



NZ On Air Six Monthly Report

31 December 2013





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1. SECTOR COLLABORATION UPDATE

Sector	Update
NZ Music:	Meeting of inter-agency music group held on 11 November. Planning for music industry forum in first quarter of 2014 underway. Involves NZ On Air, Creative NZ, Te Māngai Pāho and NZ Music Commission.
Broadcasting Standards Authority:	Co-location; shared services continued
NZ Film Commission:	Co-location; new documentary fund
MFAT:	RFP for 2015 Gallipoli service

2. STATEMENT OF SERVICE PERFORMANCE SUMMARY

(for more details refer pages 7-12)

Area	Activity	Top Line Points	
Screen content	Television	General Contestable Fund	On track
		Platinum Fund	On track
		Regional Television	On Track
	Web-Only	NZ On Screen	On track
		Digital Media Fund	On track
Sound content	Radio	Public Radio	On track
		Special Interest Radio	On track
		Commercial and Alternative Radio	On track
	Music	Music Content	On track
		Music Promotion	On track

3. KEY FINANCIAL STATEMENT SUMMARY

(for more details refer pages 13 – 14)

Financial Statement	Summary
Statement of Comprehensive Income	No issues
Statement of Financial Position	No issues

4. KEY EFFICIENCY GOALS AND MEASURES

Efficiency Goals	Efficiency Measures	SOI 2012-2015 Target	YTD Actual
Low administration costs to maximize available investment funds	Administration costs as a % of total revenue	Less than 3%	2.54%
What we fund gets released	% of funded projects broadcast within 15 months of formal delivery	99%	99%
Our processes are efficient and effective	% of complete applications received by deadline are considered by next Board meeting	100%	100%
	% of funding decisions made in accordance with approved policies and procedures	100%	100%
We make the right decisions	Funding decision or process with a significant adverse judicial review or Ombudsman finding	0%	0%

HIGHLIGHTS

5. TOP 5 NZ ON AIR FUNDED TELEVISION PROGRAMMES FOR THE PERIOD*



NZ Story

Rank	Programme	Channel	Episodes	Average Rating %	Average Audience
1	<i>New Zealand's Got Talent</i>	TV One	13	16.82%	693,245
2	<i>Country Calendar</i>	TV One	15	14.66%	604,287
3	<i>The X Factor</i>	TV3	7	10.48%	432,052
4	<i>This Town</i>	TV One	8	10.27%	423,222
5	<i>NZ Story</i>	TV One	11	10.25%	422,343

* Consolidated rating All People 5+: 1 July 2013 to 31 December 2013 (source Nielsen)

6. RADIO NEW ZEALAND AUDIENCE FIGURES

Total weekly live audience for RNZ National*	493,000
Total weekly live audience for RNZ Concert*	122,000
Annual online requests for time-shifted RNZ and Concert content	Actual data not available in period in question

* Results are for the full year Q4 2013 period as carried out by Nielsen and reported by RNZ. The cumulative audiences place RNZ National 2nd among all stations and its station share of 10.3% places it at number one nationwide.

7. TOP 5 MOST PLAYED NZ SONGS ON NZ RADIO

(in the six months to 31 December 2013)

Rank	Song	Artist	Kiwi Hit Disc
1	<i>Bulletproof</i>	Stan Walker	161
2	<i>Bones</i>	Ginny Blackmore	-
3	<i>Walking On Water</i>	Benny Tipene	163
4	<i>Team</i>	Lorde	-
5	<i>It's Worth It</i>	Jackie Thomas	162



8. REVIEWS



Wild About New Zealand

NHNZ for TV One (Platinum Fund)

Alastair Paulin – Nelson Mail – 5 September 2013

“The cinematography is outstanding: you might never regard kea the same way again after seeing their beauty in flight captured in ultra-slow motion or night vision footage of a kea attacking a sheep.”

Nothing Trivial

South Pacific Pictures for TV One

Chris Philpott – On the Box – 12 September 2013

“I haven't found the storylines on Nothing Trivial to be terribly complicated in the past. They don't need to be. Trivial is a romantic comedy, a Kiwi peer for shows like Offspring or Packed to the Rafters (the final season of which starts tonight on One), and it does what it does as well as any show on television”.



Super City II

Super Fumes for TV3

Colin Hogg – The NZ Herald – 30 July 2013

“Super City (10pm, Friday) is also edgy and maybe darker than it means to be, but that's good..... The show's a hoot (mostly) and it's about as natural as you'd expect with one woman playing all four lead roles - two of them male.....”



Descent From Disaster

Screentime NZ for TV One (Platinum Fund)

Sarah Lang – The New Zealand Herald – 11 August 2013

“This is an excellent documentary. It finds and tells stories that would otherwise be lost - and brings that history to life.”



9. STATEMENT OF SERVICE PERFORMANCE

ACTIVITY 1: SCREEN CONTENT

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

- **Planned activity tracked as forecast**
- **There is considerable pressure on funding**
- **On-air performance of funded programming remains strong**

PERFORMANCE MEASURES

Key Performance Measures	SOI Forecast	YTD Actual
The majority of New Zealanders believe NZ On Air supports television programmes and activities important to New Zealanders	74%	Survey yet to be completed
Almost all television projects are broadcast within 15 months of the finished programme being delivered to the broadcaster	99%	99%
At least half of general contestable fund expenditure is for prime time content (6pm -10pm first screening)	50%	51%
Target average prime-time audience aged 5+ for content funded for the major FTA national channels	Drama 315,000 Doc/Factual 365,000 Comedy 240,000 Arts/Culture 315,000	211,959 373,939 249,979 525,318

GENERAL CONTESTABLE FUND

General Contestable Fund	SOI Forecast Hours	YTD Actual Hours	SOI Forecast \$000	YTD Actual \$000	SOI Forecast % Prime-time	YTD Actual % Prime-time
Drama/Comedy	90	66.5	27,460	18,583	100%	94%
Documentary/Factual	73	74	7,500	6,852	100%	100%
Children's Drama*	-	6	0	2,300	*	0%
Children & Young People	433	358.2	13,716	12,433	0%	0%
Māori Programmes	36	21.5	4,000	1,880	66%	97%
Arts/Culture/Identity	27	25.8	1,850	1,428	70%	71%
Minorities	130	140.5	6,962	7,873	0%	5%
Disability (includes Captioning + Audio Description)	18	18	4,472	4,530	n/a	n/a
Development	n/a		220	237	n/a	n/a
Total General Fund	807	710.5	66,180	56,116		

*this genre not included in the SOI but two projects supported from funds from Drama/Comedy + Children's

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PLATINUM FUND

Platinum Fund	SOI Forecast Hours	YTD Actual Hours with programme information		SOI Forecast \$000	YTD Actual \$000	SOI Forecast % in prime-time	YTD Actual % in prime-time
Drama	6.5	8	<i>When We Go To War (6.0)</i> <i>How to Murder Your Wife (2.0)</i>	8,800	8,858	100%	100%
Documentary	83	96	<i>Anatomy Of Justice (3.0)</i> <i>Beneath NZ (3.0)</i> <i>Descent From Disaster (6.0)</i> <i>War News (additional)</i> <i>Waves Of ANZAC Cove (2.0)</i>	5,231	4,267	100%	100%
Current Affairs			<i>Q+A 2014 (40.0)</i> <i>The Nation (42.0)</i>			0%	0%
Arts/Culture/Identity	6	0		1080	0	100%	-
Total Platinum Fund	95.5	104		15,111	13,125		

REGIONAL TELEVISION

Regional television	SOI Forecast		YTD Actual	
	HOURS	\$000	HOURS	\$000
Local news and information	800	1,500	1,094	1,260
Regional television digital switchover assistance fund*	n/a	*	-	-
Total	800	1,500	-	1,260

* A balance of \$335,000 carried forward from 2012-13 remains available for the 2013-14 financial year

DIGITAL MEDIA

	SOI Forecast		YTD Actual	
	QUANTITY	\$000	QUANTITY	\$000
Digital Media Fund	n/a	1,000	n/a	1,029
Digital Media Trust	n/a	1,130	n/a	1,130
Other	n/a	-	n/a	225

ACTIVITY 2: SOUND CONTENT

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

PERFORMANCE MEASURES

Key Performance Measures	SOI Forecast	YTD Actual
The majority of New Zealanders believe NZ On Air supports local content for radio important to New Zealanders	70%	¥
Increase the % of NZ music on commercial radio (% of NZ music on radio stations bound by the Radio Broadcasters Association NZ Music Code)	20%	17.74%
Improve the % of NZ Music on Alternative Radio	31%	38.15%

¥ Data not yet collected. Survey planned for May-June 2014, to be reported at year end

DETAILED MEASURES

Radio New Zealand: Quantitative Measures	SOI Forecast		YTD Actual**	
	RNZ National	RNZ Concert	RNZ National	RNZ Concert
Ensure RNZ provides programme types specified in the Broadcasting Act 1989				
Māori Language and Culture	350 hours	NA	178	NA
Special Interest	400 hours	NA	246	NA
NZ Drama, Fiction and Comedy	250 hours	NA	138	NA
% of NZ Music on Rotate	33%	NA	33%	NA
% of NZ Composition	NA	3.5%	NA	4.1%
% of Music Performance	NA	14%	NA	16%
% of Population able to Receive Transmission*	97%	92%	97%	92%
NZ On Air Funding Provided	31.816m		15.908m	

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

** 6 months ended 31 December 2013.

QUALITATIVE MEASURES

Radio New Zealand: Qualitative measures Of New Zealanders independently surveyed, maintain the percentage of;	SOI Forecast	YTD Actual*
General public who agree RNZ broadcasts programmes of interest to a wide cross-section of New Zealanders	84%	87%
RNZ National listeners who are very satisfied or quite satisfied with the quality of RNZ National programming	89%	90%
Listeners who agree RNZ National provides in-depth news and current affairs about New Zealand	94%	93%
RNZ Concert listeners who are very satisfied or quite satisfied with the quality of RNZ Concert programming	80%	74%
The number of formal complaints about RNZ programmes each year that are upheld by the Broadcasting Standards Authority against any one of the broadcasting standards as a breach of fairness, balance, accuracy or privacy	No more than 3	1

* Actual refers to the year ended 30 June 2013, being the results available at time of report preparation.

MUSIC INITIATIVE

Resound – NZ classical music initiative to increase broadcast of NZ-composed fine music	SOI Forecast		YTD Actual	
	NUMBER	\$000	NUMBER	\$000
Recordings of music works relicensed by SOUNZ and approved for broadcast+	225	100	¥	128
Recordings of music works relicensed and available online	300		¥	
Relicensed works scheduled for broadcast on RNZ Concert	30		¥	

¥ Performance measures for the Resound project have changed for the 2014 calendar year with the evolution of the project. Results will be reported at the end of the year.

SPECIAL INTEREST RADIO

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

Community Radio	SOI Forecast Hours	SOI Forecast \$000	YTD Actual Hours	YTD Actual \$000
Access and special interest radio	24,500	6,099	24,500	5,830
Pacific radio	15,500		15,500	
Total special interest radio	40,000		6,099	

* actual hours for the half year shown on a pro-rata basis

COMMERCIAL AND ALTERNATIVE RADIO

Increasing diversity for commercial radio audiences.

Spoken content	SOI Forecast Hours	SOI Forecast \$000	YTD Actual Hours	YTD Actual \$000
Children and Youth	212	350	265	396
Spiritual	90	120	42	99
Ethnic	24	100	-	-
Māori issues (English language)	96	75	96	75
Total spoken radio programmes	422	645	403	570

NZ MUSIC FUNDING

Funding – Making Tracks (5 of 10 planned funding rounds completed) directly supports local recording projects		SOI Forecast	SOI Forecast \$000	YTD Actual	YTD Actual \$000
Commercial	Projects funded	At least 120	2040	66	1,044
	% of songs that achieve a Radio Scope NZ40 Airplay Chart	60%		†	
	% of music videos that achieve a Radio Scope a TV Top40 Chart Peak	20%		†	
Alternative	Projects funded	At least 80		49	
	% of songs that achieve a Radio Scope Alt40 Airplay Chart Peak	60%		†	
	% of music videos that achieve a Radio Scope TV Top40 Chart Peak	20%		†	
Music promotion					
Content promoting NZ music – sound *		30	1,450	28	1,455
Content promoting NZ music - screen		3	350	3	350
Other Promotion and Digital Media **		-	834	*	547
Total music content and promotion		-	4,674	-	3,396

† Measured at year-end.

* Number of individual radio stations funded for one or more individual programmes

** Includes funding for the www.theaudience.co.nz new music discovery platform and the New Zealand music channel on the www.iheartradio.com platform. Funding includes other promotion projects (eg the Kiwi Hit Disc) and sponsorships (eg the Waiata Maori Music Awards and the Taite Music Prize).

10. KEY FINANCIAL STATEMENTS

(excludes statements of movements in equity and cash flows)

COMPREHENSIVE INCOME

Statement of Comprehensive Income to 31 December 2013		Annual Budget SOI (\$000)	Year to Date Budget (\$000)	Year to Date Actual (\$000)	Variance (\$000)
Income	Crown Revenue	128,226	64,113	64,449	336
	Other Income	2,350	1,175	1,400	225
	Total Income	130,576	65,288	65,849	561
Operating Expenditure	Administration and consultation	3,230	1,697	1,675	(22)
	Total Operating Expenditure	3,230	1,697	1,675	(22)
Funding Expenditure	<i>Screen content</i>				
	National Television	81,291	81,291	69,242	(12,049)
	Regional Television	1,500	1,500	1,260	(240)
	Web Only	2,130	2,130	2,384	254
	<i>Sound content</i>				
	Public Radio	31,916	31,916	31,944	28
	Special Interest Radio	6,744	6,679	6,402	(277)
	Music and Other Content	4,674	3,532	3,396	(136)
	Funding Expenditure	128,255	127,048	114,628	(12,420)
	Less Funding Write-backs	-	-	(551)	(551)
Total Funding Expenditure	128,255	127,048	114,077	(12,971)	
Total Expenditure		131,485	128,745	115,752	(12,993)
Net (deficit)/surplus for the year		(909)	(63,457)	(49,903)	(13,554)

FINANCIAL POSITION

Statement of Financial Position as at 31 December 2013	Annual Budget SOI (\$000)	Actual (\$000)	Variance (\$000)
Current assets			
Cash and cash equivalents	6,000	166	(5,834)
Investments	34,500	46,560	12,060
Trade and other receivables	1,150	413	(737)
Total current assets	41,650	47,139	5,489
Non-current assets			
Property, plant and equipment	350	650	300
Total non-current assets	350	650	300
Total assets	42,000	47,789	5,789
Current Liabilities			
Trade and other payables	620	308	(312)
Funding liabilities	37,918	94,061	56,143
Total current liabilities	38,538	94,369	55,831
Public equity			
Public equity – committed	2,508	(46,580)	(50,042)
Public equity – uncommitted	954		
Total public equity	3,462	(46,580)	(50,042)
Total liabilities and public equity	42,000	47,789	5,789

11. PERFORMANCE IMPROVEMENT ACTIONS

The table below details progress on the performance improvement actions being undertaken in 2012/13 as per SOI p21

Initiative	Short Term Deliverable	Medium Term Impact	Progress to date
Facilitate a Pacific content forum	Improve our understanding of Pacific audience needs	Deliver increased audio/visual content options to Pacific audiences and encourage sector collaboration	Deferred to late 2014
Review channel funding policy	Assess whether funding policy and practice are well placed to meet new developments	Ensure our consideration of audience levels is appropriately balanced with support for diversity of content	Underway
Continue collaborating with other agencies involved in music funding	Contemporary Popular Music Group coordination work	Minimise prospect of funding duplication, consider gaps and encourage collaboration	Meeting of inter-agency music group held on 11 November. Planning for music industry forum in first quarter of 2014 underway.
Complete the review of the documentary strategy for screen content funding	Revised strategy approved by Board	Range and quality of screen documentary improved, particularly for prime-time	Strategy completed and published
Investigate opportunities that may be provided by co-location with the NZFC	Operations efficiency maximised	The maximum possible amount of public funding is applied to content investment not overheads	Joint documentary fund underway
Conduct triennial stakeholder survey	Clearly understand client perspectives by direct, confidential survey	Improve operational services to key stakeholders	Completed and published
Update the economic impact assessment of our television investments	Business impact of television investments more clearly understood	Contribute to available business data on the contribution of the sector	Completed and published
Reconsider our impact measures to ensure we are assessing funding outcomes adequately	Complete framework review by 30 June 2014	Performance measures provide useful insight into changing audience behaviour	Underway

