</i>
The Ruby Suns – <i>Tilt Of His Hat</i>
The Veils – <i>Dark Rider</i>
The Veils – <i>Low Lays The Devil</i>
Tomorrow People – <i>Again & Again</i>
Trinity Roots – <i>Haiku</i>
Unknown Mortal Orchestra – <i>Necessary Evil</i>
Unknown Mortal Orchestra – <i>Can't Keep Checking My Phone</i>
Unknown Mortal Orchestra – <i>Ur Life One Night</i>
Weird Together – <i>Going Back To Trinidad</i> Featuring Rembun
Yumi Zouma – <i>Alena</i>
Zen Mantra – <i>She Won't Remember You At All</i>

Music Promotion

NZ Music Promotion	NZ On Air funding
Music Awards Sponsorships	
NZ Music Awards	114,999
Waiata Māori Music Awards	12,000
Pacific Music Awards	16,000
Taite Music Prize	10,000
Critics Choice Prize (2014 & 2015)	20,000
Music Digital	138,555
Music Advertising	37,740
NZ Music Month	5,000
Kiwi Hit Disc / New Tracks	111,962
kiwihits.co.nz	21,326
Radioscope	16,500
Local Music Promotions	5,510
Total NZ Music Promotion	509,592



Music Radio & TV Programmes

Contract Type	Station	Programme	NZ On Air Funding
Alternative Radio Features	95bFM	<i>Freak The Sheep</i>	180,000
		<i>The 95bFM Top Ten</i>	
		<i>Fancy New Band Weekly</i>	
		<i>The Breakfast Club</i>	
		<i>Fancy New Band Showcase</i>	
		<i>Summer Series</i>	
		<i>Private Function</i>	
		<i>bStreet</i>	
		<i>Festivals: Laneway & BDO</i>	
		Base FM	
<i>Indigenous Dubs</i>			
<i>Native Tongues</i>			
<i>In The Neighbourhood</i>			
The Most FM		<i>Kiwiana Music Show</i>	40,000
		<i>Under The Mic</i>	
Radio Control		<i>The Local Show</i>	60,000
		<i>The Altearoa Breakfast</i>	
		<i>Live To Airs</i>	
Radio Active		<i>The NZ Music Show</i>	100,000
		<i>The Garden Shed</i>	
		<i>Live To Airs</i>	
		<i>NZ Music Month</i>	
		<i>Hatched On The Flow</i>	

Contract Type	Station	Programme	NZ On Air Funding
	RDU 98.5FM	<i>The Sheep Technique</i>	100,000
		<i>The Green Room</i>	
		<i>Te Ahi Top 10</i>	
		<i>Local & Live</i>	
		<i>Homegrown Half-Hour</i>	
		<i>Roundup & Decknology</i>	
	RDU 98.5FM	<i>The Anatomy Of A Song 2</i>	25,260
	Pulzar FM	<i>Grid City Grooves</i>	20,000
	Radio One	<i>The Local</i>	80,000
		<i>Remote Control</i>	
		<i>Battle Of The Bands</i>	
		<i>NZ Music Week</i>	
	Amplifier Holdings	<i>theaudience Chart Show</i>	99,500
	Kiwi FM	<i>Voice From The Wilderness</i>	260,000
		<i>High Noon Tea</i>	
		<i>The Lounge</i>	
		<i>Songs From The Backyard</i>	
		<i>The Alt Top 20</i>	
		<i>Influential</i>	
		<i>Wellington Calling</i>	
		<i>Christchurch Calling</i>	
<i>Auckland Calling</i>			
		<i>Short Sets</i>	
		<i>Urban Music Show</i>	
		<i>The EP Show</i>	
		<i>The Music Exchange</i>	

Contract Type	Station	Programme	NZ On Air Funding
Commercial Radio Features	The Hits	<i>As Kiwi As</i>	40,000
	Mai FM	<i>Backyard Beats</i>	40,000
	Flava FM	<i>Fresh Produce</i>	30,000
	Radio Rhema & Life FM	<i>Homegrown</i>	30,000
	Radio Hauraki	<i>Locals Only</i>	30,000
	The Rock	<i>Kiwi Rock Soundcheck</i>	40,000
	George FM	<i>The Jump</i>	20,000
	The Edge	<i>The Slab</i>	50,000
	ZM	<i>The Word</i>	50,000
	More FM	<i>Wired</i>	40,000
Music Television Features	The Edge TV	<i>Decent Exposure</i>	
		<i>The Slab</i>	
		<i>Smash!</i>	
			250,000

Digital media

Digital media funding

Contract Type	Activity	Production Company	NZ On Air Funding
General	2015 Attitude Awards Streaming	Attitude Pictures	16,750
	Loading Docs: Connect	Notable Pictures	95,500
	The Big Sing	R2 (2011)	21,998
	The Nutters Club Digital	Top Shelf Productions	58,555
	Fresh Voices: The Wireless	Radio New Zealand	200,000
	TheCoconetTV	Tikilounge Productions	200,000
Ignite	12 Huia Birds	Yoozoo	43,491
	K Road Stories	Tuesday Best	45,000
	Nia's Extra Ordinary Life App	Brown Sugar Apple Grunt Productions	45,000
	The Lumière Reader	Lumière Industries	27,760
	Yours. TV	Your Media	45,000
Kickstart	Jiwi's Machines	Eggbeater	300,000
	Wild Eyes	Wild Lab	300,000
Canada Co-Fund	I Spy: With My Five Eyes	For Your Eyes Only	228,033
	The Nations	The Downlowconcept	175,083
	We Are The Remarkables	Brown Sugar Apple Grunt Productions	233,200
NZ Music	iHeartRadio NZ channel	NZME.	50,000
	theaudience website	Amplifier Holdings	370,000
Digital Media Trust	NZ On Screen and AudioCulture Websites 2014/15	Digital Media Trust	1,400,154
Total			3,855,524



Radio

Community Radio

Funding recipient	Station	Access Radio Capital Fund	Access Radio Stations	Pacific Radio Station	Total NZ On Air Funding
Access Community Radio Auckland Inc	Planet FM		250,000		250,000
Access Radio Taranaki Trust	Access Radio Taranaki		174,000		174,000
Access Radio Wairarapa Charitable Trust	Arrow FM		135,000		135,000
Coast Access Radio Trust	Coast Access		135,000		135,000
Hills Radio Trust	Otago Access Radio		169,000		169,000
Manawatu Access Radio Charitable Trust	Access Manawatu		165,000		165,000
National Pacific Radio Trust	Niu FM & 531 pi			3,250,000	3,250,000
NZ Radio For The Print Disabled	Radio Reading Service		110,348		110,348
Radio Kidnappers Charitable Trust	Radio Kidnappers		170,000		170,000
Siufofoga o le Laumua Trust	Samoa Capital Radio			180,000	180,000
Southland Community Broadcasters	Radio Southland		165,000		165,000
Tasman Broadcasting Trust	Fresh FM	** 24,759	195,000		219,759
The Canterbury Communications Trust	Plains FM		230,000		230,000
Waikato Community Broadcasting	Free FM	* 66,260	230,000		296,260
Wellington Access Broadcasting Society Inc	Wellington Access		210,000		210,000
Total		91,019	2,338,348	3,430,000	5,859,367

* AIR Project Continuation and Redevelopment on behalf of 9 access radio stations

** Relocation of Primary Transmitter

Commercial Radio Programmes

Genre	Programme Name	Broadcaster	Producer	NZ On Air Funding	Total Hours
Children and Young People	<i>The Great Big Kids' Show 2014/15</i>	Various Stations	Treehut	118,175	53.00
	<i>Te Puutake Youth Radio Show 2014/15</i>	Various Stations	Stretchmark Productions	170,000	50.00
	<i>Sealed Section 2014/15</i>	ZM	NZME. Radio	49,000	60.00
	Total			337,175	163.00
Māori	<i>Paakiwaha 2014/15</i>	UMA Broadcasting	UMA Broadcasting	75,000	96.00
	Total			75,000	96.00
Special Interest	<i>Anzac 2015</i>	NewstalkZB	Christian Broadcasting Association	10,000	4.00
	Total			10,000	4.00
Spiritual	<i>Christmas 2014</i>	Radio Network	Christian Broadcasting Association	17,090	18.00
	<i>Easter 2015</i>	NewstalkZB	Christian Broadcasting Association	18,000	12.00
	<i>Real Life with John Cowan 2014/15</i>	NewstalkZB	Christian Broadcasting Association	12,000	24.00
	<i>Scrubcutter 2014/15</i>	NewstalkZB	Christian Broadcasting Association	70,000	3.60
	Total			117,090	57.60
Total				539,265	320.60



Targeted audiences

Māori

Funding Type	Genre	Description	Broadcaster	Producer	Hours	2015 Funding	2014 Funding
Television	Drama	<i>Born To Dance</i>	Māori Television	Sector 7 Productions	1.5	110,000.00	
	Special Interest	<i>Pūkana (subtitles)</i>	FOUR	Cinco Cine Film Productions	0.0	54,901.00	53,130.00
	Youth	<i>2Kaha</i>	TV 2	Whitebait Productions	12.5	1,025,000.00	1,025,000.00
	Documentary	<i>Beyond The Bullies</i>	Prime	Te Amokura Productions	1.0	177,000.00	
		<i>The Palace</i>	Māori Television	Rogue Productions	3.0	279,183.00	
		<i>Kiingitanga - The Untold Story</i>	Māori Television	Enter The Dragon	3.0	574,540.00	
		<i>Songs From The Inside 3</i>	Māori Television	Awa Films	5.5	285,000.00	
		<i>Te Taki A Merata Mita</i>	Māori Television	Arama Pictures	2.0	99,999.00	
		<i>The Crayfishers</i>	Prime	Great Southern Television	5.0	647,200.00	
		<i>The Price Of Peace (additional)</i>	Māori Television	Conbrio Media	0.5	10,000.00	
		<i>Waka Warriors</i>	Māori Television	Zoomslide Media	5.0	746,430.00	
		<i>Hikoi</i>	TV One	Scottie Douglas Production	7.0		232,513.00
		<i>Poi E</i>	Māori Television	Jawbone Pictures	2.0		189,000.00
		<i>Te Araroa: Tales From The Trails</i>	Māori Television	Scottie Douglas Production	7.0		280,000.00
		<i>Through The Lens</i>	Māori Television	Māori Television	1.0		122,082.00
		<i># Target Zero</i>	Māori Television	Top Shelf Productions	1.0		122,203.00
		<i>A Karakia For Alan Smith</i>	Māori Television	Blue Bach Productions	1.0		124,990.00
		<i>A New Zealand Way Of Death</i>	Māori Television	Pou Media	1.0		125,000.00
		<i>Freezing Works</i>	Māori Television	Monsoon Pictures International	1.0		135,020.00
		<i>Get Your Butt Off The Table</i>	Māori Television	Itinui Productions	1.0		124,965.00
		<i>Mending The Makotuku</i>	Māori Television	Tawera Productions	1.0		124,790.00
		<i>Murupara Dreaming</i>	Māori Television	Bates Productions	1.0		125,596.00
		<i>Shovels And Guns</i>	Māori Television	Kahawai Productions	1.0		124,200.00
		<i>The Silent Soldiers</i>	Māori Television	Whitiora Productions	1.0		125,053.00
		<i>What Are We Going To Do About Koro?</i>	Māori Television	Ponsonby Productions	1.0		125,000.00
	Arts/Culture	<i>Behind The Brush 2</i>	Māori Television	Awa Films	3.5		175,000.00
		<i>Happy Hour</i>	TV One	Pango Aotearoa	8.0		1,182,822.00
Total Television					77.5	4,009,253.00	4,516,364.00

Radio Programme	Māori	<i>Paakiwaha 2014/15</i>	UMA Broadcasting	UMA Broadcasting	96	75,000.00	75,000.00
	Youth	<i>Te Puutake Youth Radio Show 2014/15</i>	Various Stations	Stretchmark Productions	50	170,000.00	190,000.00
Total Radio Programme					146.0	245,000.00	265,000.00
Digital	Māori webseries	<i>Kete Korero</i>		Tūmanako Productions			99,485.00
		<i>Mahinga Kai</i>		Te Rūnanga o Ngāi Tahu			100,000.00
		<i>Mai A Mua</i>		ScreenTime New Zealand			100,000.00
		<i>Nia's Extra Ordinary Life 2</i>		Brown Sugar Apple Grunt Productions			100,000.00
		<i>Only In Aotearoa</i>		Kura Productions			100,000.00
		Less - Te Mangai Paho contribution					(200,000.00)
Total Digital						0.00	299,485.00
Music		Making Tracks projects by Māori artists funded (29 in 2015 cf 19 in 2014)				258,000.00	154,000.00
		Backyard Beats on Mai FM & Fresh Produce on Flava FM (based on 50% Māori)				35,000.00	30,000.00
Total Music						293,000.00	184,000.00
Total Māori broadcasting funding					223.50	4,547,253.00	5,264,849.00

Pacific

Funding Type	Genre	Programme Name	Broadcaster	Producer	Hours	2015 Funding	2014 Funding
Television	Special Interest	<i>Tagata Pasifika</i>	TV One	Sunpix	26.5	1,641,392.00	1,598,872.00
		<i>Real Pasifik 2</i>	TV One	Zoomslide Media	3.5		350,000.00
	Youth	<i>Fresh</i>	TV 2	Tikilounge Productions	12.5	1,143,890.00	1,143,848.00
Total Television					42.5	2,785,282.00	3,092,720.00
Radio	Pacific		Niu FM & 531 pi	National Pacific Radio Trust		3,250,000.00	3,250,000.00
	Pacific		Samoa Capital Radio	Siufofoga ole Laumua Trust		180,000.00	180,000.00
Total Radio Programme						3,430,000.00	3,430,000.00
Digital		TheCoconetTV		Tikilounge Productions		200,000	
Total Digital						200,000.00	0.00
Music		Making Tracks projects by Pacific artists funded (21 in 2015 cf 32 in 2014)				174,000.00	276,000.00
		Backyard Beats on Mai FM & Fresh Produce on Flava FM (based on 50% Pacific)				35,000.00	30,000.00
Total Music						209,000.00	306,000.00
Total Pacific broadcasting funding					42.50	6,624,282.00	6,828,720.00



Industry support

Item	Recipient	2014/15
NZ Captioning Awards (2014 & 2015)	The National Foundation For The Deaf	6,000
ScreeNZ: news service	ScreeNZ	15,000
Big Screen Symposium	Big Screen Symposium	15,000
Screen Industry Summit	SPADA	6,000
Screen Edge Forum 2015	The Documentary NZ Trust	5,000
NZ Radio Awards 2015	Radio Industry Awards Committee	7,500
WeCreate: information service	WeCreate Incorporated	10,000
TV Drama mentoring scheme	DEGNZ	37,500
NZ Music Awards	PPNZ Music Licensing Ltd	114,999
Waiata Māori Music Awards	Waiata Māori Awards Charitable Trust	12,000
Pacific Music Awards	Pacific Music Awards Trust	16,000
Taite Music Prize	Independent Music NZ	10,000
Critics Choice Prize (2014 & 2015)	RecordedMusic.co.nz	20,000
PWC Music Valuation Project	RecordedMusic.co.nz	2,500
Total		277,499



part 4

Statement of performance expectations

This Statement of Performance Expectations reflects NZ On Air's proposed performance targets and forecast financial information for the year ahead. It is produced in accordance with s149E of the Crown Entities Act 2004.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Board of NZ On Air in accordance with its role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.



Miriam Dean CNZM, QC
Chair



Stephen McElrea
Chair Audit & Risk Committee
23 June 2015



Statement of Performance expectations

INTRODUCTION

Our Statement Of Intent 2014–2018¹, published in 2014, sets out our over-arching strategies for a four year period.

This Statement of Performance Expectations 2015/16 presents a concise set of annual measures and targets for an operating year. Results of performance against these targets will be provided in our Annual Report which will be published by 31 October 2016.

Half-yearly progress will be posted on our website during the year.

This Statement of Performance Expectations is provided in three parts:

1. Statement of output performance

This section provides information on the output purchased by the Minister of Broadcasting - Public Broadcasting Services - delivered through two activity classes:

- » Screen Content (television and digital media)
- » Sound Content (radio and music)

All targets are subject to receiving satisfactory funding applications from viable entities. If such applications are not received we adjust targets accordingly to ensure taxpayer funds are spent wisely.

2. Performance assessment and annual expectations

We provide targets, budgets and performance measures for the year ending 30 June 2016 in accordance with s149E of the Crown Entities Act 2004. These targets, budgets and performance measures reflect the forecast financial statements set out in section 3.

Our activities contribute to the non-departmental output expense, Public Broadcasting Services, within Vote Arts, Culture and Heritage, administered by the Ministry for Culture and Heritage.

NZ On Air does not propose to supply any class of outputs in the financial year that is not a reportable class of outputs. s149E(1)(c)

3. Forecast financial statements

The forecast financial statements provide all appropriate information and explanations needed to fairly reflect the forecast financial operations and financial position of NZ On Air for the year ending 30 June 2016 in accordance with s149G of the Crown Entities Act 2004.

1. <http://www.nzonair.govt.nz/corporate-document-library/statement-of-intent-2014-2018/>

1. STATEMENT OF OUTPUT PERFORMANCE

Figure 1 sets out the over-arching sector outcomes framework against which we develop our activities.

Figure 1: Outcomes framework

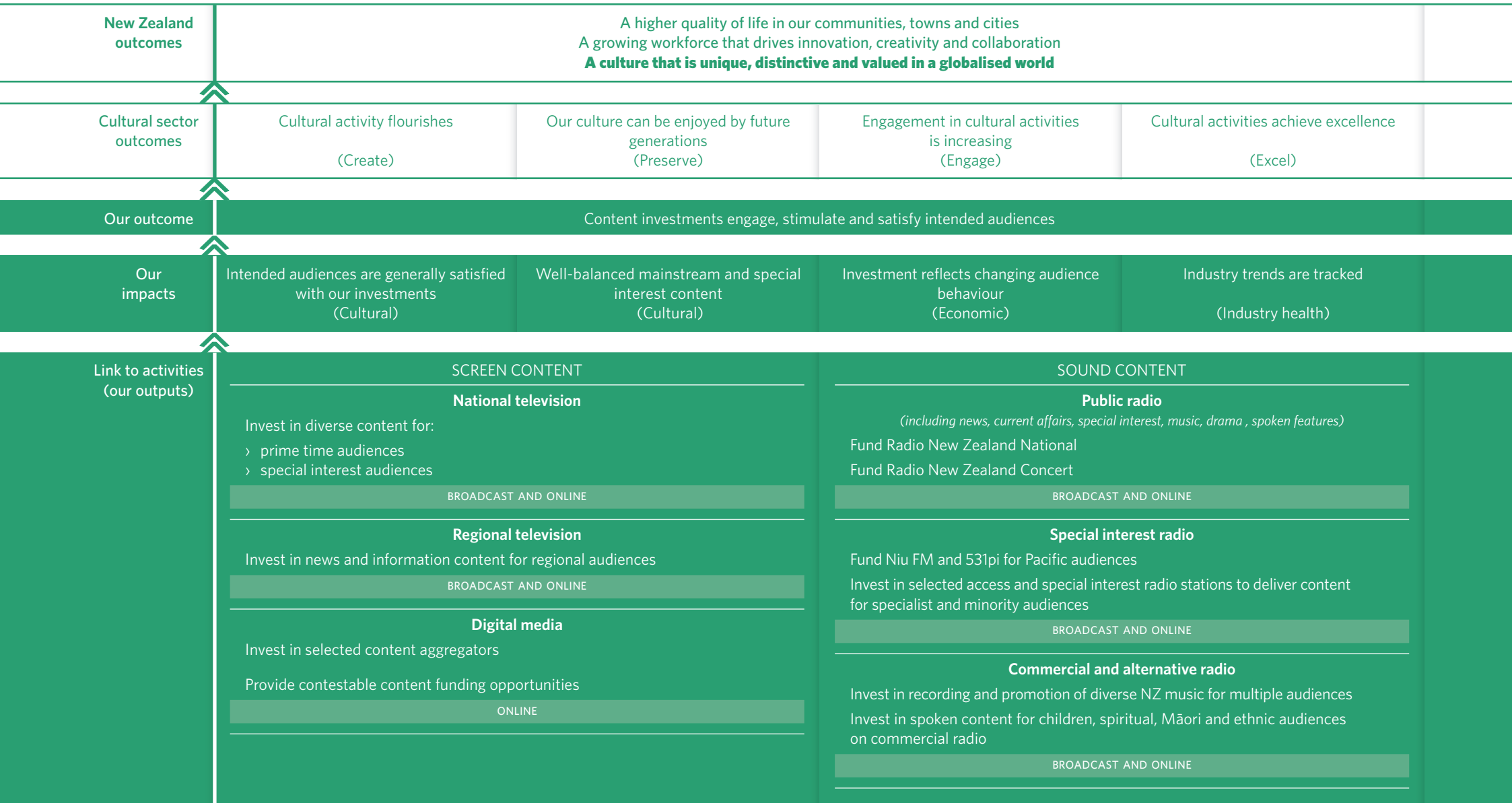


Figure 2 summarises forecast expenditure. In setting budgets we have assumed that costs for the activities we fund will continue to rise, that we will be containing this rise where possible, and that our funding will remain at around current levels.

Figure 2: Summary of forecast output expenditure

Forecast revenue and expenditure	2015/16	2014/15	2014/15	2013/14
Revenue	Forecast \$000	Budget \$000	Estimated Actual \$000	Actual \$000
Crown revenue	128,726	128,726	128,726	128,226 ²
Other revenue	2,750	2,650	2,720	2,627
Total revenue	131,476	131,376	131,446	130,853

Output expenses - content funding		%					
Funding activity commitments	Screen content	National television audiences ³	61	81,371	81,411	83,040	80,792
		Regional television audiences ³	1	1,350	1,500	1,350	1,239
		Online audiences	3	3,860	3,400	3,560	2,558
	Sound content	Public radio audiences	24	31,816	31,816	31,816	31,944
		Special interest radio audiences	4	6,050	6,050	5,870	5,896
		Commercial and alternative radio audiences	0.5	595	640	655	658
		Music audiences ³	3.5	4,624	4,814	4,704	3,801
	Total content funding		97	129,666	129,631	130,995	126,888
	Development and support funding ³		0.3	400	*	*	*
Funding administration		2.7	3,648	3,400	3,515	3,365	
Total output expenses		100	133,714	133,031	134,510	130,253	

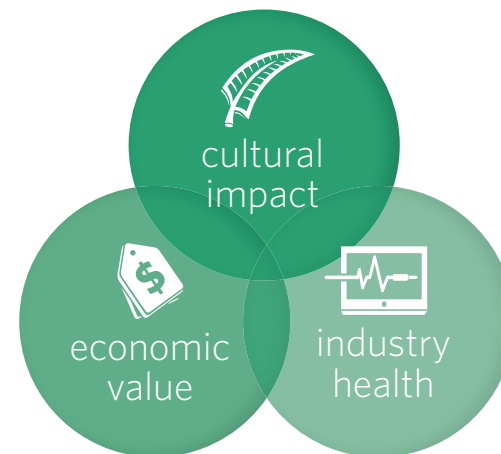
2. PERFORMANCE ASSESSMENT AND ANNUAL EXPECTATIONS

2.1 Overall framework

Our strategic framework is on our website.⁴

As the Statement of Intent describes, we assess our work against three core impacts shown in Figure 3.

Figure 3: Impacts framework



CULTURAL IMPACT:
intended audiences reached, balanced output, diversity of voices, awards, critical acclaim, national and international awareness and appreciation for NZ content and talent, strong presence in traditional and digital media, accessibility of local content on diverse screens

ECONOMIC VALUE:
investments have a clear market and business case, co-investment is mainly secured, national and international sales, contribution to GDP, value to NZ On Air and to other players in the economic chain

INDUSTRY HEALTH:
no shortage of skilled content partners, number and nature of jobs in the sector measured, volume of production, being mindful of industry financial health, efficient NZ On Air processes

2. The 2012/13 budget included a permanent baseline transfer of \$1million to MCH (plus a \$500,000 grant) to recognise the transfer of funding responsibility for radio archiving to MCH. The grant of \$500,000 was repeated for one final year in 2013/14 and was not a permanent baseline reduction.
 3. Development and support funding is a new category of expenditure for the purpose of industry support. It draws upon funds used for this purpose already but previously reported within national television, regional television and music. We have now consolidated this within a single category.
 4. <http://www.nzonair.govt.nz/corporate-document-library/strategic-framework-2014/>

2.2 Effectiveness indicators

These are qualitative indicators to measure impact.⁵

They assess how media audiences respond to a balanced range of investments. If audiences respond well, platforms are encouraged to play more local content and more diverse local content. In turn creative risk-taking is enhanced.

Our effectiveness measures include audience **appreciation**, the size of the audience **reach**, the **professional quality** of the content produced, **diversity** of content and target audiences, the **capability** of the sector, how we increase **knowledge** in the sector, and the size of the **non-government investment** (as an indicator of industry health).

Impact 1 – Cultural					
Intended audiences are generally satisfied with our investments					
Impact measure	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Link to SOI strategies
The majority of New Zealanders believe NZ On Air supports <i>local content</i> important to New Zealanders (appreciation)					<i>Better understand our intended audiences needs</i>
Television content	75%	74%	74%	75%	
Radio content	72%	70%	70%	68%	
70% of all funded prime time content on TVOne, TV2 and TV3 is watched by large audiences (appreciation)	>200,000	*	*	*	
Most people aware of NZ On Air's support for television content like that content (appreciation)	70%	*	*	*	<i>Maintain a balance of varied mainstream and special interest content</i>
The majority of New Zealanders agree that <i>Radio New Zealand</i> broadcasts programmes of interest to a wide cross-section of New Zealanders ⁶ (appreciation)	88%	88%	88%	85%	
The majority of Pacific people agree that <i>Niu FM and 531PI</i> broadcast culturally relevant content (appreciation)	75%	*	*	*	
Making Tracks funded songs will achieve a targeted average number of plays on: ⁷ (reach)					<i>Seek more mileage for music</i>
Radio	750	750	>750	*	
Music TV	150	150	>150	*	
Online	65,000	50,000	>50,000	*	<i>Ensure a sound business case supports each funding decision</i>
Almost all completed productions are accepted for broadcast or uploading (professional quality)	99%	99%	100%	100%	

5 * indicates a new measure that did not exist in a previous year.

6 Comprehensive and detailed qualitative measures are agreed by us and reported by Radio New Zealand in its own Statement of Performance Expectations

7 While the average number of plays on radio (and TV) appears significantly smaller than the number online, broadcast plays have a significantly greater reach in that up to 400,000 people may be listening in any given week.



Impact 2 - Cultural

Well-balanced mainstream and special interest content

Impact measure	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Link to SOI strategies
More than half of television contestable fund expenditure is for prime time content (diversity)	50%	50%	50%	55%	<i>Maintain a balance of varied mainstream and special interest content</i>
Allocated funding for special interest audiences exceeds one quarter of total national television funding (diversity)	30%	*	*	*	
Surveys of a special interest audience are carried out at least every two years to assess target audience satisfaction with funded content (appreciation)	0 ⁸	1	1 (Children)	*	
More than half of Making Tracks songs are intended for mainstream audiences (diversity)	60%	60%	58%	54%	
For <i>MakingTracks</i> projects designated Commercial: (reach)					
% of songs that achieve a Radio Scope NZ40 Airplay Chart peak	65%	65%	60%	64%	
% of music videos that achieve a Radio Scope Top 40 Music Television Chart peak	25%	25%	25%	58%	
For <i>MakingTracks</i> projects designated Alternative: (reach)					
% of songs that achieve a Radio Scope Alt40 Airplay Chart peak	60%	60%	50%	48%	
% of music videos that achieve a Radio Scope Top 40 Music Television Chart peak	20%	20%	25%	33%	
Funded special interest radio broadcasts programmes in a range of different languages including Pacific languages (diversity)	40 (9 Pacific)	40 (9 Pacific)	40 (9 Pacific)	*	<i>Foster greater collaboration in community radio</i>

Impact 3 - Economic

Investment reflects changing audience behaviour

Impact measure	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Link to SOI strategies
Audience response to funded television projects is tracked to inform future investment decisions (reach)	100%	100%	100%	*	<i>Ensure a sound business case supports each funding decision</i>
Increase investment in online content and platforms as NZ audiences grow (diversity)	3.0%	2.6%	2.7%	2.0%	<i>Test different and diverse digital initiatives</i>
One international funding partnership is secured for digital media funding (diversity)	1	*	1	*	<i>Explore and maximize digital opportunities</i>

8 Next project 2016/2017

Impact 4 - Industry health

Industry trends are tracked

Impact measure	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Strategic Link
Enough qualified content partners means demand for funding continues to exceed supply. % of successful applications for: (capability)					<i>Ensure a sound business case supports each funding decision</i>
Television ⁹	75%	75%	80%	*	
Music	20%	20%	19%	*	
Digital	10%	10%	8%	*	
Published research or reports inform stakeholders about media marketplace activity (knowledge)	2	2	2	*	<i>Be a respected source of information and expertise</i>
First run free-to-air television hours not funded by NZ On Air as a % of all local content ¹⁰ (non-Govt investment)	At least 75%	At least 75%	82%	*	
NZ music content on commercial radio and music television achieves the NZ Music Code target ¹¹ (reach)	20%	20%	18%	17.43%	<i>More mileage for music</i>
There is an increasing % of NZ music on alternative radio (diversity)	40%	38.75%	42%	38.99%	

9 The percentage of successful television applications is highest due to the 'gatekeeper' role undertaken by broadcasters. NZ On Air will only consider television proposals that have secured a provisional broadcaster presale (to ensure funded content is actually broadcast). A much larger number of programme proposals do not pass this first step.

10 Measured by previous calendar year: ie 14/15 year result will be from *Local Content Report 2014*. Excludes publicly-funded Māori Television

11 Target % of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code

2.3 Efficiency indicators

We make investment decisions using nine consistent principles to ensure good decision making in a volatile creative environment.¹² To minimise overheads, good service delivery and processes are also crucial. This allows us to maximise investment in content.

SOI strategy: *A sound business case supports each funding decision*

Goal 1 - We make the right decisions using good processes

Efficiency measures	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Investment principle ¹²
Investment processes are objective, based on current policy, and include a robust assessment of the application	100%	100%	100%	*	Cultural value Content balance Risk Competition Value for money No duplication Leverage Partner capability
No investment decision or process has a significant adverse judicial review or Ombudsman finding	0	0	0	0	Fairness

Goal 2 - Our funding management processes serve industry clients efficiently and well

Efficiency measures	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Investment principle ¹²
% of complete applications received by deadline determined at the next funding round	100%	100%	100%	100%	Fairness
% of funding decisions notified to applicants within 5 working days of decision	100%	100%	100%	*	Value for money
% of funding contracts correctly issued within 15 working days once conditions precedent are met	100%	100%	100%	*	
% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	100%	100%	100%	*	

Goal 3 - We minimise overheads to maximize investment funds

Efficiency measures	2015/16 Target	2014/15 Target	2014/15 Est. actual	2013/14 Actual	Investment principle ¹²
Administration costs are a low % of total revenue	<3%	<3%	2.8%	2.6%	Value for money

¹² See the Statement of Intent p8. <http://www.nzonair.govt.nz/corporate-document-library/statement-of-intent-2014-2018/>

2.4. Output targets

These are quantitative annual targets. One output, Public Broadcasting Services, is split into two activities: screen content (television and digital media) and sound content (radio and music).

Activity 1: Screen

The targets and budgets in the tables below show how we intend to allocate funding to three Screen Content categories: national television, regional television and digital media.

1. National television	Hours ¹³				\$'000			
	2015/16 Target	2014/15 Target (SPE)	2014/15 Est. actual	2013/14 Actual	2015/16 Budget	2014/15 Budget (SPE)	2014/15 Est. actual	2013/14 Actual
General fund								
Drama & Comedy	104	85.5	99	71.5	27,445	26,239	27,899	23,027
Documentary & Factual	63	66	65	90	7,400	7,500	8,023	8,979
Children & Young People	354.6	361.2	357.6	368.5	13,894	14,142	13,545	15,190
Māori ¹⁴	31.5	35.5	38.5	45	3,600	4,000	4,020	4,509
Arts/Culture/Identity	11.5	31	52	29	1,084	1,850	2,190	1,982
Minorities	137.5	139.5	138.5	143.5	7,823	7,959	7,822	8,121
Disability services	18	18.5	18	19	4,754	4,300	4,364	4,690
Development	-	n/a	-	n/a	260	310	237	438
Sub-total general fund	720.1	737.2	768.6	766.5	66,260	66,300	68,100	66,936
Platinum fund	106.5	112.0	112.0	110.0	15,111	15,111	15,111	14,970
Sub-total national television	826.6	849.2	880.6	876.5	81,371	81,411	83,211	81,906
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	-	-	(171)	(1,114)
Total national television	826.6	849.2	880.6	876.5	81,371	81,411	83,040	80,792

¹³ Target hours are indicative only, given our funding work is predominantly contestable.

¹⁴ A separate Māori programmes category was first introduced in the 2013/14 financial year.



2. Regional television

	Hours				\$'000			
	2015/16 Target	2014/15 Target (SPE)	2014/15 Est. actual	2013/14 Actual	2015/16 Budget	2014/15 Budget (SPE)	2014/15 Est. actual	2013/14 Actual
Local news and information	710	800	770	844	1,350	1,500	1,350	1,262
Total regional television¹⁵	710	800	770	844	1,350	1,500	1,350	1,262

3. Digital media

	\$'000			
	2015/16 Budget	2014/15 Budget (SPE)	2014/15 Est. actual	2013/14 Actual
Contestable digital media funding	3,860	3,400	1,765	949
Digital platforms			1,400	1,130
General			400	525
Sub-total	3,860	3,400	3,565	2,604
Net effect of write-backs and accounting adjustments for timing differences	-	-	(5)	(46)
Total digital media	3,860	3,400	3,560	2,558

¹⁵ The regional television contestable programme funding is under review. One former recipient will not be broadcasting in 2015/16.

Activity 2: Sound

The targets in the tables below show how we intend to allocate funding to four Sound Content categories: public radio, community radio, commercial and alternative radio, and music.

1. Public radio

Radio New Zealand: Quantitative measures		2014/15			
		2015/16 Target	Target (SPE)	2014/15 Est. actual	2013/14 Actual
Ensure Radio New Zealand provides programme types specified in the Broadcasting Act 1989:					
RNZ National	Māori Language and Culture (Hours)	350	350	350	364
	Special Interest (Hours)	400	400	400	472
	NZ Drama, Fiction and Comedy (Hours)	250	250	250	302
	% of NZ music on rotate	33%	33%	33%	34%
	% of population able to receive transmission	97%	97%	97%	97%
RNZ Concert	% of NZ composition	3.5%	3.5%	3.5%	4.3%
	% of NZ music performance	16%	16.0%	16%	17.0%
	% of population able to receive transmission	92%	92%	92%	92%
Total Radio New Zealand funding provided (\$'000)		31,816	31,816	31,816	31,816

2. Community radio

Community Radio		Hours				\$'000			
		2015/16 Target	2014/15 Target (SPE)	2014/15 Est. actual	2013/14 Actual	2015/16 Budget	2014/15 Budget (SPE)	2014/15 Est. actual	2013/14 Actual
Access and special interest radio		24,000	24,000	24,000	24,673				
Pacific Radio	Samoa Capital Radio								
	Niu FM and 531pi Total broadcast hours	15,500	15,500	15,500	15,468	6,050	6,050	5,925	5,903
	Hours of programming in at least 9 Pacific languages								
Total community radio		39,500	39,500	39,500	40,141	6,050	6,050	5,925	5,903



3. Commercial and alternative radio

	Hours				\$'000			
	2015/16 Target	2014/15 Target (SPE)	2014/15 Est. actual	2013/14 Actual	2015/16 Budget	2014/15 Budget (SPE)	2014/15 Est. actual	2013/14 Actual
Spoken content								
Children and young people	212	264	212	265	305	375	335	396
Spiritual	60	60	60	60	140	115	115	117
Ethnic/special interest	104	104	104	104	75	75	75	70
Māori issues (English language)	96	96	96	96	75	75	75	75
Total spoken content	472	524	472	525	595	640	600	658

4. New Zealand music

	Quantity ¹⁶				\$'000			
	2015/16 Target	2014/15 Target (SPE)	2014/15 Est. actual	2013/14 Actual	2015/16 Budget	2014/15 Budget (SPE)	2014/15 Est. actual	2013/14 Actual
Music funding								
Commercial music funded	At least 120	At least 120	138	139	2,000	2,040	2,040	2,028
Alternative music funded	At least 80	At least 80	86	99				
Music promotion	61	61	64	23	2,624	2,774	2,750	2,648
Subtotal music	-	-	-	-	4,624	4,814	4,790	4,676
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	-	-	-	(86)	(875)
Total music	-	-	-	-	4,624	4,814	4,704	3,801

16 'Music funded' is a video, or a recorded song plus a video. We cannot separately forecast which type of application will be received.

2.5 Organisational health and capability indicators

We are a small entity of 18 staff and rely on our staff being skilled, multi-functional and adaptable. We have formal good employer and personnel policies and a commitment to equal employment opportunities. We do not tolerate harassment or discrimination of any type.

Our measures are summarised in Figure 7.

Figure 7: Health and capability performance measures

Goal	Measure/Target	2015/2016 Target	2014/15 Est. actual	2013/14 Actual
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is low	<3	2	2
	Individual staff training needs are assessed annually	100%	100%	100%
	External salary comparisons are conducted biannually to ensure staff are paid fairly	Some positions assessed	Not measured	Some positions assessed
Ensure staff are committed to the agency and its work	The results of biannual staff engagement surveys will be in the top quartile of the cultural sector (next survey 2015)	Not measured	Achieved	Not measured
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards are attended to promptly, significant hazards are attended to immediately	100%	100%	100%
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if any instances are reported	0	0	0
	All employees have an ergonomically suitable workspace	100%	100%	100%
Incorporate equal employment opportunity principles in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size	EEO principles are always included in all relevant documents and practices	100%	100%	100%
	A workforce diversity summary is included in the Annual Report	To achieve	Achieved	*



3. FORECAST FINANCIAL STATEMENTS

Statement of forecast comprehensive revenue and expense
for the year ending 30 June 2016

Note	2015/16	2014/15	2014/15
	Budget \$000	Budget \$000	Estimated actual \$000
Revenue			
	128,726	128,726	128,726
	2,750	2,650	2,720
	131,476	131,376	131,446
Expenses			
<i>Operating expenditure</i>			
	3,528	3,283	3,385
	120	117	130
	400	—	—
<i>Funding expenditure (net of write-backs of commitments not used)</i>			
<i>Screen content</i>			
	81,371	81,411	83,040
	1,350	1,500	1,350
	3,860	3,400	3,560
<i>Sound content</i>			
	31,816	31,816	31,816
	6,645	6,690	6,525
	4,624	4,814	4,704
	133,714	133,031	134,510
	(2,238)	(1,655)	(3,064)
	-	-	-
	(2,238)	(1,655)	(3,064)

Statement of forecast movements in equity
for the year ending 30 June 2016

		2015/16	2014/15	2014/15
	Note	Budget \$000	Budget \$000	Estimated actual \$000
Opening equity committed	2	475	1,426	167
Opening equity uncommitted		1,810	2,639	5,182
Plus: Net operating surplus (deficit)		(2,238)	(1,655)	(3,064)
Equity 30 June		47	2,410	2,285
<i>comprising</i>				
Equity 30 June committed	2	-	1,426	475
Equity 30 June uncommitted		47	984	1,810

Statement of forecast financial position as at 30 June 2016

		2015/16	2014/15	2014/15
	Note	Budget \$000	Budget \$000	Estimated actual \$000
Current assets				
Cash and cash equivalents		1,860	1,168	2,494
Investments		37,507	41,326	38,000
Debtors and other receivables - interest		600	600	600
Debtors and other receivables - other		400	450	450
Total current assets		40,367	43,544	41,544
Non-current assets				
Property, plant and equipment		380	560	450
Total non-current assets		380	560	450
Total assets		40,747	44,104	41,994
Current liabilities				
Trade and other payables		540	600	579
Employee entitlements		160	130	130
Funding liabilities		40,000	40,964	39,000
Total current liabilities		40,700	41,694	39,709
Public equity				
Equity committed	2	-	1,426	475
Equity uncommitted		47	984	1,810
Total equity 30 June		47	2,410	2,285
Total liabilities and public equity		40,747	44,104	41,994

Statement of forecast cash flows
for the year ending 30 June 2016

	2015/16	2014/15	2014/15
Note	Budget \$000	Budget \$000	Estimated actual \$000
Cash flows From operating activities			
Receipts from Crown revenue	128,726	128,726	128,726
Receipts from other revenue	700	700	620
Payments to funded activities	(127,006)	(129,137)	(131,115)
Payment to suppliers and employees	(3,728)	(3,290)	(3,599)
Net cash flows operating activities	(1,308)	(3,001)	(5,368)
Cash flows from investing activities			
Interest received	2,100	2,050	2,100
Purchases of property, plant and equipment	(100)	(250)	(120)
Cash flows from investing activities	2,000	1,800	1,980
Net Increase/(Decrease) in cash	692	(1,201)	(3,388)
Opening cash and cash equivalents	1,168	2,369	5,882
Closing cash and cash equivalents	1,860	1,168	2,494

3.1 Notes to the financial statements

Note 1 Statement of accounting policies for the year ending 30 June 2016

Reporting Entity

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

Our functions and responsibilities are set out in the Broadcasting Act 1989. The primary objective of NZ On Air is to provide services to the public rather than making a financial return. Accordingly, we are a public benefit entity (PBE) for the purposes of Financial Reporting.

These forecast financial statements reflect the operations of the Broadcasting Commission only and do not incorporate any other entities. These forecast financial statements are for the year ending 30 June 2016.

Basis of Preparation

Statement of compliance

These forecast financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They have been prepared in accordance with Tier 1 PBE Standards including PBE FRS 42 Prospective Financial Statements.

These forecast financial statements have been prepared to comply with the Crown Entities Act 2004 and may not be appropriate for purposes other than complying with the requirements of this Act.

The actual financial results for the period covered are likely to vary from the information presented and the variations may be material.

Measurement basis

The measurement base adopted is that of historical cost.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars and rounded to the nearest thousand (\$000).

Judgments and estimations

The preparation of financial statements to conform with PBE Standards requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses (where material information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note). The estimates and associated assumptions are based on historical experience and various other factors that are

believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments that have significant effect on the financial statements and estimates, with a significant risk of material adjustment in the next year are discussed in Note 2.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these forecast financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

Revenues are derived and recognised as follows:

- a. Revenue earned from the supply of outputs to the Crown is recognised as revenue when it is earned
- b. Sales revenue from NZ On Air funded programmes and music is recognised when it is earned to the extent that information is available to us at that time
- c. Interest income is recognised using the effective interest method
- d. If applicable, other income is recognised when it is earned

Cash and cash equivalents

Cash and cash equivalents include cash on hand and funds deposited with banks, with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially 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. Impairment losses are recognised in the statement of comprehensive income.

Investments

At each balance date we assess whether there is any objective evidence that an investment is impaired.

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 refers to 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 if, and only if, 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.

In most instances, an item of property, plant and equipment is recognised at its cost. 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 asset 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%
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.

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 assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets 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 assets 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 measured at fair value.

Employee benefits

Employee entitlements that NZ On Air expects 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, retiring and long service leave entitlements expected to be settled within 12 months, 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 it is 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 are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive income as incurred.

Provisions for funding expenditure

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

- a. The expenditure has been 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 commitments will crystallise.

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

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, which 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.

Income tax

NZ On Air is exempt from the payment of income tax in accordance with s51 Broadcasting Act 1989 therefore no charge for income tax has been provided for.

Contingent assets and contingent liabilities

A contingent liability is disclosed where broadcasting funding expenditure has been approved by the Board, but that expenditure is uncontracted, and has substantive conditions unfulfilled

at 30 June. At the point the substantive conditions are fulfilled, the contingent liability is removed and the value is recorded as expenditure and as a liability in the financial statements.

A contingent liability is also disclosed where there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources.

A contingent asset is disclosed where the inflow of an economic benefit is probable, but not virtually certain.

Commitments

Future expenses and liabilities incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Cost allocation policy

All expenditure not used to fund broadcasting services has been allocated to administration expenditure.

Operating leases

An operating lease is a lease that does not transfer substantially all the risk and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Financial instruments

NZ On Air is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term trade payables and trade and other receivables. There are no known significant concentrations of credit risks.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which cases the transaction costs are recognised in the statement of comprehensive revenue and expense.

NZ On Air has the following categories of financial assets:

a. Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

b. Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that we intend to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense. Investments in this category are term deposits.

Other liabilities and provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value, if significant.

Statement of cash flows

Cash and cash equivalents includes cash in hand and deposits held with banks with original maturities of three months or less.

Operating activities includes cash received from income sources excluding interest, and records the cash payments made for the supply of goods and services, and the funding to broadcasters and programme producers.

Investing activities are those activities relating to the acquisition and disposal of long-term assets, interest received and other investments not included in cash equivalents.

Financing activities comprise those activities relating to changes in equity.

Changes in accounting policies

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

Comparatives

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Related parties

NZ On Air transacts with other Government agencies on an arm's length basis. Any transaction not conducted at arm's-length will be disclosed in our financial statements (annual report).

Note 2 Critical judgments in applying our accounting policies

Our provisions for funding expenditure policy (Note 1) include four conditions on recording a funding liability. Two of these conditions require us to make critical judgments in applying this policy to the preparation of forecast financial statements:

There are no substantive contractual conditions for the funding recipient to fulfill.

A substantive contract condition that disallows a funding commitment from being recorded as a liability is where Board approval is subject to third party funding, and that funding is not in place at balance date. We have assumed the value of such commitments at 30 June 2016 and 30 June 2015 is \$0.475m, the actual value at 30 June 2014.

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 that all commitments at 30 June 2015 and 30 June 2016, without substantive contractual conditions to fulfill, will be completed.

who we are:
Directory

Members

Miriam Dean - of Auckland, Chair
Stephen McElrea - of Auckland
Caren Rangī - of Napier
Ross McRobie - of Wanaka
Kim Wicksteed - of Havelock North
Donna Grant - of Rotorua (until November 2014)
Ian Taylor - of Dunedin (from August 2015)

Staff

Jane Wrightson - Chief Executive
 Nicky Andrew - Executive Assistant
Allanah Kalafatelis - Communications Manager
Brenda Leeuwenberg - Head of Digital
Brendan Smyth - Music Manager
 Sarah Crowe - Assistant Music Manager
 Hannah Brewer - Online Promotions Assistant
 Jeff Newton - Broadcast Promotions Executive
 Tania Dean - Repertoire Coordinator
Glenn Usmar - Head of Television
 Benedict Reid - Assistant Head of Television
 Anna Currie - Television Funding Executive
 Jess Jones - Television Payments Coordinator
Keith Collins - Community Broadcasting Manager
Alan Shaw - Chief Financial Officer
 Hui-Ping Wu - Accountant
 Siamonne Mounlath - Assistant Accountant
 Trish Cross - Receptionist/Administrator (shared with BSA)

Contact Us

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Annual Report 2015

