

NZ On Air



Six Monthly Report 30 June 2017

NZ On Air
Irirangi Te Motu





contents

1.	SUMMARY	3
2.	SECTOR COLLABORATION	3
3.	AUDIENCE RESPONSE: TOP 10 NZ ON AIR FUNDED TELEVISION PROGRAMMES	4
4.	AUDIENCE RESPONSE: TOP 5 MOST PLAYED NZ SONGS ON NZ RADIO	4
5.	AUDIENCE RESPONSE: DIGITAL MEDIA FUND SUCCESSES	4
6.	AUDIENCE RESPONSE: TV REVIEWS	5
7.	IMPACT MEASURES	6
8.	STATEMENT OF SERVICE PERFORMANCE	7
9.	EFFICIENCY INDICATORS	10
10.	HEALTH AND CAPABILITY PERFORMANCE MEASURES	11
11.	SUMMARY FINANCIAL STATEMENTS	12

1. SUMMARY

This reports on provisional year-end results against our Statement of Performance Expectations. Most targets have been met or exceeded with a pleasing uplift in the percentage of New Zealanders who believe NZ On Air supports local content important to New Zealanders. Our static funding is impacting on the number of television hours funded with a fall of 83.5 hours (9.3%) compared with last year and below the SPE target by 21.4 hours.

We ended the year with a surplus, due to approved funding of \$2.6m being carried into the next financial year for projects where funding conditions were not yet met at 30 June. If all projects had met funding conditions, we would have ended the year with a deficit of \$1.5m and equity of \$0.5m.

We are making excellent progress with TVNZ on the new online children's platform which is likely to launch around March 2018.

This is the last report based on our former funding structure and MOU. Future reports will discuss progress of the NZ Media Fund and be quarterly as required by MCH.

2. SECTOR COLLABORATION

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

Agency	Update
NZ Music Commission / Te Māngai Pāho / Creative NZ	<p>The CPMG (Contemporary Popular Music Group) has been disestablished. Its agencies will continue to meet at an operational level on a regular basis and we will report any issues to MCH in the usual way.</p> <p>Two productions were co-funded with TMP; <i>The Hui</i> and <i>Herbs: Songs of Freedom</i></p>
NZ Music Commission: selected co-ventures	Of the 17 artist applications to the Music Commission's latest Outward Sound international funding round, 13 (76%) were from NZ On Air-supported artists.
Broadcasting Standards Authority	Shared services arrangement continues to work well.
NZ Film Commission	Co-funded four content projects with NZFC; <i>Vermilion</i> , <i>Herbert</i> , <i>Curse of the Chills</i> , <i>Herbs: Songs of Freedom</i> .
Children's platform	Approached several government agencies that we assess would have synergies with the children's platform to discuss content co-ventures that meet wider government goals. These include the Ministry of Education, Health Promotion Agency, Sport NZ, Callaghan Innovation, Te Papa, ACC, DOC, NZTA. All but the last have responded with a request for a meeting and the HPA is the first to confirm a project contribution.

3. AUDIENCE RESPONSE: Top 10 NZ On Air Funded Television Programmes (1 July 2016 – 30 June 2017)

YTD AUDIENCE RESULTS						
Rank	Programme	Genre	Channel	Episodes	Average Rating % *	Average Audience
1	Hyundai Country Calendar	Documentary	TVNZ 1	44	13.3%	575,100
2	Coast New Zealand	Documentary	TVNZ 1	6	11.7%	511,200
3	Sunday Special: The Price Of Milk	News/Current Affairs	TVNZ 1	1	11.5%	504,900
4	Our Big Blue Backyard	Documentary	TVNZ 1	6	11.0%	472,000
5	Mastermind New Zealand	Arts/Culture - Quiz	TVNZ 1	4	10.7%	458,300
6	Gloriavale: A Woman's Place	Documentary	TVNZ 2	1	10.7%	457,300
7	The Hard Stuff With Nigel Latta	Factual	TVNZ 1	8	8.4%	361,500
8	Shortland Street: Inside An Icon	Factual	TVNZ 2	1	8.1%	354,500
9	The New Zealand Home	Factual	TVNZ 1	7	8.2%	350,300
10	Hillary	Drama	TVNZ 1	6	7.8%	335,300

*consolidated rating All People 5+: 1 July 2016 – 30 June 2017

4. AUDIENCE RESPONSE: Top 5 Most Played NZ Songs On NZ Radio (1 July 2016 – 30 June 2017)

Rank	Song	Artist
1	Don't Worry 'Bout It	Kings*
2	Mother's Eyes	Six60*
3	Oh My My	Nomad**
4	Therapy	Brooke Fraser*
5	Roam	Theia**



*Artist previously supported by NZ On Air

**Song funded by NZ On Air

5. AUDIENCE RESPONSE: Digital Media Fund Successes (1 July 2016 – 30 June 2017)

Project	Description	# Users To Date	View Time Period
Under The Bridge	Documentary about a thriving school in South Auckland. Published in several parts on NZ Herald.	98,565 video views	1 month
The Outlook for Someday	Sustainability film competition for children and youth. Films online and streaming awards event.	88,000 video views	6 months
How To Dad: The Legend Of The Gumboot	A comedic webseries about Jordon Watson, who attempts to become a gumboot throwing champion to impress his kids.	124,285 Youtube video views	1 month
Darryl: An Outward bound Story	A comedic webseries in which a long distance runner tries to get his mojo back during an Outward Bound course.	128,997 TVNZ OnDemand views	3 months

6. AUDIENCE RESPONSE: TV reviews

Coast New Zealand 2

Great Southern Television for TVNZ 1
Calum Henderson – NZ Herald – 26 April 2017

“The burr was back in all its glory on TVNZ 1 on Monday night with the start of a new series of Coast New Zealand.... While all of these segments were quite disparate, they overlapped just enough, and in the right order, that together they built a fairly three-dimensional picture of life on the coast....The key is that it always came back to people.”



What Next?

Ruckus Media for TVNZ 1
Luke Goode – Stuff.co.nz – 19 June 2017

“TV One's What Next?, which explored what society might look like in 2037, concluded on Thursday last week, having aired across five consecutive nights. It was a welcome experiment by TVNZ: public interest programming in prime time, John Campbell back on our screens, and - most significantly - a serious look at the future beyond the short-term focus of most factual and current affairs media....”



Gloriavale: A Woman's Place

Pacific Screen for TVNZ 2
NZ Herald – 27 July 2016

“...Previous instalments of the NZ On Air-funded series, starting with A World Apart in 2014 and followed by Life and Death in 2015, have caused a ruckus, sparking multiple headlines.... Evans and Berzins believe their latest instalment, called A Woman's Place, which focuses on Gloriavale's "openly submissive" female residents and their role in the community, is likely to do the same....”



Darryl: An Outward Bound Story

BSAG for TVNZ On Demand
Calum Henderson – NZ Herald – 31 March 2017



“... The series' closest point of comparison is perhaps the cult Australian movie The Castle - both have a hard case main character called Darryl, both are endlessly quotable, but most uniquely, they both have real warmth and affection for their weirdo characters. The dysfunctional crew's shared journey of self-discovery certainly takes some left turns.... but the series never strays too far off track. In the end Darryl: An Outward Bound Story is an admirably uncynical and uplifting watch; a rare comedy gem.”

7. IMPACT MEASURES

Our impacts are:

Intended audiences are satisfied with our investments	Cultural
Well-balanced mainstream and special interest content	Cultural
Investment reflects changing audience behaviour	Economic value
Industry trends are tracked	Industry health

We use the measures and targets below to demonstrate how well we are achieving these impacts.

IMPACT			
Impact Measure	Full year Actual	Full Year Forecast	Prior Year Actual
The majority of New Zealanders believe NZ On Air supports <i>local content</i> important to New Zealanders			
Television content	82%	75%	75%
Radio content	75%	72%	70%
60% of all funded prime time content on TV One, TV2 and TV3 is watched by large New Zealand audiences (>200,000)	57%	60%	65%
10% of all funded prime time content on TV One, TV2 and TV3 is watched by large New Zealand audiences (100,000 – 200,000)	36%	10%	New measure
The majority of New Zealanders aware of our support for local television content like that content	71%	70%	69%
The majority of New Zealanders agree that <i>Radio New Zealand</i> broadcasts programmes of interest to a wide cross-section of New Zealanders	Not yet available	88%	84%
The majority of Pacific people agree that <i>Niu FM and 531PI</i> broadcast culturally relevant content	Biennial measure – next due in 2017/18	Biennial measure – next due in 2017/18	Niu FM 84% 531pi 91%
Completed productions are accepted for broadcast or uploading	99%	99%	99%
More than half of television contestable fund expenditure is for prime time content	68%	At least 50%	63%
Allocated funding for special interest audiences exceeds 30% of total national television funding	33%	At least 30%	37%
Funded music is balanced between mainstream/ alternative audience appeal	58/42	60/40	58/42
Enough qualified content partners means demand for funding continues to exceed supply			
% of successful applications for:			
Television	70%	65%	65%
Music	20%	20%	17%
Digital	21%	10%	10%
First run free-to-air <i>television</i> hours not funded by NZ On Air as a % of all local content ¹	86%	At least 75%	84%
NZ music content on commercial radio is at least 20% ²	14.24%	20%	14.6%
NZ music on alternative radio is at least 40%	45.79%	40%	47.23%
All funded content is available online for at least one month ³	99%	100%	New measure

¹ Measured by previous calendar year: ie 16/17 year results are from *Local Content Report 2016*. Excludes publicly-funded Māori Television.

² Target % of NZ music on radio stations bound by the Radio Broadcasters Association agreement with the Government

³ One feature film *White Lies* was not available online as part of its distribution arrangements

8. STATEMENT OF SERVICE PERFORMANCE

This section reports on full year results against our output targets as set out in the SPE for the year ending 30 June 2017.

SCREEN CONTENT (national television, regional and digital media)						
National Television and Regional Media	Full Year Hours	Full Year Forecast Hours	Prior Year Actual Hours	Full Year \$'000	Full Year Forecast \$'000	Prior Year Actual \$'000
GENERAL FUND						
Drama/Comedy	99	95	97	25,358	27,151	26,876
Documentary/Factual	91.2	72	74.2	10,298	7,470	7,451
Children & Young People ⁴	306.2	361.5	370.5	12,427	12,604	14,366
Māori	32	26.5	38.8	3,425	3,300	3,775
Arts/Culture/Identity	26.7	28.8	23.6	2,930	1,722	1,832
Minorities	112.8	109	143.3	7,084	6,923	7,970
Disability (includes Captioning + Audio Description)	16	18	29	4,747	4,759	4,962
Development	-	-	-	425	260	440
Sub-total General Fund	683.9	710.8	776.4	66,694	64,189	67,672
PLATINUM FUND						
Drama	6	8	6	8,143	8,200	8,136
Documentary and Current Affairs	120.5	113	111.5	6,265	5,591	6,112
Special Interest	3	3	3	975	1,320	1,140
Sub-total Platinum Fund	129.5	124	120.5	15,383	15,111	15,388
Sub-total National Television	813.4	834.8	896.9	82,077	79,300	83,060
REGIONAL MEDIA						
Local news and information ⁵	TBC	308.2	465	1,238	1,380	739
Subtotal		1,143	1,361.9	83,315	80,680	83,799
Net effect of write backs and accounting adjustments for timing differences	-	-	-	(2,963)	-	(1,688)
Total Screen Content		1,143	1,361.9	80,352	80,680	82,111

⁴ \$1.5m committed to establishment of new children's platform rather than content creation, plus year-long magazine series changed format, which reduced their expected total hours

⁵ Consolidated data is not yet available from regional media platforms. This information will be reported in our Annual Report



DIGITAL MEDIA			
	Full Year \$'000	Full Year Forecast \$'000	Prior Year \$'000
Digital-only Media	3,987	3,860	4,082
Net effect of write backs and accounting adjustments for timing differences	(5)	-	(234)
Total Digital Media	3,982	3,860	3,848

SOUND CONTENT (RADIO AND MUSIC)

PUBLIC RADIO				
Radio New Zealand: Quantitative measures		Full Year Actual	Full Year Forecast	Prior Year
RNZ National	Māori Language and Culture (broadcast hours)			
	(stand-alone programmes)	84	80	114
	Māori Language and Culture (number of items uploaded to website)	1,051	1,000	New measure
	Māori Language and Culture (online page views – Google Analytics)	1,061,594	1 million	New measure
	Special Interest (Hours)	780	900	900
	NZ Drama, Fiction and Comedy (Hours)	258	250	250
	% of NZ music on rotate	34.2%	33%	33%
	% of population able to receive transmission	94%	97%	97%
RNZ Concert	% of NZ composition	6.3%	3.5%	4.2%
	% of NZ music performance	19%	16%	17%
	% of population able to receive transmission	89%	92%	89%
Total Radio New Zealand funding provided (\$'000)		32,516	31,816	31,816



SPECIAL INTEREST RADIO							
Community Radio		Full Year Hours	Full Year Forecast Hours	Prior Year Hours	Full Year \$'000	Full Year Forecast \$'000	Prior Year \$'000
Access and Special Interest Radio		25,716	24,000	24,806			
Pacific radio	Samoa Capital Radio	TBA	19,500*	17,400	5,916	6050	5,898
	Niu FM and 531pi						
	Total broadcast hours						
*Including programming in at least 9 Pacific languages							
Net effect of write backs and accounting adjustments for timing differences		-	-	-	(3)	-	(2)
Sub-total Community Radio		TBA	43,500	42,206	5,913	6,050	5,896

COMMERCIAL AND ALTERNATIVE RADIO						
Spoken Content	Full Year Hours	Full Year Forecast Hours	Prior Year Hours	Full Year \$'000	Full Year Forecast \$'000	Prior Year \$'000
Children and young people	276	280	286.5	273	305	275
Spiritual	87	79	54	94	140	75
Ethnic/special interest ⁶	0	104	208	0	75	147
Māori issues (English language)	96	96	96	75	75	75
Subtotal	459	559	644.5	442	595	572
Net effect of write backs and accounting adjustments for timing differences	-	-	-	(74)	-	(10)
Sub-total Spoken content	459	559	644.5	368	595	562
Total Special Interest Radio	TBA	44,059	42,850.5	6,281	6,645	6,458

⁶ *The Nutters Club* received two rounds of funding in 2015/16 and therefore did not require funding this year, although the series continued to be produced. Funding for *The Nutters Club* has been confirmed in 2017/18. There were no other ethnic/special interest applications received this year.

NZ MUSIC						
Music Funding ⁷	Full Year Qty	Full Year Forecast Qty	Prior Year Qty	Full Year \$'000	Full Year Forecast \$'000	Prior Year \$'000
Commercial music funded	134	At least 120	133	2,062	2,000	1,995
Alternative music funded	97	At least 80	95			
Music promotion	62	62	66	1,948	2,000	1,998
Subtotal	293	-	294	4,010	4,000	3,993
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	(64)	-	(214)
Total Music Funding	293	-	294	3,946	4,000	3,779

9. EFFICIENCY INDICATORS

The table below shows the results against the measures set out in our SPE for the year ending 30 June 2017.

Efficiency Goals	Efficiency Measures	Full Year Actual	2016-2017 Target
We make the right decisions using good processes	Investment processes are objective, based on current policy, and include a robust assessment of the application	On track⁸	100%
	No investment decision or process has a significant adverse judicial review or Ombudsman finding	0	0
Our funding management processes serve industry clients efficiently and well	% of complete applications received by deadline determined at the next funding round	100%	100%
	% of funding decisions notified to applicants within 5 working days of decision	100%	100%
	% of funding contracts correctly issued within 15 working days once conditions precedent are met	100%	100%
	% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	100%⁹	100%

⁷ Music funded is a video or a recorded song plus a video. We do not separately forecast which type of application will be received.

⁸ Final results will be reported in the annual report

⁹ 1 issue in testing related to a report not retained on file. This has now been addressed. The payment was correctly made.

10. HEALTH AND CAPABILITY PERFORMANCE MEASURES

The table below details results against the organisation's capability measures and targets set out in the SPE for the year ending 30 June 2017.

Goal	Measure	Full Year Actual	2016-17 Target
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is low	2	Less than 3
	Individual staff training needs assessed annually	100%	100%
	External salary comparisons conducted regularly to ensure staff are paid fairly	12 (67%) positions assessed	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	Survey completed on 31 July 2017	Not measured
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards attended to promptly, significant hazards attended to immediately	100%	100%
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if any instances are reported	0	0
	Each new employee has an ergonomically suitable workspace within one month of beginning work	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 included in all relevant documents and practices	100%	100%
	A workforce diversity summary is included in the Annual Report	To achieve	To achieve
We minimise overheads to maximise funds	Administration costs are a low % of total revenue	2.5%	Less than 3%

11. SUMMARY FINANCIAL STATEMENTS

(excludes statements of movements in equity and cash flows)

Statement of comprehensive revenue and expense to 30 June 2017 (draft – unaudited)				(\$'000)	
		Full Year Actual	Full Year Budget	Variance	
Revenue	Crown Revenue	129,426	128,726	700	
	Other Revenue	2,514	2,230	284	
	Total Revenue	131,940	130,956	984	
Operating Expenditure	Administration services	3,348	3,715	367	
Funding Expenditure (net of write-backs of commitments not used)	Screen Content	National Television	80,352	80,680	328
		Regional Media			
		Digital-only Media	3,982	3,860	(122)
	Sound Content	Public Radio	32,516	31,816	(700)
		Special Interest Radio	6,281	6,645	364
		Music and Other Content	3,946	4,000	54
	Development and Support	Industry Development	409	400	(9)
Total Funding Expenditure		127,486	127,401	(85)	
Total Expenditure		130,834	131,116	282	
Net (deficit)/surplus to 30 June 2017		1,106	(160)	1,266	

Statement of Financial Position as at 30 June 2017 (draft – unaudited)				(\$'000)
Assets		Full Year Actual	Full Year Budget	Variance
Cash and cash equivalents		5,188	3,000	2,188
Investments		27,000	20,000	7,000
Debtors and other receivables	Interest	195	150	45
	Other	1,843*	150	1,693
Total Current Assets		34,226	23,300	10,926
Property, plant and equipment and intangible assets		347	350	(3)
Total Non-Current Assets		347	350	(3)
Total Assets		34,573	23,650	10,923
Liabilities				
Trade and other payables		194	300	106
Employee entitlements		121	150	29
Funding Liabilities		31,236	23,153	(8,083)
Total Liabilities		31,551	23,603	(7,948)
Net Assets		3,022	47	2,975
Equity				
Equity at 30 June		3,022	47	2,975
Total Equity		3,022	47	2,975

* Includes GST refund due of \$1.628m