

2011  
2014

RADIO NEW ZEALAND  
STATEMENT OF INTENT 2011-2014



# OUR MANY VOICES



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*“As an independent and commercial-free public service broadcaster, the purpose of Radio New Zealand is to serve the public interest.”*

## **The Radio New Zealand Charter**

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- (1) The functions of the public radio company shall be to provide innovative, comprehensive, and independent broadcasting services of a high standard and without limiting the generality of the foregoing, to provide:
  - (a) programmes which contribute towards intellectual, scientific, cultural, spiritual and ethical development, promote informed debate, and stimulate critical thought;
  - (b) a range of New Zealand programmes, including information, special interest, and entertainment programmes, and programmes which reflect New Zealand’s cultural diversity, including Māori language and culture;
  - (c) programmes which provide for varied interests and from a range of age groups within the community, including information, educational, special interest, and entertainment programmes;
  - (d) programmes which encourage and promote the musical, dramatic, and other performing arts, including programmes featuring New Zealand and international composers, performers and artists;
  - (e) a nationwide service providing programming of the highest quality to as many New Zealanders as possible, thereby engendering a sense of citizenship and national identity;
  - (f) comprehensive, independent, impartial and balanced national news services and current affairs, including items with a regional perspective;
  - (g) comprehensive, independent, impartial, and balanced international news services and current affairs;
  - (h) an international radio service to the South Pacific which may include a range of programmes in English and Pacific Island languages; and
  - (i) archiving of programmes which are likely to be of historical interest in New Zealand.
- (2) In providing broadcasting services, the public radio company shall take account of:
  - (a) recognised standards of excellence;
  - (b) its responsibility as the provider of an independent national broadcasting service to provide a balance between programmes of wide appeal and programmes of interest to minority audiences;
  - (c) the broadcasting services provided by other broadcasters;
  - (d) surveys, commissioned annually, of persons who are members of its current audiences to establish whether those members consider that the quality and quantity of its services are being maintained in accordance with subsection (1); and
  - (e) surveys, commissioned annually, of persons who are not members of its current audiences.

- (3) The public radio company must, as part of its annual report, inform the Shareholding Minister of:
  - (a) the objectives and results of the annual surveys of its current audiences under subsection (2)(d);
  - (b) the objectives and results of any surveys of people not in its current audiences under subsection (2)(e); and
  - (c) the measures, if any, it has taken in response to those results.

## **The Radio New Zealand Operating Principles**

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- (1) The public radio company shall, in fulfilling its Charter, exhibit a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage those interests when able to do so.
- (2) The public radio company shall, in fulfilling its Charter, operate in a financially responsible manner so that it maintains its financial viability.
- (3) For the purposes of subsection (2) of this section, the public radio company is financially viable if:
  - (a) the activities of the company generate, on the basis of generally acceptable accounting principles, an adequate rate of return on shareholders' funds; and
  - (b) the company is operating as a successful going concern.

## Introduction from the Chair

Radio New Zealand is fortunate to be positioned at the cutting edge of the radio industry with technology initiatives and new delivery platforms poised to provide audiences with greatly enhanced public broadcasting services.

New Zealand audiences have rapidly embraced the new world of time shifted listening and much of Radio New Zealand's content is now permanently archived, making it accessible online via audio-on-demand or podcast. Time shifted listening is additional to traditional live radio listening and represents a significant expansion of the Radio New Zealand audience.

Our national, and increasing international audiences, now have the opportunity to access programme material wherever, whenever and however they choose, and we believe this free and open access is an important element of our role as a chartered public service broadcaster.

We are at the forefront of industry change with the potential to use our technology to leverage increased value from our public broadcasting content.

The recent expansion of online media with its proliferation of websites, blogs, and personal commentary, together with the rapid growth of social media outlets, presents a significant challenge to traditional media models.

As fundamental and far reaching changes take effect we can identify opportunities for enhanced value from Radio New Zealand's position as an internationally respected public service broadcaster with a reputation for providing independent news and current affairs.

New Zealand's media landscape continues to evolve with increasing fragmentation in both content and delivery. The recently announced closure of the New Zealand Press Association (NZPA), for example, may create opportunities to generate additional value from our national news services and certainly makes Radio New Zealand's regional reporting network more important than ever for on the spot coverage of local issues.

While we embrace change and the opportunities it creates, we are also mindful of our Charter obligations. We remain committed to the core values that make Radio New Zealand unique as this country's only public service broadcaster. Underpinning our operations must be the need for vigilance and constant attention to maintaining the highest standards of professionalism and editorial integrity.

Radio New Zealand creates public value by promoting a well-informed democratic community, providing reliable, independent and freely accessible news and current affairs, by challenging and empowering New Zealanders, and by reflecting the great cultural diversity that gives New Zealand its unique national identity.

A handwritten signature in black ink, appearing to read 'R. Griffin', written in a cursive style.

**Richard Griffin – Chairman**  
**Date: 24 June 2011**

# The New Zealand Operating Environment

## Traditional Broadcasting Services

Radio New Zealand has operated as a public service broadcaster in a number of forms since 1925. It was established in its current form in 1995 and operates in one of the most competitive radio markets in the world. New Zealanders have been presented with a wide range of choice in radio listening, with more than 300 stations competing for a nationwide adult audience of fewer than 3.5 million people. This environment has more recently been exacerbated by increasing media fragmentation in both content and delivery including digital television, and web-based news, information and entertainment services. These changes, alongside increasing demands on discretionary time, have resulted in a trend to less live radio listening which has seen the overall size of the radio market shrink.

## Current Media Trends

Given the rapid changes in technology already underway, it is almost certain that the future will see the internet emerge as the world's dominant content delivery platform.

The shift away from live to on-demand media consumption is already accelerating.

Broadcasters have been largely insulated from these changes until now because of the fixed nature of internet connections. However, the rapid proliferation of mobile internet devices such as smart phones and the iPad – and the continuing growth in high speed broadband – creates a real challenge to traditional radio and television transmission platforms.

In recent years Radio New Zealand has fundamentally changed the way it operates to prepare its services for the challenges of online broadcasting.

As a result Radio New Zealand is well-placed to take full advantage of the changes in technology and media consumption now taking place – allowing it to reach many more New Zealanders with much more of its content.

## The Radio New Zealand Journey

**In 2005** Radio New Zealand was still operating as a traditional radio broadcaster:

- Radio New Zealand National had a live audience of about half a million listeners each week;
- our audience could listen only to live broadcast; and
- listeners had to be physically present in New Zealand at the time.

**Six years on in 2011** and Radio New Zealand National still maintained a weekly live audience of about half a million, but in addition:

- listeners replayed more than eight million radio programmes in a year over the internet;
- an extensive library of our spoken word content was made available indefinitely;
- the programme library contained over 8,500 hours of high quality content and is growing by 3,000 hours per year; and
- New Zealanders and the rest of the world can listen to Radio New Zealand whenever they want, virtually anywhere in the world.

The exponential increase in value has been achieved at marginal additional cost through:

- innovation;
- market leadership; and
- significant increased productivity.

**2011 and beyond** and Radio New Zealand will continue to position itself for the fundamental changes in media consumption by:

- re-directing staffing and resources to increase the range and quality of online content and services;
- reconfiguring budgets to ensure an appropriate and significant percentage of total expenditure is dedicated to non traditional platforms by 2015; and
- re-purposing and aggregating content to extract maximum value from the content we produce including the creation of specialist website sections such as science and health and establishing regional sub-sites.

## Our Services

### Networks, Archives and Other Services

The networks, archives and other services Radio New Zealand delivers to meet its Charter objectives are:



Radio New Zealand National provides a broad mix of programmes – predominantly news, current affairs and other talk programmes, as well as documentary and feature programmes covering a wide range of subjects including music and drama. It is broadcast in AM, FM, satellite, internet live streaming, and available through podcast and audio-on-demand at [radionz.co.nz](http://radionz.co.nz).



Radio New Zealand Concert offers fine music programmes, including works of, and performances by, New Zealand and international composers and musicians. It is broadcast in FM, satellite, internet live streaming and some availability through podcast and audio-on-demand at [radionz.co.nz](http://radionz.co.nz).



Radio New Zealand International provides news, information and other programming primarily to the Pacific region. It is broadcast in digital, analogue shortwave, internet live streaming, and available through audio-on-demand at [rnzi.com](http://rnzi.com).



Sound Archives/Ngā Taonga Kōrero Limited operates two archives housing audio collections from across the radio industry as well as housing a substantial collection of Māori audio material. The archives acquire and preserve New Zealand's sound heritage.



Radio New Zealand provides a Lifeline Utility service in the event of a civil emergency broadcasting important information, consistent with the terms of the Civil Defence Emergency Management Act 2002, Schedule I, Part A.

## Service Delivery

Radio New Zealand operates a number of delivery systems to make our content available to New Zealanders and the rest of the world. They include:

- AM network;
- FM network;
- Satellite;
- Terrestrial HD (High Definition);
- Website (live streaming, audio-on-demand, podcasts):  
[radionz.co.nz](http://radionz.co.nz)  
[rnzi.com](http://rnzi.com)  
[soundarchives.co.nz](http://soundarchives.co.nz)
- Replay Radio provides Radio New Zealand programmes on cassette, digital files and CD;
- Smartphone application; and
- Radio New Zealand International provides programming for broadcast by the BBC World Service (Pacific stream) and the World Radio Network (WRN).

## Ancillary Services

Radio New Zealand also utilises its broadcast infrastructure and staff expertise to offer services to commercial broadcasters, other enterprises and private individuals. This generates much needed additional revenue for Radio New Zealand and reduces the amount of taxpayer funding required to sustain our operations. These services include:

- Radio New Zealand AM Network is used to broadcast the proceedings of the House of Representatives to New Zealanders, which can also be accessed through live streaming via the internet;
- sale of AM network capacity not used by the New Zealand Parliament to private radio operators;
- co-siting transmitters and other equipment on our transmission masts;
- rents and grazing contracts on various transmission sites;
- hire of equipment and studios when not needed for our own operations; and
- consultancy work relating to transmission maintenance and broadcasting training.

# Vision and Strategic Issues

## Our Vision

- More New Zealanders will receive their news and information from Radio New Zealand than from any other source.
- The rest of the world will look to Radio New Zealand for accurate and reliable information about what is happening in New Zealand and the Pacific.
- The value of Radio New Zealand content is maximised for current audiences and unlocked for the benefit of future generations.

## Key Strategic Issues:

### Sustainability

#### Key objectives:

Matching services with available resources and creation of a capital structure and operating infrastructure that support and guarantee the continuing independent nature of the institution of Radio New Zealand by:

- reviewing all operating costs and making sustainable savings without compromising core services and functions;
- maximising existing revenue and obtaining new and alternative revenue streams;
- obtaining security of funding independent of third-party influence; and
- adopting a capital structure consistent with Radio New Zealand's non-commercial objectives which provides surety of capital and capital costs.

#### Capability and capacity to deliver:

Radio New Zealand accepts the realities of New Zealand's current economic climate and resultant need for fiscal restraint. That means Radio New Zealand will operate within current funding levels for the next two to three years at least. We will do that by making savings particularly in areas that do not undermine Charter compliant programme content and by generating wherever possible new third party revenue.

Sound Archives/Ngā Taonga Kōrero continues to operate at a loss despite some cross subsidisation from Radio New Zealand broadcasting operations. The cross subsidisation and operating loss are absorbed by the parent company with a consequent negative impact on broadcasting financial performance and the sustainability of the support infrastructure.

Radio New Zealand is restructuring investment in capital equipment in an effort to make savings. This, however, is not sustainable in the long term and some significant capital projects will require funding in a next two to three years.

## Functions and Content

### Key objectives:

To make Radio New Zealand and its delivery of Charter functions relevant to and valued by its audiences and all New Zealanders by:

- continually monitoring programming content to ensure its relevance in terms of the Charter and both current and potential audience needs;
- providing representation in all major regional areas to ensure that the news, issues and views of all New Zealanders are reflected in our national coverage;
- reflecting New Zealand's changing cultural diversity in Radio New Zealand's programming, structure and workforce;
- consolidating and building Radio New Zealand International's role as the most authoritative source of news and information to the South Pacific and about the South Pacific; and
- protecting New Zealand's invaluable national Sound Archive asset, preserving the nation's past and present history in sound and making this vital heritage taonga accessible to current and future generations of New Zealanders.

### Capability and capacity to deliver:

Radio New Zealand's independence as a public service broadcaster is fiercely protected. It will be enhanced by our soon to be enacted Charter review supported by our own editorial policies. Listener perceptions of our performance are continually monitored and feedback considered in programming decisions.

We strive for diversity in content and will ensure the essence of our role as a public service broadcaster is preserved by protecting that content diversity and making necessary operational savings elsewhere.

Plans to address our archives backlog and make the archives more readily accessible to all New Zealanders have been limited to manage within the funding available.

## Content Production and Delivery

### Key objectives:

To efficiently and effectively manage production and delivery processes and systems and apply new technology and methods to sustain and improve the range and quality of our services consistent with our Charter, listener needs and international best practice by:

- applying new technologies and production methods and processes to identify and develop more efficient and innovative ways of producing and delivering our service;
- ensuring that Radio New Zealand services are freely accessible on all available cost-effective delivery platforms; and
- providing online broadcasting services to allow audiences worldwide access to programme content at a time of their choosing.

### Capability and capacity to deliver:

Transmission, delivery, production and related technologies are developing and evolving rapidly. Radio New Zealand is adopting those technologies, as funding permits. Newer and more robust and cost effective programme delivery and broadcast technologies has allowed Radio New Zealand to remove some transmission delivery duplication, originally put in place to provide transmission backup and alternatives.

Radio New Zealand will need to invest in new audio production capability to replace existing systems which are becoming increasingly obsolete and unsupported. Funding will also be required to replace the obsolete Radio New Zealand International shortwave analogue transmitter.

## Stakeholder Satisfaction

### Key objectives:

Demonstrating to stakeholders and to New Zealanders generally that quality public service broadcasting is an essential component of a free and democratic society and ensuring that the total value of the services provided by Radio New Zealand are well recognised and understood by:

- delivering a clear social and cultural dividend for the public investment we receive;
- ensuring that all New Zealanders understand Radio New Zealand's role as an independent public service broadcaster and national cultural institution; and
- delivering services that are of the highest standards and demonstrate excellent value for money.

### Capability and capacity to deliver:

Radio New Zealand consistently rates highly in terms of well established and widely accepted benchmarking for its financial management performance.

Radio New Zealand surveys listener and other stakeholders on perceptions and assessments of its performance. Those results are regularly examined and used to guide programming and other operations.

## Our Performance Management Framework

The Radio New Zealand Charter<sup>1</sup> underpins the value we deliver to all New Zealanders and the impact we have on New Zealand society. The services we deliver are constantly reviewed in terms of the Charter and relevance to our ever changing environment. Both programme content and service delivery decisions are informed by international best practice standards and our own research including a number of listener surveys, they include:

### **All New Zealand Radio Survey**

The All New Zealand Radio Survey is fully representative, nationwide, and conducted among all people aged 15+. It is designed to monitor audience listening trends and had survey diaries in the field continuously for 40 weeks of the year.

### **Radio New Zealand Listener Survey**

The Radio New Zealand Listener Survey is an extension of the All New Zealand Radio Survey and is conducted among listeners to Radio New Zealand National and Radio New Zealand Concert. Respondents are asked about their listening and how well they think Radio New Zealand performs against Charter criteria.

### **Radio New Zealand Value Indices Research**

The Radio New Zealand Value Indices Research is a fully representative nationwide survey among all New Zealanders (both listeners and non-listeners) aged 15+, designed to measure the perceived importance and value of Radio New Zealand services to all New Zealanders.

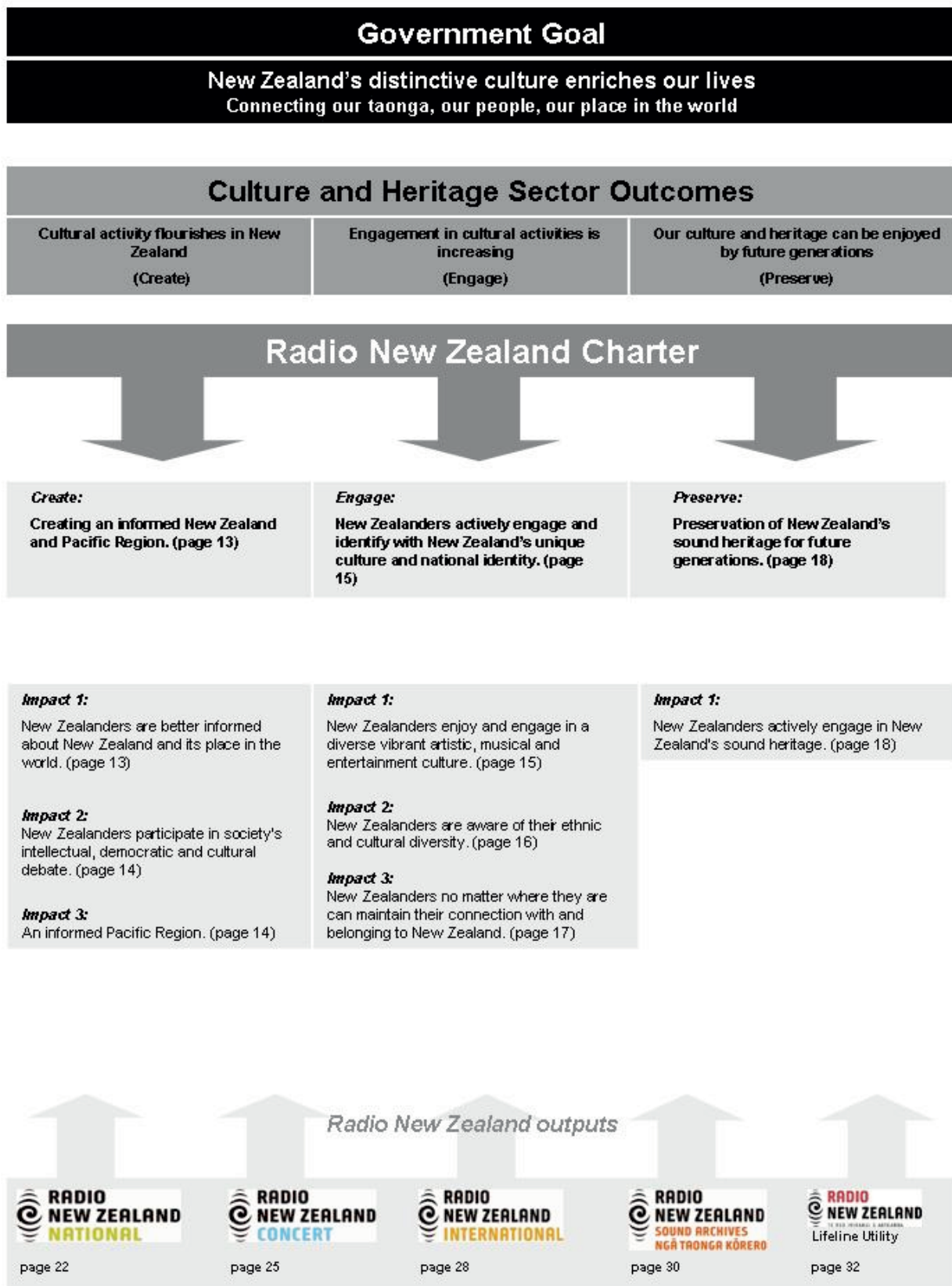
Radio New Zealand's forecast performance results are based on the average actual performance in the last three years' survey results<sup>2</sup> from the Radio New Zealand Listener surveys and Value Indices research surveys. Radio New Zealand aims to meet or exceed those averages.

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<sup>1</sup> Performance measures and forecasts are indicative of the latest Charter review which is awaiting enactment by the House of Representatives.

<sup>2</sup> The margin of error for survey results varies depending on the result (percentage) and the sample size

## At a Glance



## CREATE: Creating an informed New Zealand and Pacific Region.

The following impacts will provide a positive contribution to the overall achievement of this Outcome.

Impact 1: New Zealanders are better informed about New Zealand and its place in the world.						
Listeners will recognise Radio New Zealand's contribution to the achievement of this Impact.	2009 (actual)	2010 (actual)	2011 (estimate)	2012 (forecast)	2013 (forecast)	2014 (forecast)
<b>Indicator<sup>3</sup>:</b> The percentage of listeners who agree that Radio New Zealand contributes to the development of an informed society.	93%	91%	92%	92%	92%	92%
<b>Indicator<sup>3</sup>:</b> The percentage of Radio New Zealand listeners who agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealand.	86%	83%	84%	84%	84%	84%
<b>Indicator<sup>3</sup>:</b> The percentage of Radio New Zealand listeners who agree that Radio New Zealand balances the need to broadcast programmes of wide appeal while also broadcasting programmes of interest to minority audiences.	76%	76%	76%	76%	76%	76%
<b>Indicator<sup>4</sup>:</b> The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	87%	87%	87%	87%	87%	87%
<b>Indicator<sup>4</sup>:</b> The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	82%	80%	80%	80%	80%	80%

<sup>3</sup> Source: Radio New Zealand Listener Survey

<sup>4</sup> Source: Radio New Zealand Listener Survey: Radio New Zealand National listeners' satisfaction with Radio New Zealand National's programming – very satisfied and quite satisfied and Radio New Zealand Concert listeners' satisfaction with Radio New Zealand Concert's programming – very satisfied and quite satisfied.

<b>Impact 2: New Zealanders participate in society's intellectual, democratic and cultural debate.</b>						
Listeners will recognise Radio New Zealand's contribution to the achievement of this Impact.	<b>2009 (actual)</b>	<b>2010 (actual)</b>	<b>2011 (estimate)</b>	<b>2012 (forecast)</b>	<b>2013 (forecast)</b>	<b>2014 (forecast)</b>
<b>Indicator<sup>5</sup>:</b> The percentage of Radio New Zealand National listeners who agree that Radio New Zealand provides in-depth news and current affairs about New Zealand.	93%	92%	93%	93%	93%	93%
<b>Indicator<sup>5</sup>:</b> The percentage of listeners who agree that Radio New Zealand provides fair and balanced information.	90%	89%	89%	89%	89%	89%
<b>Indicator<sup>5</sup>:</b> The percentage of listeners who agree that Radio New Zealand promotes informed debate.	90%	88%	89%	89%	89%	89%
<b>Indicator<sup>6</sup>:</b> The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	87%	87%	87%	87%	87%	87%
<b>Indicator<sup>6</sup>:</b> The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	82%	80%	80%	80%	80%	80%

<b>Impact 3: An informed Pacific region.</b>						
Pacific broadcasters will recognise Radio New Zealand International as a reliable source of information for Pacific peoples.	<b>2009 (actual)</b>	<b>2010 (actual)<sup>7</sup></b>	<b>2011 (estimate)</b>	<b>2012 (forecast)</b>	<b>2013 (forecast)</b>	<b>2014 (forecast)</b>
<b>Indicator<sup>8</sup>:</b> Primary coverage areas of the Pacific region will have access to good quality <sup>9</sup> reception (average hours available per day).	18	16	16	16	16	16
<b>Indicator:</b> Secondary coverage areas of the Pacific region will have access to good quality reception (average hours available per day).	12	8	8	8	8	8
<b>Indicator:</b> General coverage areas of the Pacific region will have access to good quality reception (average hours available per day).	6	4	4	4	4	4
<b>Indicator:</b> Pacific radio stations will want to engage with Radio New Zealand International to rebroadcast the service across their country on their radio stations.	18	17	17	17	17	17

<sup>5</sup> Source: Radio New Zealand Listener Survey

<sup>6</sup> Source: Radio New Zealand Listener Survey: Radio New Zealand National listeners' satisfaction with Radio New Zealand National's programming – very satisfied and quite satisfied and Radio New Zealand Concert listeners' satisfaction with Radio New Zealand Concert's programming – very satisfied and quite satisfied.

<sup>7</sup> The declining transmission coverage arises from the obsolete and increasing unreliability of the Radio New Zealand International shortwave analogue transmitter. Radio New Zealand International is committed to maintaining acceptable levels of coverage across the Pacific.

<sup>8</sup> See page 29 of the Statement of Service Performance for an explanation of coverage.

<sup>9</sup> Good quality reception describes the level of the reception that allows Pacific radio stations to rebroadcast Radio New Zealand International.

## **ENGAGE: New Zealanders actively engage and identify with New Zealand's unique culture and national identity.**

The following impacts will provide a positive contribution to the overall achievement of this Outcome.

<b>Impact 1: New Zealanders enjoy and engage in a diverse vibrant artistic, musical and entertainment culture.</b>						
Listeners will recognise Radio New Zealand's contribution to the achievement of this Impact.	<b>2009 (actual)</b>	<b>2010 (actual)</b>	<b>2011 (estimate)</b>	<b>2012 (forecast)</b>	<b>2013 (forecast)</b>	<b>2014 (forecast)</b>
<b>Indicator<sup>10</sup>:</b> The percentage of listeners who agree that Radio New Zealand supports New Zealand music and other performing arts and artists.	80%	77%	79%	79%	79%	79%
<b>Indicator<sup>11</sup>:</b> The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	87%	87%	87%	87%	87%	87%
<b>Indicator<sup>11</sup>:</b> The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	82%	80%	80%	80%	80%	80%
<b>Indicator<sup>12</sup>:</b> Listeners will connect with Radio New Zealand National through traditional means (cumulative audience and percentage of available audience).	473,000 17.2%	462,000 17.4%	423,000 14.7%	414,000 14.4%	406,000 14.2%	398,000 13.9%
<b>Indicator<sup>12</sup>:</b> Listeners will connect with Radio New Zealand Concert through traditional means (cumulative audience and percentage of available audience)	138,000 5.0%	119,000 4.5%	134,000 4.7%	132,000 4.6%	129,000 4.5%	127,000 4.4%
<b>Indicator:</b> Listeners will connect with Radio New Zealand through time shifted means (number of audio-on-demand and podcast requests met).	8.0 million	not available <sup>13</sup>		9.1 million	9.5 million	9.9 million

<sup>10</sup> Source: Radio New Zealand Listener Survey

<sup>11</sup> Source: Radio New Zealand Listener Survey: Radio New Zealand National listeners' satisfaction with Radio New Zealand National's programming – very satisfied and quite satisfied and Radio New Zealand Concert listeners' satisfaction with Radio New Zealand Concert's programming – very satisfied and quite satisfied.

<sup>12</sup> Percentage of available audience: The Radio New Zealand National or Radio New Zealand Concert percentage of the number of listeners 15+ who listen to any radio station from Monday to Sunday, 12 midnight to 12 midnight.

<sup>13</sup> The Radio New Zealand website experienced a significant growth in traffic during 2009-2010. As a result of the high demand and increased load on the web servers urgent system upgrades were implemented. System overloads and the measures undertaken to protect service delivery has meant accurate logging of on-demand traffic is not possible. Proposals are in place to introduce an accurate system during 2011-2012 for measuring on-demand traffic.

<b>Impact 2: New Zealanders are aware of their ethnic and cultural diversity.</b>						
Listeners will recognise Radio New Zealand's contribution to the achievement of this Impact.	<b>2009 (actual)</b>	<b>2010 (actual)</b>	<b>2011 (estimate)</b>	<b>2012 (forecast)</b>	<b>2013 (forecast)</b>	<b>2014 (forecast)</b>
<b>Indicator<sup>14</sup>:</b> The percentage of listeners who agree that Radio New Zealand promotes and supports a sense of national identity.	82%	79%	81%	81%	81%	81%
<b>Indicator<sup>14</sup>:</b> The percentage of listeners who agree that Radio New Zealand provides a range of programmes which reflect New Zealand's cultural diversity.	82%	81%	82%	82%	82%	82%
<b>Indicator<sup>15</sup>:</b> The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	87%	87%	87%	87%	87%	87%
<b>Indicator<sup>15</sup>:</b> The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	82%	80%	80%	80%	80%	80%

<sup>14</sup> Source: Radio New Zealand Listener Survey

<sup>15</sup> Source: Radio New Zealand Listener Survey: Radio New Zealand National listeners' satisfaction with Radio New Zealand National's programming – very satisfied and quite satisfied and Radio New Zealand Concert listeners' satisfaction with Radio New Zealand Concert's programming – very satisfied and quite satisfied.

<b>Impact 3: New Zealanders no matter where they are can maintain their connection with and belonging to New Zealand.</b>						
	<b>2009 (actual)</b>	<b>2010 (actual)</b>	<b>2011 (estimate)</b>	<b>2012 (forecast)</b>	<b>2013 (forecast)</b>	<b>2014 (forecast)</b>
New Zealanders will access information about New Zealand through the use of diverse delivery platforms.						
<b>Indicator<sup>16</sup>:</b> Listeners will connect with Radio New Zealand National through traditional means (cumulative audience and percentage of available audience) <sup>17</sup> .	473,000 17.2%	462,000 17.4%	423,000 14.7%	414,000 14.4%	406,000 14.2%	398,000 13.9%
<b>Indicator<sup>16</sup>:</b> Listeners will connect with Radio New Zealand Concert through traditional means (cumulative audience and percentage of available audience) <sup>17</sup> .	138,000 5.0%	119,000 4.5%	134,000 4.7%	132,000 4.6%	129,000 4.5%	127,000 4.4%
<b>Indicator:</b> Listeners will connect with Radio New Zealand through time shifted means (number of audio-on-demand requests met).	3.3 million	not available <sup>18</sup>		3.8 million	4.0 million	4.2 million
<b>Indicator:</b> Listeners will connect with Radio New Zealand through time shifted means (number of website podcast requests met)	4.7 million	not available <sup>18</sup>		5.3 million	5.5 million	5.7 million
<b>Indicator:</b> Increased demand to access the website <a href="http://radionz.co.nz">radionz.co.nz</a>	10.0 million	11.3 million	12.6 million	13.9 million	15.2 million	16.5 million
<b>Indicator<sup>19</sup>:</b> Percentage of New Zealanders who are aware that Radio New Zealand is New Zealand's public service broadcaster.	69%	73%	69%	69%	69%	69%
<b>Indicator<sup>19</sup>:</b> The percentage of New Zealanders who are aware of Radio New Zealand National.	71%	73%	71%	71%	71%	71%
<b>Indicator<sup>19</sup>:</b> The percentage of New Zealanders who are aware of Radio New Zealand Concert.	57%	57%	57%	57%	57%	57%
<b>Indicator<sup>19</sup>:</b> The percentage of New Zealanders who perceive that it is important for New Zealand to have a public service broadcaster.	84%	89%	85%	85%	85%	85%

<sup>16</sup> Percentage of available audience: The Radio New Zealand National or Radio New Zealand Concert percentage of the number of listeners 15+ who listen to any radio station from Monday to Sunday, 12 midnight to 12 midnight.

<sup>17</sup> Cumulative live audience forecasts depict the shrinking traditional live radio listening market as audiences move to audio-on-demand timeshifted listening.

<sup>18</sup> The Radio New Zealand website experienced a significant growth in traffic during 2009-2010. As a result of the high demand and increased load on the web servers urgent system upgrades were implemented. System overloads and the measures undertaken to protect service delivery has meant accurate logging of on-demand traffic is not possible. Proposals are in place to introduce an accurate system during 2011-2012 for measuring on-demand traffic.

<sup>19</sup> Source: Radio New Zealand Value Indices Research conducted nationwide by The Nielsen Company among all New Zealanders aged 15+ of prompted awareness and perceptions.

## **PRESERVE: Preservation of New Zealand's sound heritage for future generations.**

The following impact will provide a positive contribution to the overall achievement of this Outcome.

<b>Impact 1: New Zealanders actively engage in New Zealand's sound heritage.</b>						
New Zealanders will contribute to and want access to their rich sound heritage.	<b>2009 (actual)</b>	<b>2010 (actual)</b>	<b>2011 (estimate) <sub>20</sub></b>	<b>2012 (forecast)</b>	<b>2013 (forecast)</b>	<b>2014 (forecast)</b>
<b>Indicator:</b> Sound Archives/Ngā Taonga Kōrero will continue to acquire New Zealand sound heritage to the archives.	1,767	1,211	1,300	1,300	1,300	1,300
<b>Indicator:</b> Sound Archives/Ngā Taonga Kōrero will continue to preserve New Zealand sound heritage to the archives.	1,889	2,138	1,600	1,900	1,900	1,900
<b>Indicator:</b> Positive on-line engagement with sound heritage will be achieved.	185,000	289,587	200,000	300,000	300,000	300,000
<b>Indicator<sup>21</sup>:</b> Radio New Zealand will provide an on-line programming library through <a href="http://radionz.co.nz">radionz.co.nz</a> for listeners to access where and when they like.	27,000 items 3,040 hrs	51,000 items 6,520 hrs	75,000 items 10,000 hrs	90,000 items 13,480 hrs	123,000 items 16,960 hrs	147,000 items 20,440 hrs
<b>Indicator:</b> Listeners will connect with Radio New Zealand through time shifted means (number of audio-on-demand requests met).	3.3 million	not available		3.8 million	4.0 million	4.2 million
<b>Indicator:</b> Listeners will connect with Radio New Zealand through time shifted means (number of website podcast requests met)	4.7 million	not available		5.3 million	5.5 million	5.7 million
<b>Indicator<sup>22</sup>:</b> The percentage of all New Zealanders whose perception is that Radio New Zealand provides a valuable service for New Zealanders.	75%	80%	77%	77%	77%	77%

<sup>20</sup> The Sound Archives building based in Christchurch was significantly damaged during the Canterbury earthquake on 22 February. Access to building was restricted and there was significant operational disruption during the retrieval of the archive and relocation to temporary accommodation.

<sup>21</sup> The online programme library excludes features and documentary programming.

<sup>22</sup> Source: Radio New Zealand Value Indices Research conducted nationwide by The Nielsen Company among all New Zealanders aged 15+ of prompted awareness and perceptions.

## Statement of Service Performance 2011 - 2014

Measures to evaluate Radio New Zealand's success in delivering Charter objectives relate to:

- Radio New Zealand National;
- Radio New Zealand Concert;
- Radio New Zealand International;
- Sound Archives/Ngā Taonga Kōrero; and
- Radio New Zealand – Lifeline Utility.

These outputs are supported by company wide management systems and practices that ensure Radio New Zealand operates efficiently and effectively in delivering value for money to New Zealanders. To measure our success Radio New Zealand will report on service performance and operational measures relating to:

- service quality and value to New Zealanders;
- programme content, access and availability;and
- financial viability and cost effectiveness.

# Radio New Zealand Limited

## Quality and value:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Total Radio New Zealand National and Radio New Zealand Concert operating costs per podcast and audio-on-demand requests met <sup>23</sup>	\$4.38	not available <sup>24</sup>		\$3.91	\$3.74	\$3.59
Total Radio New Zealand National operating costs per head: live audience <sup>25 and 26</sup>	\$63.48	\$65.22	\$71.82	\$73.75	\$74.99	\$76.50
Total Radio New Zealand Concert operating costs per head: live audience <sup>26 and 27</sup>	\$36.33	\$42.15	\$39.39	\$38.55	\$39.33	\$39.95
Perception <sup>28</sup> that it is important for New Zealand to have a public service radio broadcaster	84%	89%	85%	85%	85%	85%
Perception <sup>28</sup> that Radio New Zealand provides a valuable service for New Zealanders	75%	80%	77%	77%	77%	77%

<sup>23</sup> Calculated from the product of Radio New Zealand National and Radio New Zealand Concert total operating expenditure and total podcast requests and audio-on-demand downloads met.

<sup>24</sup> The Radio New Zealand website experienced a significant growth in traffic during 2009-2010. As a result of the high demand and increased load on the web servers urgent system upgrades were implemented. System overloads and the measures undertaken to protect service delivery has meant accurate logging of on-demand traffic is not possible. Proposals are in place to introduce an accurate system during 2011-2012 for measuring on-demand traffic.

<sup>25</sup> Calculated from the product of Radio New Zealand National total operating expenditure and Radio New Zealand National cumulative audience, page 22 refers.

<sup>26</sup> Cumulative live audience forecasts depict the shrinking traditional live radio listening market as audiences move to audio-on-demand timeshifted listening. Figures for podcast and audio-on-demand requests met are shown on page 21.

<sup>27</sup> Calculated from the product of Radio New Zealand Concert total operating expenditure and Radio New Zealand Concert cumulative audience, page 25 refers.

<sup>28</sup> Source: Radio New Zealand Value Indices Research conducted nationwide by The Nielsen Company among all New Zealanders aged 15+ of prompted awareness and perceptions.

## Accessibility and Availability<sup>29</sup>:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand website podcasting and audio-on-demand requests met (millions)	8.0 million	not available <sup>30</sup>		9.1 million	9.5 million	9.9 million
Website availability: <a href="http://radionz.co.nz">radionz.co.nz</a>	99.91%	99.91%	99.90%	99.90%	99.90%	99.90%

## Financial viability and cost-effectiveness:

Measures (\$000s)	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Revenue	\$38,200	\$38,375	\$39,520	\$38,941	\$38,840	\$38,840
Expenditure	\$38,187	\$38,357	\$38,966	\$38,931	\$38,830	\$38,830
Net profit/(loss)	\$13	\$55	\$554 <sup>31</sup>	\$10	\$10	\$10
Debt/equity ratio	1:6	1:6	1:6	1:6	1:6	1:6
Capital expenditure	\$1,802	\$1,942	\$2,000	\$2,000	\$2,500	\$2,500
Overheads as a percentage of gross operating expenditure	15%	15%	15%	14%	14%	14%

<sup>29</sup> Other than time lost for planned maintenance.

<sup>30</sup> The Radio New Zealand website experienced a significant growth in traffic during 2009-2010. As a result of the high demand and increased load on the web servers urgent system upgrades were implemented. System overloads and the measures undertaken to protect service delivery has meant accurate logging of on-demand traffic is not possible. Proposals are in place to introduce an accurate system during 2011-2012 for measuring on-demand traffic.

<sup>31</sup> The forecast net profit includes the estimated profit on sale of land at the Henderson transmission site.

Radio New Zealand National is a nationwide network providing news, current affairs, feature documentaries and entertainment programmes, including music programmes featuring both New Zealand and international artists. Many of the quality programmes featured on Radio New Zealand National are not available on commercial radio because they are not considered commercially viable. The following are examples of the non-commercial public service broadcasting programmes to be found on Radio New Zealand National:

- *Morning Report* – authoritative and comprehensive coverage of local and world events.
- *Midday Report* – delivering comprehensive news bulletin, business news, rural news, sports news, long-range weather forecasts and *Worldwatch*.
- *Afternoons*– an audience participation show to stimulate, enlighten and entertain the listener.
- *Nine to Noon* – provides in-depth debate on topical national and international news, with feature interview profiles to stimulate new ideas.
- *Checkpoint* – hard-hitting daily news-focused programme.
- *Nights*– dedicated to encouraging fresh ideas and music along with the best radio documentaries and features from here and overseas.
- *This Way Up* – a programme exploring consumer-related stories and issues.
- *The Arts on Sunday* – the show celebrates the diversity of creativity, both here and overseas, with views, reviews, previews, interviews, a regular comedy slot and the play of the week.
- *Saturday Morning*– a magazine programme with interviews, food, books and music.
- *Sunday Morning*– thought-provoking range of interviews, documentaries and music, including *Mediawatch* and *Insight*.

### Quality and value:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand National cost per broadcast hour <sup>32</sup>	\$3,427.40	\$3,439.50	\$3,467.81	\$3,475.98	\$3,475.68	\$3,475.68
Radio New Zealand National – number of complaints upheld against any one category by the Broadcasting Standards Authority	1	1	< 3	< 3	< 3	< 3

<sup>32</sup> Calculated from the product of total expenditure and the number of broadcast hours during the reporting period, 2012 being a leap year.

## Programming:

Radio New Zealand National programming is measured in terms of the content fit against the objectives set out in the Radio New Zealand Charter. These Charter categories are the foundation to societal impacts that Radio New Zealand seeks to bring to New Zealanders and against which funding agreements with NZ On Air are measured.

Charter Category <sup>33</sup>		Performance at year end:		
		2009 (actual)	2010 (actual)	2011- 2014 (forecast)
A	Programming that is predominantly and distinctively of New Zealand.	91.9%	92.6%	92%
B	Programming that informs, entertains and enlightens the people of New Zealand.	96.0%	96.1%	96%
C	Programming that is challenging innovative and engaging.	97.7%	97.8%	97%
D	Programming that fosters critical thought, information and wide-ranging debate thereby contributing to greater tolerance and understanding.	96.0%	96.1%	95%
E	Programming that stimulates, supports and reflects the diversity of cultural expression including drama, comedy, literature and the performing arts.	87.5%	87.3%	87%
F	Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance.	11.1%	10.5%	10%
G	Programming that reflects New Zealand's cultural identity, including Maori language and culture.	91.9%	92.6%	92%
H	Programming that provides awareness of the world and of New Zealand's place in it.	74.0%	74.0%	74%
I	Programming that provides comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs.	48.7%	49.2%	47%
J	Balance programmes of special interest with those of wide appeal recognising the interest of all age groups.	96.0%	96.1%	96%
K	Programming that contributes towards intellectual and spiritual development.	86.0%	86.2%	85%

<sup>33</sup> Particular programmes produced and broadcast have been assessed in terms of the contribution that the programme makes to Radio New Zealand's statutory Charter functions. Most programmes contribute to more than one Charter function. Radio New Zealand Concert programming does not contribute to Charter Category D.

## Accessibility<sup>34</sup> and Availability<sup>35</sup>:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand National (cumulative audience) <sup>36</sup>	473,000	462,000	423,000	414,000	406,000	398,000
AM Network coverage: Radio New Zealand National	94%	94%	94%	94%	94%	94%
FM Network coverage: Radio New Zealand National	90%	90%	90%	90%	90%	90%
Sky (Satellite) coverage	100%	100%	100%	100%	100%	100%
Freeview (Satellite) coverage	100%	100%	100%	100%	100%	100%
AM and FM Network availability – Radio New Zealand National	99.96%	99.99%	99.90%	99.90%	99.90%	99.90%

## Financial viability and cost-effectiveness:

Measures (\$000s)	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Revenue	\$29,759	\$29,827	\$31,057	\$30,528	\$30,442	\$30,442
Expenditure	\$30,024	\$30,130	\$30,378	\$30,533	\$30,447	\$30,447
Net profit/(loss)	(\$265)	(\$303)	\$679	(\$5)	(\$5)	(\$5)

<sup>34</sup> Coverage is measured in terms of percentage of the total resident New Zealand population able to receive the network signal.

<sup>35</sup> Other than time lost for planned maintenance.

<sup>36</sup> Cumulative live audience forecasts depict the shrinking traditional live radio listening market as audiences move to audio-on-demand timeshifted listening. Figures for podcast and audio-on-demand requests met are shown on page 21.



Radio New Zealand Concert brings fine music in stereo to 100% of New Zealanders, through a network of FM transmitters and digital satellite. Musical, dramatic and performing arts comprise 96% of Radio New Zealand Concert's broadcasts, with a repertoire featuring mainly classical music but also including jazz and special interest music. The remaining 4% of broadcasts comprises Māori language and culture, news and weather.

**Quality and value:**

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand Concert cost per broadcast hour	\$572.26	\$572.60	\$602.51	\$579.35	\$579.22	\$579.22
Radio New Zealand Concert – number of complaints upheld against any one category by the Broadcasting Standards Authority	nil	nil	< 3	< 3	< 3	< 3

## Programming:

Radio New Zealand Concert programming is measured in terms of the content fit against the objectives set out in the Radio New Zealand Charter. These Charter categories are the foundation to societal impacts that Radio New Zealand seeks to bring to New Zealanders and against which funding agreements with NZ On Air are measured.

Charter Category <sup>37</sup>		Performance at year end:		
		2009 (actual)	2010 (actual)	2011- 2014 (forecast)
A	Programming that is predominantly and distinctively of New Zealand.	15.9%	15.9%	14%
B	Programming that informs, entertains and enlightens the people of New Zealand.	100%	100%	100%
C	Programming that is challenging innovative and engaging.	100%	100%	100%
D	Programming that fosters critical thought, information and wide-ranging debate thereby contributing to greater tolerance and understanding.	not applicable	not applicable	not applicable
E	Programming that stimulates, supports and reflects the diversity of cultural expression including drama, comedy, literature and the performing arts.	96.8%	96.8%	97%
F	Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance.	96.8%	96.8%	97%
G	Programming that reflects New Zealand's cultural identity, including Maori language and culture.	15.9%	15.9%	14%
H	Programming that provides awareness of the world and of New Zealand's place in it.	3.8%	4.0%	4%
I	Programming that provides comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs.	3.2%	3.2%	3%
J	Balance programmes of special interest with those of wide appeal recognising the interest of all age groups.	8.3%	9.7%	8%
K	Programming that contributes towards intellectual and spiritual development.	100%	100%	100%

<sup>37</sup> Particular programmes produced and broadcast have been assessed in terms of the contribution that the programme makes to Radio New Zealand's statutory Charter functions. Most programmes contribute to more than one Charter function. Radio New Zealand Concert programming does not contribute to Charter Category D.

## Accessibility<sup>38</sup> and Availability<sup>39</sup>:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand Concert (cumulative audience) <sup>40</sup>	138,000	119,000	134,000	132,000	129,000	127,000
FM Network coverage: Radio New Zealand Concert	92%	92%	92%	92%	92%	92%
Sky (Satellite) coverage	100%	100%	100%	100%	100%	100%
Freeview (Satellite) coverage	100%	100%	100%	100%	100%	100%

## Financial viability and cost-effectiveness:

Measures (\$000s)	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Revenue	\$5,319	\$5,346	\$5,139	\$5,089	\$5,074	\$5,074
Expenditure	\$5,013	\$5,016	\$5,278	\$5,089	\$5,074	\$5,074
Net profit/(loss)	\$306	\$330	(\$139)	\$0	\$0	\$0

<sup>38</sup> Coverage is measured in terms of percentage of the total resident New Zealand population able to receive the network signal.

<sup>39</sup> Other than time lost for planned maintenance.

<sup>40</sup> Cumulative live audience forecasts depict the shrinking traditional live radio listening market.

Radio New Zealand will provide an international radio service to the Pacific through Radio New Zealand International. This service will:

- broadcast innovative, comprehensive and independent news and programming of interest to the Pacific region;
- provide a reliable account of Pacific and New Zealand affairs for relay and use by broadcasters and listeners within the Pacific and beyond;
- broadcast programming which encourages an awareness and understanding of New Zealand policies on regional issues of concern, foreign relations, development assistance, immigration, human rights, economic developments, the environment and trade opportunities; and
- provide a reliable source of information in the event of natural disasters or a breakdown of local communication services [additional costs of this service by the Ministry of Foreign Affairs and Trade are not included in the cost below].

### Quality and value:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand International cost per broadcast hour	\$255.37	\$254.11	\$258.79	\$258.08	\$258.79	\$258.79

### Programming:

Radio New Zealand International programming is measured in terms of the level of original Radio New Zealand International content and the number of morning, afternoon and evening sessions broadcast during the year.

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Approximate percentage of original programming	not available <sup>41</sup>	27%	27%	27%	27%	27%
Number of morning sessions	not available	305	305	305	305	305
Number of afternoon and evening sessions	not available	238	238	238	238	238

<sup>41</sup> Not available refers to new indicators which have been introduced and data is not available to measure past performance.

## Accessibility and Availability:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Primary coverage of Radio New Zealand International transmissions	French Polynesia, Cook Islands, Tokelau, American Samoa, Niue, Tonga, Wallis and Futuna, Fiji, Tuvalu, New Caledonia and Vanuatu					
Secondary coverage of Radio New Zealand International transmissions	Solomon Islands, Papua New Guinea, Nauru and Kiribati					
General coverage of Radio New Zealand International transmissions	Asia/Pacific and Pacific rim including: Federated States of Micronesia, Marshall Islands and Palau					
Radio New Zealand International Analogue and Digital Shortwave Network availability	99.19%	99.70%	99.00%	99.00%	99.00%	99.00%
Website availability <sup>42</sup> <a href="http://rnzi.com">rnzi.com</a>	99.91%	99.91%	99.90%	99.90%	99.90%	99.90%

## Financial viability and cost-effectiveness:

Measures (\$000s)	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Revenue	\$2,284	\$2,280	\$2,282	\$2,282	\$2,282	\$2,282
Expenditure	\$2,237	\$2,226	\$2,267	\$2,267	\$2,267	\$2,267
Net profit/(loss)	\$47	\$54	\$15	\$15	\$15	\$15

<sup>42</sup> Other than time lost for planned maintenance.

Radio New Zealand Sound Archives/Ngā Taonga Kōrero collects recordings of broadcast radio programmes, and related sound recordings, from across the spectrum of all New Zealand stations and networks, and stores them for posterity. This resource is available to all New Zealanders on a cost recovery basis.

### Quality and value:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast) <sup>43</sup>	2012 (forecast)	2013 (forecast)	2014 (forecast)
Total Sound Archives operating costs per acquisition and preservation hour <sup>45 and 44</sup>	\$249.73	\$294.12 <sup>45</sup>	\$359.66	\$325.63	\$325.63	\$325.63

### Work Programme:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast) <sup>43</sup>	2012 (forecast)	2013 (forecast)	2014 (forecast)
Acquires material to archive (number of hours).	1,767	1,211	1,300	1,300	1,300	1,300
Preserves and retains historical material to the archives (number of hours).	1,889	2,138	1,600	1,900	1,900	1,900

### Accessibility and Availability:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Access levels to the <a href="http://soundarchives.co.nz">soundarchives.co.nz</a> website <sup>46</sup>	185,000	289,587	200,000	300,000	300,000	300,000
Website availability <sup>47</sup>	99.91%	99.91%	99.90%	99.90%	99.90%	99.90%

<sup>43</sup> The Sound Archives building based in Christchurch was significantly damaged during the Canterbury earthquake on 22 February. Access to the building was restricted and there was significant operational disruption during the retrieval of the archive and relocation to temporary accommodation.

<sup>44</sup> Calculated from the product of total operating expenditure and the total number of hours of material acquired and preserved by the Archives during the reporting period, 2008 and 2012 being leap years.

<sup>45</sup> Preservation work was put on hold during part of 2009-2010 during the implementation of a new IT system designed to improve archives content management and access.

<sup>46</sup> Calculated from the number of daily unique browsers.

<sup>47</sup> Other than time lost for planned maintenance.

**Financial viability and cost-effectiveness:**

Measures (\$000s)	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Revenue	\$838	\$922	\$1,042	\$1,042	\$1,042	\$1,042
Expenditure <sup>48</sup>	\$913	\$985	\$1,043	\$1,042	\$1,042	\$1,042
Net profit/(loss)	(\$75)	(\$63)	(\$1)	\$0	\$0	\$0

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<sup>48</sup> Operating costs for 2011 to 2014 include the cost of significant client work not represented in accession and preservations hours.

## Lifeline Utility

Radio New Zealand is a designated Civil Defence lifeline utility and consistent with that role it must:

- ensure that it has the capability to function during a civil defence emergency;
- develop and maintain arrangements to ensure the effective and consistent broadcast of warnings and emergency information; and
- provide technical support when directed.

Terms of those requirements are set out in the Civil Defence Emergency Management Act 2002 and the memorandum of understanding between Ministry of Civil Defence and Emergency Management and Radio New Zealand, available on the Ministry's website [civildefence.govt.nz](http://civildefence.govt.nz).

## Response:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand will be available to respond in times of an emergency.	24/7	24/7	24/7	24/7	24/7	24/7
In the event of a declared priority 1 emergency Radio New Zealand will provide where directed by Civil Defence announcements.	broadcasts every 15 minutes	broadcasts every 15 minutes	broadcasts every 15 minutes	broadcasts every 15 minutes	broadcasts every 15 minutes	broadcasts every 15 minutes
In the event of a declared priority 2 emergency Radio New Zealand will provide where directed by Civil Defence announcements.	broadcasts hourly	broadcasts hourly	broadcasts hourly	broadcasts hourly	broadcasts hourly	broadcasts hourly

## Accessibility and Availability<sup>49</sup>:

Measures	Performance at year end:					
	2009 (actual)	2010 (actual)	2011 (forecast)	2012 (forecast)	2013 (forecast)	2014 (forecast)
Radio New Zealand will provide coverage and representation in main districts (number of district locations).	3	3	3	3	3	3
Radio New Zealand will provide regional coverage and representation (number of regional locations).	9	9	9	9	9	9
AM Network coverage: Radio New Zealand National	94%	94%	94%	94%	94%	94%
FM Network coverage: Radio New Zealand National	90%	90%	90%	90%	90%	90%
Sky (Satellite) coverage	100%	100%	100%	100%	100%	100%
Freeview (Satellite) coverage	100%	100%	100%	100%	100%	100%
AM and FM Network availability – Radio New Zealand National	99.96%	99.99%	99.90%	99.90%	99.90%	99.90%
Website availability	99.91%	99.91%	99.90%	99.90%	99.90%	99.90%

<sup>49</sup> Other than time lost for planned maintenance.

## Good Employer Reporting

Organisational Impacts	Activity
<p>Build and maintain Radio New Zealand's workforce capability to support achievement of its business plans and strategic objectives.</p>	<p>Radio New Zealand workforce information will be collected, analysed and reported.</p> <p>Robust human resources systems, based upon analysis of business information, and recognised "Good Business Practice" will be maintained.</p> <p>An equitable and transparent remuneration system will be implemented and Radio New Zealand will report annually on its remuneration levels in relation to the market and within the organisation across gender and ethnicity.</p> <p>Radio New Zealand will implement a learning and development framework and report annually on staff participation in learning and development opportunities.</p> <p>Flexibility in work design will be measured and reported by level of staff participation in multi-skilling job opportunities.</p> <p>Radio New Zealand will ensure a healthy and safe working environment and ACC Workplace Safety Management Practices audit standards will be met to at least primary level.</p>
<p>Radio New Zealand's human resources systems, policies and processes are aligned with "Good Employer" practice (as defined in section 118 of the Crown Entities Act 2004)</p>	<p>Radio New Zealand will continue to review its human resources systems in 2011-2014 to align policies and processes with Good Employer principles.</p> <p>Radio New Zealand will monitor and report annually on its Equal Employment Opportunity Plan.</p>

# Radio New Zealand Limited and Group

## Statement of Responsibility

for the years ending 30 June 2011, 2012, 2013 and 2014

### The Board of Radio New Zealand Limited is responsible for:

The information contained in this Statement of Intent for Radio New Zealand for the years ending 2011, 2012, 2013 and 2014 has been prepared in accordance with sections 141 and 142 of the Crown Entities Act 2004.

As required by the Crown Entities Act, this statement covers:

- key background information about Radio New Zealand and its operating environment;
- the nature and scope of Radio New Zealand's functions and intended operations;
- impacts, outcomes and objectives;
- operating intentions;
- the organisational health and capability of Radio New Zealand;
- prospective financial statements; and
- the prospective statement of service performance.

In the opinion of the Board the prospective financial statements and statement of service performance for the four financial years ending 30 June 2014 reflect the forecast financial position and operations of Radio New Zealand Limited.

On behalf of the Board,



**RICHARD GRIFFIN**  
Radio New Zealand Chairman  
Date: 24 June 2011



**GARY MONK**  
Radio New Zealand Audit Committee  
Chairman

# Radio New Zealand Limited – Financial Statements 2011, 2012, 2013 and 2014

## PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

GROUP	30 JUNE	30 JUNE	30 JUNE	30 JUNE
	2011	2012	2013	2014
	\$000	\$000	\$000	\$000
	F'CAST	BUDGET	F'CAST	F'CAST
<b>INCOME</b>				
Revenue from the Crown	35,615	35,615	35,615	35,615
Other revenue	3,080	3,100	3,000	3,000
Profit on sale of assets	597	0	0	0
Interest income	228	226	225	225
	<u>39,520</u>	<u>38,941</u>	<u>38,840</u>	<u>38,840</u>
<b>EXPENDITURE</b>				
Personnel costs	21,700	21,700	21,700	21,700
Depreciation & amortisation	3,411	3,450	3,350	3,350
Interest costs	31	31	31	31
Audit fees	66	69	72	75
Other	13,758	13,681	13,677	13,674
	<u>38,966</u>	<u>38,931</u>	<u>38,830</u>	<u>38,830</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>	554	10	10	10
Corporate taxation	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><b>\$554</b></u>	<u><b>\$10</b></u>	<u><b>\$10</b></u>	<u><b>\$10</b></u>

PARENT	30 JUNE	30 JUNE	30 JUNE	30 JUNE
	2011	2012	2013	2014
	\$000	\$000	\$000	\$000
	F'CAST	BUDGET	F'CAST	F'CAST
<b>INCOME</b>				
Revenue from the Crown	34,763	34,763	34,763	34,763
Other revenue	3,933	3,952	3,852	3,852
Profit on sale of assets	597	0	0	0
Interest income	228	226	225	225
	<u>39,521</u>	<u>38,941</u>	<u>38,840</u>	<u>38,840</u>
<b>EXPENDITURE</b>				
Personnel costs	21,143	21,143	21,143	21,143
Depreciation & amortisation	3,215	3,254	3,154	3,154
Interest costs	31	31	31	31
Audit fees	66	69	72	75
Other	14,511	14,434	14,430	14,427
	<u>38,966</u>	<u>38,931</u>	<u>38,830</u>	<u>38,830</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>	555	10	10	10
Corporate taxation	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><b>\$555</b></u>	<u><b>\$10</b></u>	<u><b>\$10</b></u>	<u><b>\$10</b></u>

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**

<b>GROUP</b>	<b>30 JUNE 2011 \$000 F'CAST</b>	<b>30 JUNE 2012 \$000 BUDGET</b>	<b>30 JUNE 2013 \$000 F'CAST</b>	<b>30 JUNE 2014 \$000 F'CAST</b>
Balance at the beginning of year	51,856	52,926	52,936	52,946
plus Deferred tax 2010 reversal	516	0	0	0
plus Net Surplus/(Deficit) for the year	554	10	10	10
Balance at the end of the year	<b>\$52,926</b>	<b>\$52,936</b>	<b>\$52,946</b>	<b>\$52,956</b>

<b>PARENT</b>	<b>30 JUNE 2011 \$000 F'CAST</b>	<b>30 JUNE 2012 \$000 BUDGET</b>	<b>30 JUNE 2013 \$000 F'CAST</b>	<b>30 JUNE 2014 \$000 F'CAST</b>
Balance at the beginning of year	51,226	52,297	52,307	52,317
plus Deferred tax 2010 reversal	516	0	0	0
plus Net Surplus/(Deficit) for the year	555	10	10	10
Balance at the end of the year	<b>\$52,297</b>	<b>\$52,307</b>	<b>\$52,317</b>	<b>\$52,327</b>

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION**

	30 JUNE 2011 \$000 F'CAST	30 JUNE 2012 \$000 BUDGET	30 JUNE 2013 \$000 F'CAST	30 JUNE 2014 \$000 F'CAST
<b>GROUP</b>				
<b>PUBLIC EQUITY</b>	(\$52,926)	(\$52,936)	(\$52,946)	(\$52,956)
<b>CURRENT ASSETS</b>				
Cash & cash equivalents	8,300	8,559	8,215	7,863
Account receivables & prepayments	500	500	500	500
Total Current Assets	<u>8,800</u>	<u>9,059</u>	<u>8,715</u>	<u>8,363</u>
<b>less CURRENT LIABILITIES</b>				
Accounts payable & accruals	(2,541)	(1,802)	(1,439)	(1,521)
Employee entitlements	(1,455)	(1,155)	(950)	(900)
Other salary accruals	(500)	(500)	(400)	(400)
Provisions	(50)	(50)	(35)	(20)
Preference shares	(4,120)	(4,120)	(4,120)	(4,120)
Total Current Liabilities	<u>(8,666)</u>	<u>(7,627)</u>	<u>(6,944)</u>	<u>(6,961)</u>
<b>WORKING CAPITAL</b>	<u>134</u>	<u>1,432</u>	<u>1,771</u>	<u>1,402</u>
<b>plus NON CURRENT ASSETS</b>				
Property, plant & equipment	53,348	52,028	51,628	51,428
Intangible assets	450	422	524	626
<b>less NON CURRENT LIABILITIES</b>	(1,006)	(946)	(977)	(500)
<b>NET ASSETS</b>	<u>\$52,926</u>	<u>\$52,936</u>	<u>\$52,946</u>	<u>\$52,956</u>

	30 JUNE 2011 \$000 F'CAST	30 JUNE 2012 \$000 BUDGET	30 JUNE 2013 \$000 F'CAST	30 JUNE 2014 \$000 F'CAST
<b>PARENT</b>				
<b>PUBLIC EQUITY</b>	(\$52,297)	(\$52,307)	(\$52,317)	(\$52,327)
<b>CURRENT ASSETS</b>				
Cash & cash equivalents	8,249	8,508	8,164	7,812
Account receivables & prepayments	500	500	500	500
Total Current Assets	<u>8,749</u>	<u>9,008</u>	<u>8,664</u>	<u>8,312</u>
<b>less CURRENT LIABILITIES</b>				
Accounts payable & accruals	(2,319)	(1,580)	(1,217)	(1,299)
Employee entitlements	(1,455)	(1,155)	(950)	(900)
Other salary accruals	(500)	(500)	(400)	(400)
Provisions	(50)	(50)	(35)	(20)
Preference shares	(4,120)	(4,120)	(4,120)	(4,120)
Total Current Liabilities	<u>(8,444)</u>	<u>(7,405)</u>	<u>(6,722)</u>	<u>(6,739)</u>
<b>WORKING CAPITAL</b>	<u>305</u>	<u>1,603</u>	<u>1,942</u>	<u>1,573</u>
<b>plus NON CURRENT ASSETS</b>				
Property, plant & equipment	52,548	51,228	50,828	50,628
Intangible assets	450	422	524	626
<b>less NON CURRENT LIABILITIES</b>	(1,006)	(946)	(977)	(500)
<b>NET ASSETS</b>	<u>\$52,297</u>	<u>\$52,307</u>	<u>\$52,317</u>	<u>\$52,327</u>

**PROSPECTIVE CASHFLOW STATEMENT**

	30 JUNE 2011 \$000 F'CAST	30 JUNE 2012 \$000 BUDGET	30 JUNE 2013 \$000 F'CAST	30 JUNE 2014 \$000 F'CAST
<b>GROUP</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash will be provided from:				
NZ On Air, the Crown, and other income	39,277	38,715	38,615	38,615
Interest received	228	226	225	225
Cash will be disbursed to:				
Payments to employees & suppliers	(37,063)	(36,682)	(36,684)	(36,692)
Interest expense	0	0	0	0
Net Cash from operating activities	<u>2,442</u>	<u>2,259</u>	<u>2,156</u>	<u>2,148</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash will be provided from:				
Proceeds from the sale of assets	2,100	0	0	0
Cash will be disbursed to:				
Purchase of non current assets	(2,000)	(2,000)	(2,500)	(2,500)
Net Cash from investing activities	<u>100</u>	<u>(2,000)</u>	<u>(2,500)</u>	<u>(2,500)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
Cash will be provided from:				
Bank loans	0	0	0	0
Cash will be disbursed to:				
Bank loans	0	0	0	0
Net Cash from financing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	2,542	259	(344)	(352)
plus Opening cash as at 1 July	5,758	8,300	8,559	8,215
<b>CASH &amp; CASH EQUIVALENTS AT YEAR END</b>	<u>\$8,300</u>	<u>\$8,559</u>	<u>\$8,215</u>	<u>\$7,863</u>

	30 JUNE 2011 \$000 F'CAST	30 JUNE 2012 \$000 BUDGET	30 JUNE 2013 \$000 F'CAST	30 JUNE 2014 \$000 F'CAST
<b>PARENT</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash will be provided from:				
NZ On Air, the Crown, and other income	38,466	37,886	37,784	37,784
Interest received	228	226	225	225
Cash will be disbursed to:				
Payments to employees & suppliers	(36,252)	(35,853)	(35,853)	(35,861)
Interest expense	0	0	0	0
Net Cash from operating activities	<u>2,442</u>	<u>2,259</u>	<u>2,156</u>	<u>2,148</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash will be provided from:				
Proceeds from the sale of assets	2,100			
Cash will be disbursed to:				
Purchase of non current assets	(2,000)	(2,000)	(2,500)	(2,500)
Net Cash from investing activities	<u>100</u>	<u>(2,000)</u>	<u>(2,500)</u>	<u>(2,500)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
Cash will be provided from:				
Bank loans	0	0	0	0
Cash will be disbursed to:				
Bank loans	0	0	0	0
Net Cash from financing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	2,542	259	(344)	(352)
plus Opening cash as at 1 July	5,707	8,249	8,508	8,164
<b>CASH &amp; CASH EQUIVALENTS AT YEAR END</b>	<u>\$8,249</u>	<u>\$8,508</u>	<u>\$8,164</u>	<u>\$7,812</u>

**PROSPECTIVE RADIO NZ STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE 2011-2014**

**PROSPECTIVE FINANCIAL PERFORMANCE BY RADIO NEW ZEALAND KEY OUTPUTS**

**RECONCILIATION OF OUTPUT SURPLUS TO GROUP NET SURPLUS FOR 2010-2011 - Forecast**

\$000

<b>Output classes</b>	<b>Sound Archives/Ngā Taonga Kōrero</b>	<b>Radio New Zealand Concert</b>	<b>Radio New Zealand National</b>	<b>Radio New Zealand International</b>	<b>Total</b>
NZ On Air	852	4,685	27,000	0	32,537
Ministry for Culture and Heritage				1,900	1,900
Other Revenue	190	404	3,510	382	4,486
Profit on sale of assets		50	547		597
<b>Total Revenue</b>	<b>1,042</b>	<b>5,139</b>	<b>31,057</b>	<b>2,282</b>	<b>39,520</b>
Expenses	1,043	5,278	30,378	2,267	38,966
<b>Surplus/(Deficit) before Tax</b>	<b>(\$1)</b>	<b>(\$139)</b>	<b>\$679</b>	<b>\$15</b>	<b>\$554</b>

**PROSPECTIVE RADIO NZ STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE 2011-2014**

**PROSPECTIVE FINANCIAL PERFORMANCE BY RADIO NEW ZEALAND KEY OUTPUTS**

**RECONCILIATION OF OUTPUT SURPLUS TO GROUP NET SURPLUS FOR 2011-2012**

\$000

<b>Output</b>	<b>Sound Archives/Ngā Taonga Kōrero</b>	<b>Radio New Zealand Concert</b>	<b>Radio New Zealand National</b>	<b>Radio New Zealand International</b>	<b>Total</b>
NZ On Air	852	4,685	27,000	0	32,537
Ministry for Culture and Heritage				1,900	1,900
Other Revenue	190	404	3,528	382	4,504
Profit/Loss on sale of assets					0
<b>Total Revenue</b>	<b>1,042</b>	<b>5,089</b>	<b>30,528</b>	<b>2,282</b>	<b>38,941</b>
Expenses	1,042	5,089	30,533	2,267	38,931
<b>Surplus/(Deficit) before Tax</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>\$15</b>	<b>\$10</b>

**PROSPECTIVE FINANCIAL PERFORMANCE BY RADIO NEW ZEALAND KEY OUTPUTS**

**RECONCILIATION OF OUTPUT SURPLUS TO GROUP NET SURPLUS FOR 2012-2013**

\$000

<b>Output</b>	<b>Sound Archives/Ngā Taonga Kōrero</b>	<b>Radio New Zealand Concert</b>	<b>Radio New Zealand National</b>	<b>Radio New Zealand International</b>	<b>Total</b>
NZ On Air	852	4,685	27,000	0	32,537
Ministry for Culture and Heritage				1,900	1,900
Other Revenue	190	389	3,442	382	4,403
Profit on sale of assets					0
<b>Total Revenue</b>	<b>1,042</b>	<b>5,074</b>	<b>30,442</b>	<b>2,282</b>	<b>38,840</b>
Expenses	1,042	5,074	30,447	2,267	38,830
<b>Surplus/(Deficit) before Tax</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>\$15</b>	<b>\$10</b>

**PROSPECTIVE FINANCIAL PERFORMANCE BY RADIO NEW ZEALAND KEY OUTPUTS**

**RECONCILIATION OF OUTPUT SURPLUS TO GROUP NET SURPLUS FOR 2013-2014**

\$000

<b>Output</b>	<b>Sound Archives/Ngā Taonga Kōrero</b>	<b>Radio New Zealand Concert</b>	<b>Radio New Zealand National</b>	<b>Radio New Zealand International</b>	<b>Total</b>
NZ On Air	852	4,685	27,000	0	32,537
Ministry for Culture and Heritage				1,900	1,900
Other Revenue	190	389	3,442	382	4,403
Profit on sale of assets				0	0
<b>Total Revenue</b>	<b>1,042</b>	<b>5,074</b>	<b>30,442</b>	<b>2,282</b>	<b>38,840</b>
Expenses	1,042	5,074	30,447	2,267	38,830
<b>Surplus/(Deficit) before Tax</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>\$15</b>	<b>\$10</b>

# Prospective Statement of Accounting Policies

for the years ending 30 June 2011, 2012, 2013, and 2014

## A Reporting Entity

Radio New Zealand Limited is a Crown entity in terms of the Crown Entities Act 2004. The company is wholly owned on behalf of the Crown by the two Shareholding Ministers, the Minister Responsible for Radio New Zealand and the Minister of Finance. Radio New Zealand Limited is a company registered under the Companies Act 1993.

The group consists of the consolidated activities of Radio New Zealand Limited and its subsidiary Sound Archives/Ngā Taonga Kōrero Limited which is 100% owned. Sound Archives/Ngā Taonga Kōrero Limited was incorporated on August 1998 and has operated the archive since 1 October 1998.

Radio New Zealand is a Public Benefit Entity (PBE) under New Zealand International Accounting Reporting Standards (NZ IFRS) and as such the potential conflict between the pursuit of core public service broadcaster objectives set out in Radio New Zealand's Charter and more commercial company objectives is minimised.

Government and Shareholding Ministers have confirmed and strengthened Radio New Zealand's role as a public service broadcaster and in that context have removed commercial and profit-making imperatives while still insisting on sound financial management.

## B Basis of Preparation

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

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public entities.

The purpose for which these prospective financial statements of Radio New Zealand Limited have been prepared is for their inclusion in the Radio New Zealand Statement of Intent for the year ending 30 June 2014.

## C Statement of Accounting Policies

The financial statements are presented in New Zealand dollars and the functional currency of Radio New Zealand is New Zealand dollars.

### *I Basis of Consolidation – Purchase Method*

The consolidated financial statements include the holding company and its subsidiary. The subsidiary is accounted for using the purchase method.

### *II Goods and Services Tax (GST)*

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

### *III Taxation*

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the

financial statements and the corresponding tax bases used in the computation of taxable profit. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

#### *IV Accounts Receivable*

Accounts receivable are stated at expected fair value and measured at amortised cost less any provision for impairment.

#### *V Cash and Cash Equivalents*

Cash and cash equivalents in the balance sheet comprises cash at bank, in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

#### *VI Non-Current Assets*

Property, plant and equipment are stated at fair value, including library and archival collections. Land and Buildings have been revalued in the prospective financial statements. A formal valuation of Land and Buildings was completed in the year ended 30 June 2008.

Library and archival collections are revalued to fair value at least every five years. Library collections are revalued by independent valuers. Archival collections are revalued to fair value using discounted expected future revenues as an approximation to fair value. Library collection acquisitions are capitalised and depreciated.

The results of revaluing library and archival collections are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Balance Sheet. To the extent that a revaluation gain reverses a loss previously charged to the Income Statement the gain is credited to the Income Statement.

Other non-current assets such as prepayments are recorded in Radio New Zealand's Balance Sheet. These are payments received for services in one period but are recognised in the Balance Sheet in future periods.

#### *Impairment of assets*

At each balance sheet date, Radio New Zealand assesses whether there is any objective evidence that any group of non-current assets is impaired. Any impairment losses are recognised in the Income Statement.

#### *VII Depreciation*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than freehold land, at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The useful lives of major classes of assets have been estimated as follows:

Buildings	20 to 40 years
Leasehold improvements	Term of lease
Plant and equipment	5 to 20 years
Motor vehicles	5 years
Computer hardware equipment	3 to 5 years
Furniture, fittings and other	5 to 10 years
Library books and music collection	10 to 15 years

Capital work in progress is not depreciated. The total cost of a project is transferred to the relevant fixed asset account when it is completed and begins its productive life. It is then depreciated over its estimated economic life.

The sound archive collection will not be depreciated in the current year as it is categorised as a heritage asset and as such is not normally depreciated.

#### *VIII Intangible Assets*

Software, both acquired and developed, is included under intangible assets. Also under this category are capital contribution payments made to suppliers for co-siting rights which relate to future periods in accordance with the contractual terms.

##### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives of major classes of assets have been estimated as follows:

Computer software	3 to 5 years
Capital contributions	Term of contract

#### *IX Associates*

Radio New Zealand is a party to the formation of Freeview Limited, a joint venture company formed to provide free to air digital broadcasting in New Zealand. The investment is accounted for using the equity method of accounting.

##### *Redeemable Preference Shares*

Redeemable preference shares held by the Government in Radio New Zealand are to be repayable at the option of the holder and are classified as a liability in the balance sheet.

#### *X Employee Entitlements*

Provision is made for the company's liability for annual and long service leave. Annual leave is calculated on an actual entitlement basis at average current rates of pay over the past year in accordance with the Holidays Act 2003, whilst the long service leave provision is calculated on an actuarial basis. A provision for sick leave is not provided for as Radio New Zealand does not carry forward sick leave into future periods.

#### *XI Provisions*

Radio New Zealand recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

## *XII Superannuation schemes*

Obligations for contributions to KiwiSaver and the National Provident Fund are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Income Statement as incurred.

## *XIII Leases*

### *Finance Leases*

Radio New Zealand has no finance leases.

### *Operating Leases*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they are incurred. Radio New Zealand leases its motor vehicles and the majority of its premises.

## *XIV Financial Instruments*

Radio New Zealand is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans. All financial instruments are recognised in the Balance Sheet and all revenues and expenses in relation to financial instruments are recognised in the Income Statement. All financial instruments are shown at their fair value.

## *XV Cash Flow Statement*

**Cash and cash equivalents** means current bank accounts and demand/call deposits.

**Operating activities** are those activities relating to the purchase and supply of goods and services.

**Investing activities** are those activities relating to the acquisition and disposal of non-current assets.

**Financing activities** comprise those activities that change the equity and debt capital structure of the company.

## *XVI Foreign Currency Transactions*

Foreign currency transactions are converted into New Zealand dollars at the spot rate at the date of the transaction. These transactions are settled immediately; consequently no exchange gain or loss is recognised. Radio New Zealand also enters into foreign exchange contracts (FECs) to cover significant overseas purchases. These are defined as financial derivatives under NZ IFRS and the fair value of FECs are determined on the basis of quoted market rates.

## *XVII Borrowing Costs*

Radio New Zealand has a credit facility arrangement with its banker. Costs relating to the drawdown of this facility are recognised in the Income Statement. No costs are attributed to the acquisition, construction or production of property, plant and equipment or other qualifying assets.

## *XVIII Revenue (Crown and Other Revenue)*

Radio New Zealand Limited derives revenue from the Government through NZ On Air and from the Ministry for Culture and Heritage for specific purposes as outlined in its Charter and Statement of Intent. Other revenue is derived from generating activities and interest from bank deposits. All revenue is measured at the fair value of the consideration receivable.

## *XIX Cost Allocation*

Radio New Zealand Limited derives the net cost of service for each significant activity by using the cost allocation system outlined below.

### *Cost allocation policy*

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity and usage information.

### *Criteria for direct and indirect costs*

“Direct costs” are those costs directly attributable to a specific key output activity.

“Indirect costs” are those costs which are not directly attributable to a specific output activity.

### *Cost drivers for allocation of indirect costs*

The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage of broadcasting infrastructure services and equipment. Business infrastructure costs are allocated according to the number of staff in each cost centre. Occupancy costs are allocated in proportion to the cost of floor area occupied.

## **D Changes in Accounting Policies**

There have been no changes in accounting policies from those adopted in the audited financial statements for the year ended 30 June 2010.

## **E Significant Assumptions**

The following significant assumptions underpin the forecast financial statements:

- Government will continue to fund Radio New Zealand’s core activities in the prospective year and for the following two planning years at least to the levels indicated in the statement. It is therefore expected that the nature of the operations of Radio New Zealand will not change significantly;
- Shareholding Ministers will not require Radio New Zealand to pay a dividend on their shareholding in the company. This has been confirmed by the Minister of Broadcasting for the 2010-2011 income year;
- there will be no withdrawal of capital by Shareholding Ministers;
- the prospective financial statements are based on estimates and forecasts, the effect of which may result in the actual financials varying from the information presented, and these variations may be material; and
- the statements have been prepared on a going-concern basis.

## Corporate Governance

<p><b>Corporate Risk Management</b></p>	<p>Radio New Zealand operates corporate risk identification and management policy and procedures.</p> <p>The Board of Governors has established an audit sub-committee to advise it on, and develop strategies and policies to address, risk management. It reviews an organisational risk assessment every six months and on the basis of that assessment puts in place various risk management measures including:</p> <ul style="list-style-type: none"> <li>• internal audits;</li> <li>• comprehensive insurance covers;</li> <li>• a suite of policies, procedures and internal controls; and</li> <li>• a statutory compliance programme.</li> </ul>
<p><b>Ministerial Consultation</b></p>	<p>Radio New Zealand undertakes to consult with its Shareholding Ministers on substantial matters relating to any single or connected series of transactions, not contemplated in the business plan. These could include:</p> <ul style="list-style-type: none"> <li>• any capital (or equity) investments within the scope of the Radio New Zealand Charter in excess of \$2.5 million;</li> <li>• any capital expenditure in excess of \$1 million or annual operating expenditure in excess of \$500,000 outside the scope of the Radio New Zealand Charter;</li> <li>• the sale or disposal of the whole or any substantial part of the business or undertaking of Radio New Zealand; and</li> <li>• the sale or disposal of any shares in a company or body corporate (not being a subsidiary of Radio New Zealand), where Radio New Zealand holds 20% or more of the shares.</li> </ul> <p>Shareholding Ministers are assured that they will continue to be advised of any other significant transactions even if they do not meet the thresholds for consultation.</p>
<p><b>Reporting</b></p>	<p>Radio New Zealand will report to key stakeholders to inform them on our performance in delivery of the functions and services set out in our Charter and on any other matters that Shareholding Ministers may from time to time consider appropriate.</p> <p>Specifically, Radio New Zealand will provide quarterly reports to Shareholding Ministers setting out Radio New Zealand performance in meeting published targets outlined in the Statement of Intent and to provide briefings on other significant issues. In addition to the written quarterly reports the Chairman and Chief Executive Officer will provide verbal briefings to Ministers as requested.</p> <p>Radio New Zealand will also provide quarterly reports to Government funding agencies consistent with funding agreements for national broadcasting, sound archives and international shortwave broadcasting. Key funding agencies include NZ On Air and the Ministry for Culture and Heritage.</p>

## Corporate Social Responsibilities

Radio New Zealand as a public service broadcaster is keenly aware of its corporate social responsibility. Its functions set out in the Charter are built specifically on social responsibilities. They include:

<b>Informing and Educating</b>	<p>The Radio New Zealand Charter underpins the principle of serving the public interest. The programmes we produce and broadcast are predominantly to inform, entertain and enlighten New Zealanders, with the intention that the audience will feel challenged on a wide range of diverse topics. Around 95% of Radio New Zealand National programming is intended to provoke critical thought and debate among our listenership.</p>
<b>Community Involvement</b>	<p>Radio New Zealand has established close links with educational institutes, providing online access for local teachers and students to an archive of science and environmental programming through the Biotechnology Learning Hub and the Science Learning Hub.</p> <p>Radio New Zealand prides itself on recruiting and retaining a talented workforce that is dedicated to instilling professionalism within the industry. Presenters were in constant demand in the previous reporting year as lecturers, judges and moderators.</p>
<b>Independent Public Service Broadcasting</b>	<p>Radio New Zealand achieves its status as the nation's trusted pre-eminent Public Service Broadcaster through strict adherence to the Radio New Zealand Act 1995 and the Broadcasting Act 1989. The service we broadcast as an independent public service broadcaster is commercial free, which is demonstrably different from other broadcasters. Section 13 of the Radio New Zealand Act also prohibits any Minister of the Crown from directing the operations of the company.</p>
<b>Professional Integrity</b>	<p>Our broadcasting standards are underpinned by rigorous editorial standards and editorial policies that promote fairness, balance, accuracy and credibility.</p> <p>Radio New Zealand continues to offer internships for journalists and programme makers; these opportunities encourage young broadcasters and the broadcasting industry to maintain the continued high standards expected of a public service broadcaster.</p>
<b>Preserving History and Heritage</b>	<p>New Zealand's sound heritage held at Sound Archives/Ngā Taonga Kōrero enhances the sense of national identity by serving as a living audio record of New Zealand and its people. By archiving the achievements of the past and present we continue to inform New Zealanders of and celebrate our rich radio history via the medium of sound. The Sound Archives are accessible to all New Zealanders, including educational institutions, students and researchers.</p>
<b>An Emergency Service</b>	<p>Additionally, Radio New Zealand has social responsibilities arising from our:</p> <ul style="list-style-type: none"> <li>• status as a Lifeline Utility in Civil Defence emergencies; and</li> <li>• provision of a storm warning service for the South Pacific.</li> </ul>









