

National Pacific Radio Trust Services Review

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Executive summary

The National Pacific Radio Trust (NPRT) was established in 2002 with an ambitious set of objectives that sought to strengthen Pacific communities in New Zealand via the medium of radio. We now have Pacific communities, with their people and organisations, actively engaged in initiatives consistent with the social and cultural objectives for NPRT. We have also seen positive changes and developments in broadcasting and broadcast content focused on Pacific communities.

The review sought to establish if NPRT has been successful in achieving its objectives, and whether its structure, operations and strategies are fit for purpose to meet the requirements of Pacific communities and the rapidly changing radio/media industry.

NPRT operating model and its services have remained largely as they were when it was created while the Pacific communities and the radio/media industry has evolved and matured. Coupled with the ambitiousness of the Trust Deed objectives, it has resulted in NPRT having limited success as an organisation.

The lack of data on Pacific audience uptake and Pacific community views on the relevance and effectiveness of the radio service has been an impediment to the review. But there has been sufficient feedback from connected individuals and entities to enable an assessment for the purposes of this review.

NPRT has assets, infrastructure and resourcing that are superior to other Pacific radio stations. However, Niu FM does not have the size, scale and resourcing commanded by other commercial radio stations so competing with them effectively is difficult. The mix of commercial and social radio station is not a sustainable business model for NPRT. The NPRT Board needs to review its strategic objectives, including determining the most appropriate target audience to serve, and determine what is the most appropriate business model in the 21st century to achieve those objectives.

It is recommended that NZ On Air and NPRT consider the following:

- Review the Trust Deed objectives, in particular assess whether they are still relevant and if NPRT has the ability to meet those objectives;
- Develop a Pacific community engagement model, that will inform the work of NPRT, with a clear set of performance measures that can be incorporated into the “Statement of Service Performance”;
- Incorporate surveys and feedback into the operations of NPRT and develop a set of performance measures that cover data quality, frequency of surveys, and action taken by NPRT in response to the surveys;
- Develop a content strategy that is consistent with the strategic objectives of the organisation and the expectations of the target audience;
- Determine what the right focus, content, and platform might be to serve the rapidly growing Pacific youth population;
- Develop a new business model, that is more targeted and focused in scope, rather than the full-service offering model at present which is no longer meeting the requirements of Pacific audiences;
- Determine where NPRT can deliver the greatest benefit to Pacific communities and generate interest from other parts of the Pacific media industry and the general media industry to collaborate and form partnerships.

1 Introduction

NZ On Air, as the funding provider to National Pacific Radio Trust (NPRT), initiated a review in late 2017. The reviewer is an independent party that has had no previous dealings with NPRT, NZ On Air and the radio/media industry. The review scope and key questions for the review are set out in the Terms of Reference at appendix 1. The review's purpose is:

“The primary service provider of radio services to Pacific audiences in New Zealand, NPRT, is facing increasing financial pressure for multiple reasons: static Crown funding, difficulties maintaining other revenue sources, changes at senior levels in the organisation, and a changing media landscape.

NZ On Air, Ministry for Culture and Heritage (MCH) and Ministry for Pacific Peoples (MPP), in a constrained funding environment, wish to review the services and assess future directions.”

The existence of NPRT is to deliver radio services to Pacific audiences; therefore it made sense to focus on Pacific listeners at the beginning of the review. It has been challenging to find meaningful research/survey material on Pacific audiences that would enable an informed and objective discussion about their listening habits and potential areas of future interest. The most authoritative Pacific audience report is the 2012 NZ On Air-commissioned report “Broadcast Programming for Pacific Audiences in New Zealand”¹ which has been used to inform this review.

While there is limited current information and data about Pacific audiences there are many Pacific professionals operating across the radio and media industry from Board, executive and operational level within the industry. Some of these professionals, all with a good understanding of NPRT, have been generous with their time and willingness to share their understanding and perspective on Pacific audiences. The insights from these Pacific professionals have been most valuable to form a current perspective on Pacific audiences. The NPRT Board and its executives have also been generous with their time to test the reviewer's findings on Pacific audiences. These views provide a useful proxy for the lack of Pacific audience data, and have enabled the reviewer to complete the review process.

¹ <http://www.nzonair.govt.nz/document-library/broadcast-programming-for-pacific-audiences-june-2012/>

2 The NPRT history and operations

This section provides background to the formation of NPRT and also an overview of its current operations.

2.1 History²

NPRT was developed to address the information needs of Pacific peoples and the strengthening of their languages and culture through radio. The decision to formally establish the pilot network was made by Cabinet on 10 December 2000 with funding provided under the Reducing Inequalities Contingency Package.

The network, called Niu FM, was launched as a three-year pilot with a funding of around \$8 million, on 31 August 2002.

Pasifika Communications Network Limited (PCNL), an entity set up by the Auckland Pacific Island Community Radio Trust (APICRT), was contracted by NPRT to run Niu FM. In June 2003, the PCNL contract was cancelled and NPRT took over the running of Niu FM. After a protracted legal dispute between the two trusts, settlement was achieved in 2005 and later, negotiations began on merging Radio 531pi with Niu FM. This was achieved in 2006. The merger meant that the two stations could pool resources, avoid duplication of programming, and enhance the service provided to Pacific communities nationally (Misa 2003; MPIA 2007).

NPRT reported initially to MCH on its operations and achievements. Funding and monitoring transferred from MCH to NZ On Air on 1 July 2011.

2.2 Operations

NPRT is comprised of the following operations:

- Pacific Media Network (PMN) - established to market a growing range of “Pacific” focused media platforms;
- Pacific Radio News – (radiopacific531pi.com) is a service covering news across all of New Zealand and the Pacific, with hourly news bulletins with a specific focus on delivering national and regional mainstream stories affecting our Pacific communities. It also offers news podcasts to various other 'mainstream' media, who are regularly utilising the service;
- Radio 531pi – is for 45+ year Pacific people living in Auckland. It delivers a mix of news, views, information and talk back all blended with a Pacific oriented music mix. During the day (6am – 6pm) programming content in English and in 9 Pacific languages in the evening (6pm – 6am);
- Niu FM – audience target is ages 15 – 35. In Auckland, it operates 24hrs on 103.8 FM but in the other 11 centres it operates from 6am – 6pm. It also has a digital platform www.niufm.com to connect with Pacific audiences in Aotearoa and across the globe. Niu FM has an Android mobile app; a website; and various social media platforms;
- Simulcast Pacific languages programme cater to language speakers on Radio 531pi in Auckland and Niu FM outside of Auckland every evening.

² Pacific Audiences Report, June 2012, page 9

Below is a list of the radio frequencies throughout New Zealand

- Whangarei: Niu FM 103.6
- Auckland: Niu FM 103.8 & Radio 531pi
- Waikato: Niu FM 103.4
- Rotorua: Niu FM 103.9
- Taupo: Niu FM 103.9
- Taranaki: Niu FM 103.6
- Manawatu: Niu FM 103.4
- Hawkes Bay: Niu FM 103.9
- Wellington: Niu FM 103.7
- Christchurch: Niu FM 104.1
- Dunedin: Niu FM 103.8
- Invercargill: Niu FM 103.9

Since its establishment in 2002, the station's listenership, journalism and language services have grown. Initially Pacific languages used included the seven main Pacific communities in New Zealand (Samoan, Tongan, Cook Islands Maori, Niuean Tokelauan, Tuvaluan, Fijian) and in 2008 languages from the Solomon Islands and Kiribati were also added to cater to a further audience demographic, broadening the way that Niu FM's services were able to benefit Pacific peoples (NPRT AR 2008).

Below is a list of the Pacific languages programmes:

Language	Programme Name	Timeslot
Cook Island	Te Kura Mareva	Monday 6pm – 6am
Niue	Niue Ogo Motu	Tuesday 6pm – 6am
Tonga	Le'o e 'otu Felenite	Wednesday 6pm – 6am
Samoa	Le Foafoa O Aotearoa	Thursday 6pm – 6am
		Sunday 8pm – 6am
Tuvalu	Te Sikugaleo Gali o Tuvalu	Friday 6pm – 10pm
Kiribati	Tabo Kiakia	Friday 10pm – 12am
Solomon	Vois Bilong I umi	Sunday 2pm – 4pm
Tokelau	Te Vagana	Sunday 4pm – 8pm
Fiji	Na Domo I Viti e Aotearoa	Saturday 6pm – 12am

3 Trust Deed

This section covers the following:

- Original intent of trust deed and background
- Performance of NPRT against Trust deed
- Discussion on relevance of trust deed today

3.1 Background to trust deed

The motivation for the creation of NPRT was to address the information needs of Pacific people and the strengthening of their languages and culture through radio. The Government at the time made a change to public broadcasting policy shifting to direct government funding. In addition to this policy change a capital contribution top-up to NZ On Air was made. In 2000, a consultation process was undertaken by Radio 531pi and Ministry of Pacific Island Affairs (MPIA) to establish the design and how best to manage and operate NPRT and its associated responsibilities. NPRT was legally established by Deed of Trust on 22 July 2002. NPRT is guided by the objectives of the Deed of Trust that clearly outlines the purpose and objectives of the Trust. The Trust Deed Purpose and Objectives are in **appendix 2**.

The Trust Deed defines Pacific people as people in New Zealand who have Pacific Island origin or ancestry. Essentially this covers the full Pacific demographic in New Zealand from the young through to older demographic. In addition, the objectives of the trust deed include the full spectrum of social, cultural and entertainment requirements. The combined interests of the Government at the time address information needs of Pacific people and the feedback from communities during the consultation process undertaken by 531pi and MPIA resulted in a set of objectives that are comprehensive and to cover an extremely diverse Pacific audience.

At its inception, the underlying business model for NPRT was a mix of government and commercial investment. The government investment was twofold: firstly, to create a radio network with the necessary assets to be operational and, secondly, to fund the more social objectives such as languages and addressing the information needs of Pacific people. There appears to have been an expectation that NPRT would adopt commercial strategies to complement the investment and ongoing funding from government.

3.2 Performance against trust deed objectives

“Providing an authoritative, accurate, current and reliable information source to Pacific people, reinforcing their languages, values, beliefs and culture in New Zealand”

Through onsite interviews, observations, and radio listening, the reviewer observed that the Pacific languages and news delivered by 531pi and Pacific Radio News were well organized and prepared. The news team is focused on producing hourly news bulletins. The news bulletins are utilised by the languages programming team as part of the languages programmes run in the evenings through 531pi. The news content is predominantly based on news acquired through mainstream sources but infused with a Pacific flavor to make it more attractive to the Pacific audience. The team also report on key events that are of interest to the Pacific audience.

The nine Pacific languages programmes delivered through 531pi during the evening clearly target each of the Pacific communities involved. The hosts of the languages programmes come from these communities and through their networks bring the language, values and beliefs into the programmes delivered each evening. It would be desirable to have recorded feedback from Pacific communities that can be used to assist the work of the languages programming team to deliver the required content.

“Promoting, motivating, inspiring and encouraging the better education of Pacific communities throughout New Zealand”

531pi, through its Pacific languages programme and its talk back shows, delivers content that is informative and improves better education of Pacific communities. It achieves this through the news content available in both English and Pacific languages and through special news items and discussions through the talk back shows hosted by the talk show hosts throughout the day.

“Facilitating and contributing to Pacific people’s education, employment, housing, health, and social development in New Zealand in order to contribute to Pacific peoples’ well-being and for relief of poverty”

NPRT was recently contracted by Ministry of Social Development (MSD) to deliver the “Pasifika Proud” campaign through radio channels to better access Pacific communities. The Pasifika Proud Campaign is focused on addressing violence in Pacific families. In addition, there are topics being covered through the languages programmes that touch on education, health, employment, and housing.

“Linking Pacific communities in New Zealand regionally, nationally and providing access to international news and events”

The news team produces good content that reflects mainstream news events assessed as relevant and of interest to Pacific communities. The news team also attends and reports on key Pacific events, such as visits by Pacific region leaders visiting New Zealand and within the Pacific region itself such as the recent 48th Pacific Island Forum held in Apia, Samoa which are of particular interest to Pacific communities, especially the 35+ listener age group. The ability to bring together news at a regional, national and international level and convert it into the nine Pacific languages delivered through 531pi is a particular strength for NPRT and its operations.

“Harnessing and growing the best available Pacific broadcasting and management talent throughout New Zealand so that the network as a community-owned platform is sustainable and delivers a quality service”

The reviewer spent three days within the NPRT office observing the operations. The staff of NPRT are committed and dedicated to their roles and demonstrate pride in what they do. It is clear that this is more than a job for some people, it is seen as part of serving their community. Individuals demonstrate pride in contributing to a service that is dedicated to Pacific people.

While the dedication and commitment of staff is to be commended it was difficult to see a clear strategy for recruiting and developing broadcasting and management talent. The challenges that NPRT faces in terms of delivering a diverse portfolio of programmes through Niu FM and 531pi, means that precious resources are stretched thinly. The reviewer observes that Pacific talent in this industry appears to be attracted to the development of new and interesting initiatives that would attract and maintain the attention of listeners. A common theme from interviews with Pacific professionals is a desire to see more cultural content that has more depth and meaning to it rather than light touch that is mainly covered today. Opportunities to build meaningful material and initiatives, relevant to listeners amongst Pacific communities, would be extremely attractive to talented individuals.

“Providing a means for Pacific musicians, businesses, services and artists to communicate and exchange information and ideas”

The reviewer observed that the infrastructure and services delivered by NPRT operations satisfies this objective. The studios and specialist facilities within the office were being used by musicians and artists on one of the days the reviewer was in the office. Feedback from those that have used the facilities was positive.

It is unclear though whether the wider Pacific community, businesses and aspiring artists are aware of what exists within NPRT.

“Promoting effective avenues for training Pacific people in broadcasting and advocating for and on behalf of Pacific people in the media”

The reviewer observed that there have been a number of former employees of NPRT that have moved on and become successful in mainstream commercial radio as presenters and programmers. During one day in the office, a number of former employees working at major commercial radio stations popped in to say hi and acknowledge their gratitude to their “roots”. While there was no evidence of a targeted approach at training and developing talent, there is clear evidence from the growing “NPRT alumni” in mainstream commercial radio stations that NPRT has been an effective training and launching pad.

It was more difficult to assess any role in advocating for and on behalf of Pacific people in the media.

“Providing a medium for issues of special interest groups such as the young, elderly and disabled Pacific people to be discussed”

NPRT provides a medium for the young and elderly.

Niu FM targets the 18 – 35 Pacific audience and endeavors to differentiate itself from commercial radio stations by focusing on the best of contemporary Pacific music. Pacific youth spoken to during this review commented that Niu FM is the only radio station that offers Pacific music and entertainment. The three shows that cover from 6am to 6pm cover and address topics of interest to this age demographic.

531pi and in particular the Pacific languages programmes are targeted towards the elderly demographic of Pacific communities. The news and special reports are assessed for relevance and interest to this group.

Beyond the young and elderly, the reviewer was unable to find any information to enable an assessment about other special interest groups such as the disabled.

“Providing mechanisms for measuring efficiency and effectiveness of the network”

The annual reports for the past financial years were used as the basis to assess mechanisms for measuring efficiency and effectiveness of the network.

The Statement of Service Performance is included in the Annual Report and therefore subject to independent audit on an annual basis. There are two objectives with output classes and measures for each. NPRT collects information against each of these to report whether they have met the measure that have been set. An example of a measure is as follows:

- “Niu FM Radio Network: Music content – not greater than 60%, and of that Pacific music content – 50% (no change from 11/12)”

The programming director maintains files that contain all the relevant information to enable these measures to be assessed.

“Providing a window through which the rest of New Zealand can be better informed about the lives of Pacific communities throughout New Zealand”

Mainstream New Zealanders will be able to acquire an insight into Pacific music and entertainment by listening to Niu FM.

But in terms of the lives of Pacific peoples this would be unlikely as most of the content that would be of interest exists in the language programmes on 531pi.

4 Pacific Audience

This section examines the following:

- What has happened since NPRT was formed in 2002
- What do we know about current Pacific audiences
- Examine Pacific people information
- Discuss diverse needs of Pacific people
- Discuss key review questions related to Pacific audience

4.1 What has happened since NPRT was formed

Over the fifteen-year period that NPRT has been operating, there have been changes in the Pacific community environment that affect the context in which their radio services are developed. Pacific communities have developed their people, organisations, projects and initiatives in a range of areas referred to in the objectives of the Trust Deed, including language retention, education, employment, music and business.

In addition, government agencies have funded and undertaken directly a number of media and non-media initiatives also focused on informing Pacific families about issues of health and education, as well as building pride in Pacific achievement. Some examples of these developments are:

- The continuation of long-running television programme Tagata Pasifika and further development of their news offering;
- The development of Pacific language weeks by the Ministry for Pacific Peoples;
- The continued success of ASB Polyfest and the Pasifika Festival;
- The development and implementation of Pacific-focused health, education and social development campaigns including:
 - Pasifeka Proud – a family violence prevention campaign aimed at Pacific families and communities;
 - Power Up – a Ministry of Education initiative focused on informing Pacific secondary students and their families about NCEA;
 - Pacific focused rheumatic fever campaigns; and
 - Establishment of Pasifika Futures – the Pacific Whanau Ora Commissioning Agency.
- Increases in the number of initiatives to highlight and promote Pacific success e,g
 - The Prime Minister’s Pacific Youth Awards (from 2010);
 - The Pacific Business Awards (resurrected in 2016 after a nine-year break);
 - Creative NZ’s Arts Pasifika Awards;
 - The Sunpix Pacific Community Awards; and
 - The Pacific Music Awards.
- Changes and developments in broadcasting and broadcast content focused on Pacific people:
 - TVNZ’s outsourcing of its Māori and Pacific production services;
 - The onset of the Coconet, a NZ On Air funded digital initiative, serving a younger, highly engaged Pacific online community; and
 - The development of Pacific Co-operation Broadcasting Ltd, funded by MFAT, as a mechanism for distributing free-to-air content to the Pacific region (mainly television but some radio).

While this is just a slice of the activities focused on Pacific people in New Zealand, it shows very clearly that, compared to 2002 when NPRT was established, there are now many more mechanisms to contribute and support the objectives set for NPRT. This an important consideration when weighing up the effectiveness of NPRT to date.

4.2 Pacific audiences – what do we know

As indicated earlier in the report the reviewer has been unable to find any recent data and information about Pacific people as an audience for radio. There are some individuals and entities that have invested in forming better connections with their audience, especially those that have created digital programmes, to inform their content and delivery. It is quite understandable that the information they acquire remains confidential to them and is not publicly made available.

NPRT acquires its insight into Pacific audience through the following avenues:

- Annual General Meetings – invitations extended to communities to attend
- Feedback sessions at major Pacific events such as Polyfest and Pasifika
- Community fono – the most recent in 2014
- Community liaison – Permanent role dedicated to liaising with communities

There is clearly a lot of engagement with communities and opportunities available for communities to provide feedback to NPRT. During this review, there was no formal record found on Pacific audience feedback and comments that is consolidated and tracked on a regular basis. The information is contained in minutes that are very brief or capture in summary presentations.

The most recent and reliable public source is the Pacific audiences report, now five years old. The findings from that work appear to remain largely relevant today, based on comments from those that are heavily involved in the industry and with good connections to communities:

The key themes are as follows:

- wide spectrum of interests amongst the younger and older generations within Pacific communities;
- marked differences in interests between younger New Zealand-born Pacific peoples and those of older, island-born generations;
- Pacific youth more interested in music and entertainment whereas older Pacific people have great interest in news and programmes;
- difference between those who are fluent or proficient in a Pacific language and those who are not. Of major interest was that fluent speakers had a far greater interest in accessing content online than non-fluent speakers;
- Pacific audiences would prefer more depth of coverage of particular issues. All age groups have enthusiasm for connecting to their Pacific identity and communities across all formats, including radio, television and online.

The report noted interest areas that are still relevant:

“Our research has indicated that the greatest areas of interest are:

- *content that meets the needs and aspirations of the Pacific communities in New Zealand*
- *the development of Pacific broadcasting and programme making capabilities*
- *infrastructure support, potentially in association with Maori Television Service*
- *having effective governance and networking mechanism in place to represent and inform Pacific peoples*
- *the adoption of a Pacific broadcasting policy or strategy for Pacific broadcasting”*

Given the audience reach is currently based on a very simple demographic approach (ostensibly youth and older language speakers, but in reality, trying to be all Pacific things to all Pacific people) there is value in considering the development of a targeted audience strategy.

Key factors in the development of such a strategy could include:

- analysis of how Pacific audiences are currently best served by radio (within and external to NPRT services) and identification of gaps (parts of the communities not being served)
- consideration of media offerings from other platforms that are contributing to the NPRT objectives
- consideration of opportunities for multi-platform broadcast offerings
- review of the current scope of delivery and identification of alternative options (i.e. considering the number of frequencies and those having greatest audience impact)

4.3 Pacific people statistics³

New Zealand's Pacific peoples are a diverse and dynamic group with the fastest growing young population. A little under half (46.1%) are less than 20 years old, compared with 27.4% for the total population. By 2026 it is projected that Pacific Peoples will be 10% of the population, compare to 7.4% in 2013.

The Pacific Peoples ethnic group was the fourth largest major ethnic group in 2013, behind European, Maori and Asian ethnic groups.

Since 2006 this group has grown in both number and proportion of the population. In 2013, 7.4% of New Zealand's population (295,941) identified with one or more Pacific ethnic groups.

Pacific Peoples remained the major ethnic group with the highest proportion of children (0-14 years), at 35.7%. In comparison, children made up the following proportions of other major ethnic groups. European 19.6%. Māori 33.8%. Asian 20.6% and Middle Eastern/Latin American/African 25.5%

Pacific people remain a youthful population with a little under half (46.1%) were less than 20 years old (compared with 27.4% for the total population) and the majority (54.9%) were younger than 25 years old.

Samoa remains largest Pacific Peoples ethnic group in 2013 with 48.7% of the Pacific people's population (144,138). Cook Islands Maori 20.9% (61,839 people). Tongan 20.4% (60,333 people). Niuean 8.1% (23,883 people)

Almost two thirds of Pacific Peoples 62.3% (181,791 people) who identified with at least one Pacific ethnicity were born in New Zealand. The highest proportion of New Zealand born people included Niuean 78.9%. Cook Islands Maori 77.4%. Tokelauan 73.9%. Samoan 62.7%. Tongan 59.8%.

Most Pacific Peoples (92.9% or 274,806 people) lived in the North Island in 2013. Almost two thirds (65.9% or 194,958 people) identified with at least one Pacific ethnicity lived in the Auckland region and 12.2% or 36,105 people, in the Wellington region.

In contrast only 7.1% of Pacific Peoples (21,135 people) lived in the South Island in 2013. (Statistics NZ Census 2013).

³ Ministry for Pacific Peoples

4.4 Diverse needs of Pacific people

Meeting the needs of diverse individual Pacific cultures within a broader community labeled “Pacific” or “Pasifika” is a particular challenge, especially when funding is so limited. This challenge is made more acute by the wide spectrum of interests amongst the younger and older generations within Pacific communities, a circumstance that has obvious connections to the diasporic experience of Pacific peoples within New Zealand. The academic literature and our own survey data observes marked differences in interests between younger New Zealand-born Pacific peoples and those of older, island-born generations. These occurred in reference to preferred means of broadcasting and also programmes. For example, the young preferred Niu FM over Radio 531pi and had little interest in major metropolitan newspapers. Older respondents had a greater interest in news online, whereas younger respondents were much more interested in music online.

There are also differences between those who are fluent or proficient in a Pacific language and those who are not. Of major interest was that fluent speakers had a far greater interest in accessing content online than non-fluent speakers, across all genres. This could potentially be a reflection of their ability to access content online in the vernacular, which is less available on radio or television.

It is clear that programming has necessarily had to provide for a broad cross-section of diverse interests and this has at times entailed compromising “depth” of programming with “breadth” of coverage. The Pacific Audiences Report, June 2012, has shown that, in some cases, audiences have found this difficult to contend with, in both television and radio, and they would prefer more depth of coverage of particular issues. Deciding which issues to focus on is where the challenge lies. The on-line survey data from the Pacific Audiences Report does, however, highlight the enthusiasm that all age groups have for connecting to their Pacific identity and communities across all formats, including radio, television and online.

4.5 Key review questions related to the Pacific audience

“How much is Pacific language content a priority for the Trust?”

The PMN programming across its two radio stations includes significant time allocated to Pacific languages. Simulcast Pacific languages, on both 531pi and Niu FM, run every evening from 6pm – 6am every day of the week.

The PMN content operational strategy 2017 has two key objectives: one of them relates to finding Pacific people with interesting and entertaining stories to broadcast.

Pacific languages are clearly still a priority for NPRT. However, the interest in learning and speaking Pacific languages is not confined to the older Pacific demographic; anecdotally, there is a growing demand from youth and middle-aged people (particularly in Cook Islands Maori and Niuean communities) to learn their languages and prevent the demise of its use here in New Zealand.

“Is there still a market gap for Pacific youth music-based radio?”

The media and music environment has changed significantly since Niu FM launched yet the station does not seem to have adapted. Pacific youth have the same access and capability as other youth to music and entertainment. The explosion of online music services such as Spotify, enabling ease of access to music as and when they want it, can be clearly seen in Pacific youth with playlists on their phones.

The emergence and continual growth and success of Pacific-flavored commercial stations Mai FM and Flava, and youth-focused website thecoconet.tv is delivering new music and entertainment media options that also meet Pacific youth interests.

It is difficult to compare Niu FM to commercial radio stations such as Mai FM and Flava. These two stations have been strengthening their position and attract strong following in both the 10-17 age range and the 18-34. NZ On Air advises that in the latest radio survey:

- the Mai FM weekly cume was 452,600 (3rd place for both age ranges) with a 5.9% nationwide station share (2nd in both age ranges)
- the Flava weekly cume was 211,700 (6th for 10-17 and 8th for 18-34) with a 2.7% nationwide station share (6th in both age ranges).

These results cover both Pacific and other youth but it is improbable the Pacific audience share would be lower.

The NPRT Board presented a view to this reviewer that Pacific youth do value Pacific entertainment and music with a more cultural focus which is not delivered by mainstream radio. The Board and some Pacific professionals suggest that the Pacific youth have an interest in Pacific music, culture and stories, and this is further supported by the ongoing demand for Pacific music content on thecoconet.tv. However, it is difficult to assess precisely what this interest is, how it can be addressed, and to determine whether there is sufficient scale to justify/attract resourcing.

It is clear that Niu FM, with its Pacific music offering, is quite different to the commercial radio stations that target the 15 – 35 demographics. But, mainly due to the lack of good audience data, it is unknown whether this point of difference is of a magnitude to justify the cost of delivering services to this competitive 15 – 35 demographics.

“Who are the target audiences and why? What does the Pacific community value when it listens to the PMN stations?”

There are two key target audiences for NPRT:

- Niu FM: 15 – 35
- 531pi and simulcast Niu FM evenings 35+

The 15 – 35 audience is a target has been the focus of Niu FM since its inception and this has not changed. There has not been a recent strategic analysis of target demography so it is difficult to assess whether these targets are still appropriate.

Feedback from Pacific communities, via community fono and AGM, is that the Pacific languages are what is valued. There are regular requests from community groups to meet with NPRT to discuss issues and suggestions they have for the languages programmes.

“Is there a strong content and delivery strategy for Pacific audiences driven at both governance and executive level?”

This year the NPRT Board has produced NPRT’s first content strategy that is aspirational and in line with the findings of the 2012 Pacific audiences report. The strategy is in draft form and will have a transformative effect on the organization if it is adopted by the Board and implemented by the executive team. The Pacific languages, in content and delivery, is a clear area of focus.

5 NPRT – is it still fit for purpose?

5.1 Is the current entity structure the best for quality service delivery?

Quality service delivery in the context of this review means delivery of content that meets the requirements of the targeted Pacific audience via mediums that are easily accessible by the listeners. Content includes music, news, special event items, and languages.

The current structure of NPRT operations, comprising 531pi, Niu FM and Pacific Radio News, has remained largely unchanged since the creation of NPRT in 2002. But around NPRT there have been significant changes amongst Pacific communities and developments in broadcasting and broadcast content focused on Pacific audiences. Also, the greater use of new technology, digital channels and social media avenues to connect to listeners has been a significant development since NPRT was formed. While both Niu FM and 531pi have an online presence the majority of its focus and efforts remains with the radio channels.

The merger of Niu FM and 531pi clearly made a lot of sense back in 2002. It was a period of time when Pacific communities had limited access to Pacific content and programmes and having two radio stations exclusively focused on Pacific audience was a good launching pad.

However Pacific audiences have evolved, and there are other credible entities delivering Pacific content. Having to operate the infrastructure required to run two radio stations is now an impediment to focusing on building quality service that meets evolving needs of Pacific audiences.

The Niu FM brand has been very important to NPRT historically. To meet the needs of the Pacific 15 – 35 demographic it has adopted a commercial radio station model competing with other commercial radio stations like Flava and Mai FM. Work has been done to on financial management reporting to examine differences between Niu FM and 531pi from a revenue and broadcasting personnel cost perspective. This clearly shows a fiscal imbalance between Niu FM and 531pi. Niu FM earns about half the revenue generated by 531pi but accounts for twice the broadcasting personnel cost. It can be argued that 531pi is subsidising Niu FM.

The 2012 Pacific Audiences report identified that Pacific content that meets the needs and aspirations of the Pacific communities was a key area of interest from those that responded to the survey. Pacific content was a theme that was continually emphasised by those who met with the reviewer. Pacific content covers a very broad spectrum from music, culture, values, news and events. But what was consistent in context of Pacific content is the desire for more depth and pure Pacific contribution.

Pacific content is clearly an important part of NPRT's existence, and based on its statement of service performance it delivers a minimum level of service across a very broad Pacific audience.

531pi holds a unique position in the market place. The privately-funded Radio Samoa in Auckland is seen as a competitor against the 531pi Samoa language programme. The resources, both in funding and assets/facilities, at 531pi disposal, is a definite advantage when compared to the privately funded Pacific stations operating across New Zealand.

Feedback from Pacific professionals in the industry suggests that these private radio stations have strong following, perhaps related to the fact that the communities themselves are contributing to the cost and accordingly those running the programmes are in tune with the communities' requirements.

As discussed previously the 15 – 35 Pacific audience is targeted by the commercial radio stations and the older Pacific audience is less attractive to them. If NPRT was looking to focus on a particular group that is perhaps not so well served, and has the appetite for more Pacific content, then 531pi appears to have greater options to build and grow its listeners than those available to Niu FM.

There are also issues around radio frequency. The current arrangement where Auckland output is different to nationwide output is confusing. There are also issues around accessing the AM band in Wellington. Clarity around frequency objectives and access needs to be secured from Government once a clear audience strategy is developed.

5.2 Is the requirement to raise commercial revenue proportionate and based on sound policy? Is this requirement helping the Trust to deliver against its objectives?

NPRT is highly motivated to generate commercial revenue to ensure it has the necessary funding, in conjunction with NZ On Air funding, to meet its operational costs. Financial management information shows for the past 2 financial years and estimated for FY18 that the cost of sales as a percentage of commercial revenue generated ranges from 39% to 46% over a 3 year period. This does not include the time consumed at management level and board level that also needs to be factored in.

The remuneration structure for the sales team, base salary and commission, is consistent with the practice of commercial radio stations. The reviewer was unable to access financial information from commercial stations to enable a comparison of cost of sales relative to commercial revenue generated.

NPRT needs to find revenue streams in addition the funding it receives from NZ On Air to fund its current level of operations. Continuing to focus on commercial revenue, as it has done historically, is unlikely to deliver the outcome desired by NPRT. Already there are some large government agency contracts that will come to an end this financial year which will leave a hole in its revenue stream.

NPRT has adopted a mixed model of commercial and community radio networks, to meet the objectives set out in the Trust Deed. The deed itself does not specify the need for commercial revenue but in practice it appears to be treated as a requirement. The reviewer is of the opinion that the commercial radio station model adopted for Niu FM has set obligations on NPRT that is not helpful to meeting its objectives under the Trust Deed.

5.3 Is the Trust's cost and asset structure adequate? Are there unnecessary costs?

The assets and infrastructure to support the two radio stations are of good quality and more than adequate to meet the technical requirements for running the stations. But this does not mean the two radio stations have the necessary resources to effectively utilise the assets and infrastructure to the benefit of their audiences.

The reviewer examined the financial records and the operations of NPRT and did not find any areas where there are unnecessary costs.

6 Observations and opportunities

This section of the report covers key observations from the reviewer.

6.1 Trust Deed

The essence of the Trust Deed is to address the information needs of Pacific people and the strengthening of their languages and culture through radio.

The objectives within the Trust Deed reflect the combined interest of the Government and the communities at that time.

In the 15 years that have passed there have been significant changes within Pacific communities. The intent of the Trust Deed to cover all Pacific people means an extremely diverse age groups with different interests. Given the limited size and scale of NPRT there is a need to question whether it can do it all.

It makes sense to set an aspiration for NPRT to build capability and capacity of Pacific people in this industry: these remain valid goals.

The objectives around social, cultural elements are consistent with feedback from interviews held with Pacific professionals with insights into Pacific communities.

The Trust Deed should be reviewed and the objectives in particular assessed for relevance and realistic assessment about ability to deliver on those objectives.

6.2 Pacific audience – need for community engagement and embedded audience research

The absence of recent meaningful data and information about Pacific audiences is an issue that is encountered in other areas of public service. The reviewer is aware of the challenges that the social sector has in acquiring an understanding of Pacific communities to enable more informed decision making about better targeted services. While there is a general understanding of Pacific communities the challenge that is common across wider government is acquiring information that informs specific services to be delivered that meet the requirements of communities.

In the absence of good information about Pacific communities and their needs, that is refreshed on a regular basis, it will be extremely challenging to develop and deliver content objectively and with confidence that it will be well received.

A key priority for NPRT is to build a better understanding of its two key target groups, the 15 – 35 and 45+ demographics. It is commonly accepted that this is a diverse audience, but there was no evidence found that demonstrates a detailed understanding of these two target groups. The reviewer observed that staff are very dedicated and passionate about serving their people and feel great sense of pride in working for an entity that serves interests of Pacific communities. Finding a way to match this passion with an equally appropriate approach that effectively connects NPRT to its target audience should be an integral part of the business.

At present NPRT has a community liaison who is responsible for engaging with Pacific community groups and assisting with any events. More thought will need to be given to building an effective engagement strategy with Pacific communities and sustaining this on a regular basis. The discussions from these engagements needs to be captured and embedded into the systems of NPRT to inform its programmes and content development.

Surveys and feedback will need to be included as an integral part of the operations of NPRT.

6.3 Pacific content – need for execution of a clear strategy

The need for better Pacific content was a theme that was raised constantly during this review. The common points from these discussions is that Pacific audiences have an appetite for Pacific content that is deeper and more insightful than the general content that is delivered at present. This is mainly in the areas of special discussion items rather than Pacific news which seems to be well regarded.

Pacific communities have far greater awareness of what is happening locally, nationally and international when compared to 15 years ago. With this growth in awareness is the expectation that with some interest areas, such as developments in areas like Health, Education and Climate Change, more content is made available looking at these topics through a Pacific lens.

In the absence of qualified Pacific audience data it is challenging to frame this as an objective assessment. However, there was a consensus across all individuals and entities engaged with during this report about the appetite for more Pacific content.

The NPRT has a draft content strategy, developed in mid-2017 which captures many of the key messages and comments that the reviewer has encountered through this process.

The challenge will be how to pursue this aspirational content strategy, ensuring it is reflective of the wishes of Pacific audiences, and then delivering it. New capabilities will need to be introduced to build and drive a content driven agenda

Consideration needs to be given to merits of creating a content director role and creating necessary resources/funds to support more in-depth content.

The most expensive aspect of content creation is usually personnel costs. An improvement in quantity or quality will likely impact on remuneration policy and strategy.

6.4 Niu FM and 531pi - need for clarity of purpose and platform

Looking at Niu FM and 531pi presented the reviewer with the biggest challenge. Both of these radio stations are well known within the Pacific community. Members of the NPRT Board spoke about Niu FM representing a legacy for those pioneers that lobbied for creation of a commercial radio station.

Niu FM and 531pi together illustrate the commercial vs community challenge that NPRT has as an entity.

The landscape has changed significantly in 15 years. The emergence of digital devices, social media, content aggregators, streaming services, and the rapid adoption of these by Pacific people both young and old, has been transformative.

There are significant fixed costs to NPRT in running two networks. Niu FM commands a significant share (2/3rds) of the broadcasting personnel budget.

It was difficult for the reviewer to find a compelling reason why Niu FM, in its current form, remains a fit for purpose vehicle for Pacific youth. There is a view held by members of the NPRT that Pacific youth value having access to a commercial radio station with a Pacific focus and music but there is no clear evidence of this.

Niu FM is competing in a crowded marketplace that is heavily dominated by mainstream commercial radio stations. It is unlikely Niu FM could compete with these stations without a significant improvement in strategy and resources.

The question then is whether the current approach justifies the cost and public funding involved.

531pi clearly delivers a service that is valued by the communities. This review has identified that Pacific communities regularly raise the importance of languages programmes with NPRT. 531pi is also a well-resourced and well-positioned community radio station when compared to similar privately funded Pacific radio. In an audience segment that has a growing appetite for more Pacific content, and given the privileged position held by 531pi, an opportunity exists to develop an audience-driven strategy to increase the listener base and better meet their requirements.

531pi when compared to Niu FM and its focus on youth has better potential to deliver on the objectives of the Trust Deed. This review was unable to quantify what it would cost for Niu FM to successfully compete with commercial radio stations but it's safe to assume that it would be significantly more costly and risky than a focus on the target audience for 531pi.

So there is a clear challenge ahead for the NPRT Board to determine what the right focus, content, and platform might be to serve the rapidly growing Pacific youth population. The status quo is unlikely to be the best option.

6.5 Partnerships and Collaborations – need for more and new

Collaborations and partnerships present an opportunity for NPRT to pursue a more targeted strategy. To date NPRT has attempted to do everything and it has struggled to maintain a minimum level of service across its full-service offering.

There is a clear expectation from the community for a greater level of service and content that meets their requirement for cultural and entertainment purposes.

Assuming NPRT remains primarily supported by government funding then it is prudent to plan on working within current fiscal parameters. Accordingly, compromises will be required to accommodate a more targeted approach.

Finding partners that can deliver in areas that NPRT does not have a presence and/or capability will be important. The new content-sharing arrangement with RNZ is an excellent start. There is clear evidence from feedback from meetings that there are other entities that are interested in establishing and/or deepening the existing partnerships.

What is clear is that NPRT can be part of or create an ecosystem comprised of partners to deepen and broaden access to the Pacific community audience.

APPENDIX 1: NPRT Review – Terms of Reference August 2017

The primary service provider of radio services to Pacific audiences in New Zealand, National Pacific Radio Trust (NPRT), is facing increasing financial pressure for multiple reasons: static Crown funding, difficulties maintaining other revenue sources, changes at senior levels in the organisation, and a changing media landscape.

NZ On Air, consulting with MCH and MPP, in a constrained funding environment, wishes to review the services and assess future directions.

Scope

The review will consider the following matters, consult as necessary, and provide an analytical report that discusses and evaluates practical options. This will include:

- A brief background of NPRT and current Pacific radio services and how the operating environment has changed since the Trust was created
- A brief overview of other Pacific media services, discussing where they compete, collaborate, complement, and/or add audience options, focusing mainly on developments in the last five years and any known future ones
- The structure and business position of NPRT
- Discussion of the capability needed to deliver a modern and well-targeted Pacific public media service

See also Key Review Questions below. We anticipate the report will be succinct, audience-focused, with data presented as appendices.

Background

NPRT trades as Pacific Media Networks, operating several radio stations and media services:

- Niu FM Auckland, a youth-oriented music station;
- 531pi, an older demographic AM station in Auckland;
- the Niu FM network which operates in locations around New Zealand; and
- Pacific Radio News, providing national and international Pacific news to NPRT stations and third parties. It has recently begun providing content to RNZ

The entity operates under a Trust Agreement and is a Schedule 4 entity under the Public Finance Act. Ministers appoint board members.

Funding from the Crown for operations is currently \$3.25m per annum, topped up with commercial and other government contract revenue to meet its operating costs, which averaged \$4.86m per annum over the past 5 years.

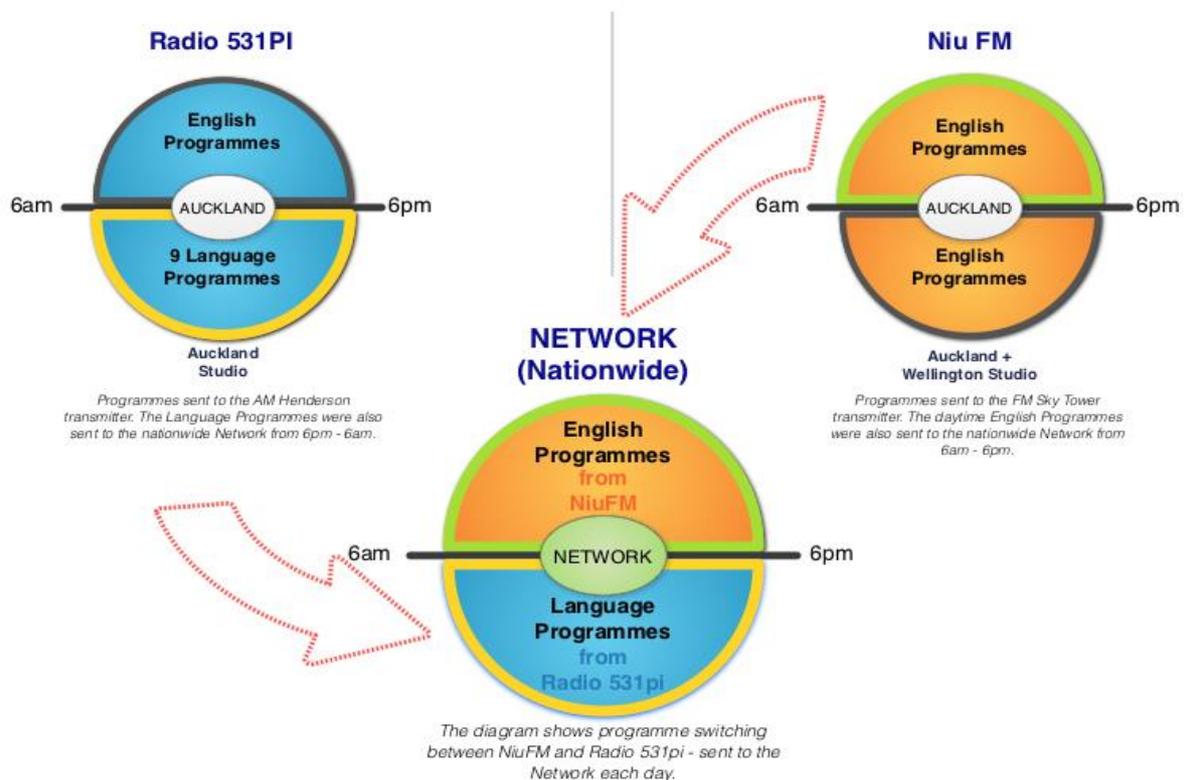
NPRT is increasingly struggling to meet its commercial revenue targets and has signaled the need for more baseline funding. The current business case is weak.

A summary of NPRT Crown funding and financial results is attached.

Funding and monitoring transferred from MCH to NZ On Air on 1 July 2011. Prior to this, funding was split between NZ On Air (for 531pi which has been funded since 1993) and MCH (when a new non-commercial frequency was set aside for a national Pacific radio network in 2001 and funds allocated by Government). Early tensions between the two entities were resolved after mediation.

NPRT Operations

At present the content output is different in Auckland and nationwide as depicted below:



Current state

- A projected 30 June 2017 deficit of over -\$400,000 with funds possibly exhausted by end 2017
- No clear strategy or financial ability to deal with significant media environment change as the service tries to keep its head above water
- Requirement for commercial revenue in a highly competitive market has meant less focus on crucial content and technology strategies
- Audience levels of engagement and appreciation are unmeasured
- Costs are largely well-contained; revenue from sales is somewhat disproportionate to effort. See Charts 1 and 2 below
- Multiple senior personnel changes
- Static baseline funding for over 7 years in the face of falling commercial revenue and increasing costs
- NZ On Air static baseline for 10 years: serious funding pressures in all areas as well as NPRT

Other Pacific media services ⁴

Radio services include [Samoa Capital Radio](#), [Radio Ivanui](#), [Radio Samoa](#), and [RNZ Pacific](#) (RINZI). There may be more, including programmes on the various Access radio stations around the country.

Commercial radio stations Mai FM and Flava entered the market after the launch of Niu FM and have found strong youth audiences.

Tagata Pasifika and *Fresh* continue to be important television/online content; online site [Coconet](#) delivers to Pacific youth.

Key review questions:

1. How would the performance of the Trust be rated against the original objectives set out in the Trust Deed (5 2 1 through to 5 2 11)?
 - Are these objectives all still relevant?
 - Are the main activities of the Trust delivering against these objectives?
 - Is the current entity structure and business model the best for quality service delivery?
 - Is there still a market gap that needs to be filled for Pacific youth music-based radio?
2. Who are the target audiences and why? What does the Pacific community value when it listens to the PMN stations?
 - Is Pacific language content an appropriate priority?
3. Is there a strong and cohesive content strategy driven at both governance and executive level?
 - If so, is it being successfully delivered?
4. Is the requirement to raise commercial revenue proportionate and based on sound strategy?
 - Is this requirement helping the Trust to deliver against its objectives?
5. Is the Trust's cost and asset structure adequate? Are there unnecessary costs?
6. What are the main opportunities and threats facing the Trust?
7. What are the best options to maintain and improve media services for Pacific audiences, including collaboration, sustainability and funding?

⁴ A comprehensive stock take of general Pacific broadcast services was undertaken by NZ On Air in 2012: see <http://www.nzonair.govt.nz/document-library/broadcast-programming-for-pacific-audiences-june-2012/>

CHART ONE**NPRT: Summary of Crown Funding**

Financial year	Funding through MCH	Funding through NZOA	Total	Note
2007/08	\$3,300,000	\$200,000	\$3,500,000	1
2008/09	\$2,700,000	\$200,000	\$2,900,000	1
2009/10	\$3,000,000	\$200,000	\$3,200,000	
2010/11	\$3,000,000	\$700,000	\$3,700,000	2, 3
2011/12		\$3,525,000	\$3,525,000	4, 5
2012/13		\$3,464,858	\$3,464,858	6
2013/14		\$3,250,000	\$3,250,000	
2014/15		\$3,250,000	\$3,250,000	
2015/16		\$3,250,000	\$3,250,000	
2016/17		\$3,250,000	\$3,250,000	
Approved for 2017/18		\$3,250,000	\$3,250,000	

Notes

1. \$300,000 for 2009 paid in advance in 2008. Total funding for each of these years is \$3,200,000.
2. Includes baseline funding increase of \$50,000 from \$3.2 million to \$3.25 million due to eight years of flat funding, approved following restructuring to improve efficiency and increase the focus on pacific island languages (i.e. more language hours delivered).
3. Includes \$450,000 for capital works to move to South Auckland - new premises fit-out and ICT upgrade
4. Includes \$275,000 for further costs for the new premises fit-out and ICT upgrade
5. MCH funding moved across to NZ On Air
6. Includes \$214,858 for capital works to upgrade to digital broadcast equipment

CHART TWO

NPRT: Summary of financial results

Year ending	30 June 2017 (forecast)***	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Crown revenue	3,250,000	3,270,000*	3,250,000	3,258,032*	3,250,000	3,250,000
Other public sector contract revenue	223,192	631,670	678,000	601,567	195,186	725,000
Commercial revenue	570,000	754,692	1,255,385	1,281,300	1,231,707	1,374,229
Other revenue	12,000	257,706**	18,611	13,094	3,193	2,489
Total revenue	4,055,192	4,914,068	5,201,996	5,153,993	4,680,086	5,351,718
Expenditure	4,605,192	4,651,072	4,985,444	5,009,989	4,573,200	4,971,563
Surplus/(deficit)	(550,000)	262,995	216,551	144,004	106,886	380,155
Equity	950,592	1,500,592	1,237,596	1,021,045	877,041	770,155
Cash and investments	448,412	698,412	797,984	504,278	535,829	76,671

*includes contribution towards audience survey costs for both NZ On Air and NPRT reporting (biannual survey)

**includes recovery of funds taken fraudulently

***based on actual April 2017 figures projected to 30 June based on April commentary

APPENDIX 2: Trust Deed Purpose and Objectives

Purpose of the National Pacific Radio Trust⁵

The principal purpose of the National Pacific Radio Trust Board Inc. (NPRT) is to establish and maintain a National Pacific Radio Network that delivers quality programming, and to ensure the responsible stewardship of assets of the network – as consistent with the Objectives provided for in its Deed of Trust (Deed).

Objectives of the Trust⁶

To deliver a national Pacific radio network that is a vehicle for:

- *Providing an authoritative, accurate, current and reliable information source to Pacific people, reinforcing their languages, values, beliefs and culture in New Zealand;*
- *Promoting, motivating, inspiring and encouraging the better education of Pacific communities throughout New Zealand;*
- *Facilitating and contributing to Pacific people's education, employment, housing, health, and social development in New Zealand in order to contribute to Pacific peoples' well-being and for relief of poverty;*
- *Linking Pacific communities in New Zealand regionally, nationally and providing access to international news and events;*
- *Harnessing and growing the best available Pacific broadcasting and management talent throughout New Zealand so that the network as a community-owned platform is sustainable and delivers a quality service;*
- *Providing a means for Pacific musicians, businesses, services and artists to communicate and exchange information and ideas;*
- *Promoting effective avenues for training Pacific people in broadcasting and advocating for and on behalf of Pacific people in the media;*
- *Providing a medium for issues of special interest groups such as the young, elderly and disabled Pacific people to be discussed;*
- *Providing mechanisms for measuring efficiency and effectiveness of the network; and*
- *Providing a window through which the rest of New Zealand can be better informed about the lives of Pacific communities throughout New Zealand*

⁵ Trust Deed clause 4

⁶ Trust Deed clause 5

APPENDIX 3: NPRT Financial Extract from Annual Report 30 June 2017

NATIONAL PACIFIC RADIO TRUST – PARENT GROUP

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Actual 2017	Budget 2017	Actual 2016
Revenue				
Funding from the Crown		3,250,000	3,250,000	3,270,000
Gain on disposal of assets		2,538	-	-
Other revenue	2	857,205	2,243,728	1,644,068
Total revenue		4,109,743	5,493,728	4,914,068
Expenses				
Marketing costs		51,740	91,944	31,264
Personnel	3	2,432,622	2,981,135	2,538,970
Depreciation and amortisation	7, 8	212,172	244,903	233,459
Loss on Disposal	7, 8	50,490	-	12,951
Operating lease expense		289,190	259,112	238,168
Trustees fees	13	101,500	122,850	102,096
Broadcasting costs		778,120	830,135	784,756
Other expenses	4	596,735	845,248	711,409
Total expenditure		4,492,569	5,355,328	4,651,072
Surplus/(deficit)		(382,826)	138,400	262,995
Other Comprehensive Revenue or Expense		-	-	-
Total comprehensive revenue and expense		(382,826)	138,400	262,995

Explanations of major variances against budget are provided in note 22.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Actual 2017	Budget 2017	Actual 2016
Balance at 1 July		1,500,592	1,371,746	1,237,596
Total comprehensive revenue and expense for the year		(382,826)	138,400	262,995
Balance at 30 June		1,117,765	1,510,146	1,500,592

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Actual	Budget	Actual	
Note	2017	2017	2016	
Assets				
Current assets				
Cash and cash equivalents	5	724,969	552,337	698,412
Receivables	6	130,224	385,754	243,694
Prepayments		17,822	11,293	18,749
Total current assets		873,015	949,384	960,855
Non-current assets				
Property, plant and equipment	7	649,058	1,010,768	859,965
Intangible assets	8	27,560	71,639	55,121
Total non-current assets		676,617	1,082,407	915,086
Total assets		1,549,632	2,031,791	1,875,941
Liabilities				
Current liabilities				
Payables	9	184,014	309,273	168,037
Employee entitlements	10	189,982	154,500	132,079
Lease Incentive		17,362	17,362	17,362
Total current liabilities		391,358	481,135	317,477
Non Current liabilities				
Lease Incentive		40,510	40,510	57,872
Total liabilities		431,868	521,645	375,349
Net Assets		1,117,765	1,510,146	1,500,592
Trust equity				
Trust capital		1	1	1
Accumulated surplus/ deficit		1,117,764	1,510,145	1,500,591
Total equity attributable to the Trust		1,117,765	1,510,146	1,500,592

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Actual 2017	Budget 2017	Actual 2016
Cash flows from operating activities			
Receipts from the Crown	3,250,000	3,250,000	3,270,000
Interest receipts	1,739	6,535	8,102
Receipts from other revenue	978,935	2,237,191	1,757,058
Payments to suppliers	(1,761,419)	(2,368,812)	(1,973,818)
Payments to employees	(2,394,718)	(2,957,919)	(2,536,970)
GST (net)	(26,326)	-	(27,735)
Net cash flow from operating activities	48,211	166,994	496,637
Cash flows from investing activities			
Receipts from the sale of property, plant and equipment	4,403	-	-
Purchase of property, plant and equipment	(26,057)	(250,000)	(181,926)
Purchase of intangible assets	-	-	(37,977)
Net cash from investing activities	(21,654)	(250,000)	(219,903)
Net (decrease)/increase in cash and cash equivalents	26,557	(83,006)	276,734
Cash, cash equivalents the beginning of the year	698,412	635,343	421,678
Cash and cash equivalents at the end of the year	724,969	552,337	698,412

Reconciliation of net surplus/(deficit) to net cash flow from Operating activities

	Actual 2017	Actual 2016
Surplus/(deficit)	(382,826)	262,995
Add/(less) non-cash items:		
Depreciation and amortisation expense	212,172	246,410
Non-cash lease settlement	(17,362)	(17,363)
Total non-cash items	194,810	229,048
Add/(less) items classified as investing or financing activities:		
Gain on disposal	(2,538)	-
Loss on disposal	50,490	-
Total items classified as investing or financing activities	47,952	-
Add/(less) movements in statement of financial position		
(Increase)/decrease in receivables	114,395	113,861
Increase/(decrease) in payables	15,977	(108,333)
Increase/(decrease) in employee benefits	57,903	(934)
Net movements in working capital items	188,275	4,594
Net cash flow from operating activities	48,211	496,637

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.