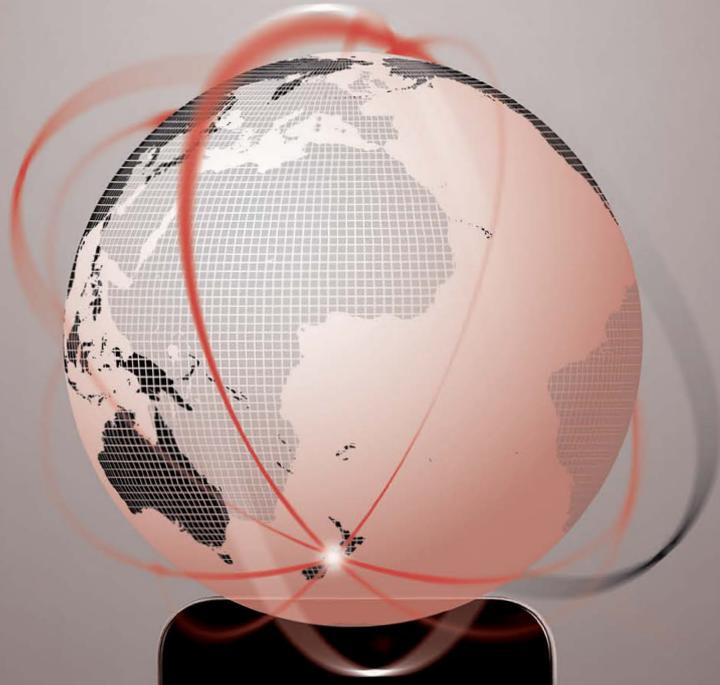


TAKING OUR VOICE TO THE WORLD



ON AIR, ONLINE, ON DEMAND

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REFLECTING OUR STORIES

and the things that make us unique.

88% of all New Zealanders agree that it is important for New Zealand to have a public service radio broadcaster.

94% of Radio New Zealand National listeners agree the network provides in depth news and current affairs about New Zealand.

110,000 AUDIO ITEMS
AVAILABLE FROM THE ARCHIVE

14.3
MILLION

>> VISITS TO OUR WEBSITE <<

3.4 million
PODCASTS
DOWNLOADED

45,000
SMARTPHONE
DOWNLOADS



MOBILE APPLICATIONS
boost global service.

90% SATISFACTION
among Radio New Zealand National listeners.

80% SATISFACTION
among Radio New Zealand Concert listeners.

IN TIMES OF CRISIS New Zealanders
turn to Radio New Zealand.

351,000
PEOPLE LISTEN TO
**MORNING
REPORT**

238,000
PEOPLE LISTEN TO
AFTERNOONS

464,000
PEOPLE LISTEN TO
**RADIO NEW ZEALAND
NATIONAL**

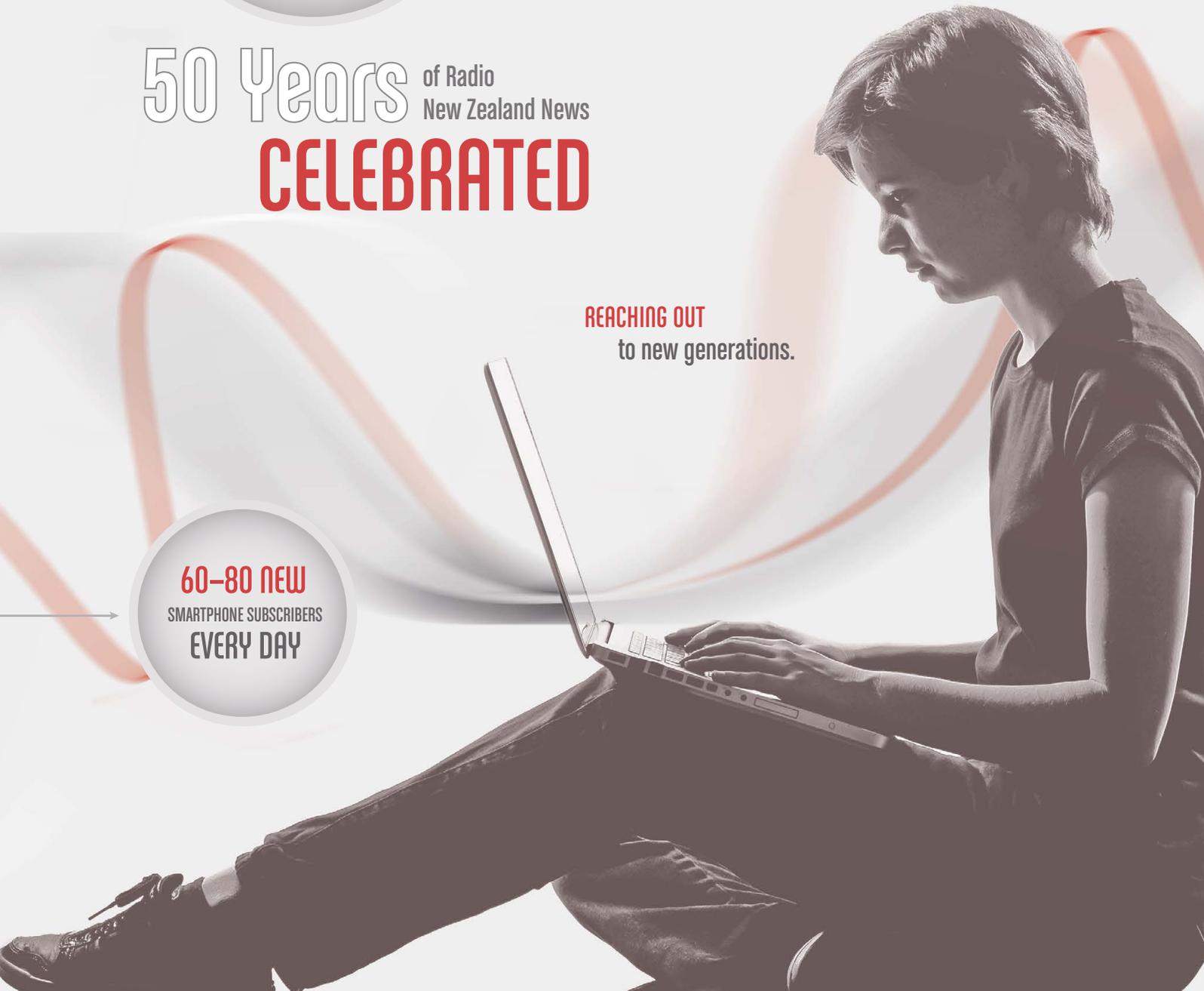
235,000
PEOPLE LISTEN TO
NINE TO NOON

RADIO NEW ZEALAND NATIONAL:
top ranking radio station
in New Zealand in 2011.

50 Years of Radio
New Zealand News
CELEBRATED

REACHING OUT
to new generations.

60-80 NEW
SMARTPHONE SUBSCRIBERS
EVERY DAY





CHAIR'S REPORT

FROM A BOARD PERSPECTIVE 2011/2012 WAS A SOMETIMES DIFFICULT BUT NEVER-THE-LESS SATISFYING EXERCISE IN SETTING LONG-TERM POLICY GOALS WHILE MANAGEMENT AND STAFF WORKED COHESIVELY TO ENSURE FINANCIAL CONSTRAINTS DID NOT SIGNIFICANTLY IMPACT ON PROGRAMMING OR MORALE.

A seamless hand-over of Ministerial broadcasting responsibilities from the Hon. Dr Jonathan Coleman to the Hon. Craig Foss ensured consultation on the development options for Radio New Zealand continued to be frank and constructive.

Representation to the Commerce Select Committee was well received and the annual Statement of Intent was endorsed by the Shareholding Ministers.

Radio New Zealand continued its tradition of high quality broadcasting and was again rewarded with extraordinary levels of public support and respect.

PUBLIC VALUE AND THE GLOBAL MEDIA ENVIRONMENT

> The 12 months under review also coincided with a significant level of international concern over perceived irresponsibility and lack of integrity within elements of the news media. The consequent scrutiny served to again underscore the value of a public broadcasting service that is politically independent and free of commercial imperatives.

In the same time-frame traditional media had to adjust business plans in the face of declining profitability. The response was a regime of cost-cutting, greater networking and an expanding syndication of content. Inevitably this has led to a substantial cut in resources for news-gathering journalism.

In this context Radio New Zealand, and we hope the New Zealand taxpayer, is more acutely aware than ever of the critical role the organisation plays in providing the nation with a trusted source of independently verified news and information.

PUBLIC VALUE IN TIMES OF NEED

> What is sometimes overlooked in the debate around public broadcasting is the role played by Radio New Zealand as this country's only 'Lifeline Utility' radio broadcaster.

The shock of the natural disasters in Christchurch and the role staff played in assisting the country to understand and cope with this complex emergency emphasised the need for an on-going strategic focus. To that end the company is re-evaluating response plans, particularly in Wellington where Radio New Zealand facilities are still centralised.

The review is aimed at ensuring that, in the event of a catastrophic event in Wellington, Radio New Zealand could continue to provide the essential communication services the country expects.

STRATEGIC PARTNERSHIPS > Strategic planning has also resulted in the company developing a network of relationships with other like-minded organisations. The past year has seen a greater focus on engagement with museums, readers & writers festivals, music and arts festivals, science institutions and orchestras. These strategic partnerships will enhance our intrinsic responsibility to provide unique, high quality, cost-effective programming.

Meanwhile, the Board has now formalised the setting up of a Concert Trust to assist Radio New Zealand Concert.

INNOVATION > Radio New Zealand is in the vanguard of a radio industry that is increasingly looking to service public demand for technology that delivers on-demand media services.

This evolution from a provider of traditional radio services to a new role as the country's leading online broadcaster is now well advanced and remains a major focus of our attention.

We believe that current advances in technology will enhance Radio New Zealand's continuing development as an on-demand media organisation providing information to all New Zealanders wherever, whenever and however they choose to receive it.

The internet and associated online services are proving to be a very effective way for the company to extend its public value, reach out to new audiences, and meet its Charter obligations.

Our challenge is to find the balance between maintaining no-cost access to traditional services while ensuring that cutting edge, multi-platform services meet our strict editorial policies and are always delivered to the highest international standards.

LEGISLATION > The Radio New Zealand Amendment Bill remains on the Government's order of business awaiting a second reading in Parliament. The Bill contains a new Radio New Zealand Charter unanimously endorsed by earlier Parliamentary Select Committees and is the result of extensive public consultation in 2005.

FUNDING AND FINANCE > Radio New Zealand is currently evaluating options for leveraging capital investment in key assets. Our long-term aim is to enhance financial sustainability through strategic investment in the assets required to deliver the company's business.

Prudent financial management has once again been a feature of operations in a year that saw some real cost savings, the maintenance of tight

controls over expenditure and the exploration of alternative revenue streams.

Government funding remains frozen at 2009 levels and inexorable cost increases continue to exert financial pressure on the company's day to day operations. Management and staff have risen to the challenge and astute stewardship has ensured both programming standards and staff morale remain high.

However, if the funding freeze continues beyond June 2013 both the Board and management will have some difficult choices to make.

The financial team, led by Ken Law, is to be congratulated for their continued excellent financial management of Radio New Zealand's public and other funding.

That stringent management has allowed Radio New Zealand to operate within budget for the year, returning a surplus of \$165,000 before tax. In keeping with past practice Shareholding Ministers have again waived their right to a dividend.

ACKNOWLEDGEMENTS > I want to again thank my colleagues on the Board of Governors for their professional support, advice and direction in difficult times.

On behalf of the Board I congratulate Chief Executive Peter Cavanagh and his senior management team on another successful year. I also want to thank all the dedicated staff that, day after day, broadcast outstanding programmes that compete successfully with the best in the world.

Finally, the Board would like to pay tribute to the unique camaraderie within the Radio New Zealand culture that was again poignantly demonstrated in the days that followed the violent death of the widely-respected and much-admired bulletins editor, Phillip Cottrell, on his way home after an overnight shift in December 2011.

That sense of humanity and community is a critical mainstay of the public service broadcasting ethos.

RICHARD GRIFFIN
– Chair

CHIEF EXECUTIVE REPORT

OVER THE PAST 12 MONTHS RADIO NEW ZEALAND HAS RISEN TO THE CHALLENGE PRESENTED BY ITS CURRENT FINANCIAL CONSTRAINTS, FINDING NEW AND INNOVATIVE WAYS TO INCREASE ITS VALUE AS THE NATION'S ONLY PUBLIC SERVICE BROADCASTER.



Despite declining levels of overall radio listenership in New Zealand, Radio New Zealand's audiences remain strong with more than half a million people over the age of 15 tuning in to one of our services each week.

An annual survey of media consumption trends in New Zealand by the worldwide Nielsen organisation showed that Radio New Zealand National was clearly the country's No.1 radio station in 2011 with a market share of more than 11%.

The major surge in online activity in response to the Christchurch earthquakes last year has been sustained in the post-earthquake period, showing strong underlying growth.

Public support for Radio New Zealand continues to run at near record levels, both among our own listeners and across the New Zealand population as a whole.

Our annual research assessing listeners' views on our Charter performance produced strongly positive results: 93% of listeners agreed that Radio New Zealand contributes to the development of an informed society. Three other Charter measures attracted the highest approval levels ever recorded including those relating to cultural diversity, distinctive programming and content which promotes a sense of national identity.

The Radio New Zealand Value Indices Research, which surveys the population as a whole, found that the vast majority of New Zealanders continue to strongly support public service radio broadcasting and Radio New Zealand: 78% of those surveyed said they valued the services provided by Radio New Zealand while only 5% disagreed.

MAINTAINING OUR QUALITY > There has been much debate during the year about the future of public service programming on New Zealand television. Concern has also been expressed about the impact of declining resources on the quality of media coverage and news journalism more broadly.

While Radio New Zealand has not been immune to these financial pressures, we continue to set ourselves the very highest goals in terms of the quality of our content and once again received high accolades for our work over the past year.

At the 2012 New Zealand Radio Awards, Radio New Zealand won a total of 11 awards including Best News Coverage, Radio Journalist of the Year, Best Daily and Weekly Series and a wide range of other categories covering music, drama and documentary programming.

International acclaim came at the prestigious New York Festival which recognises the world's best radio programmes. Simon Morton's

Christchurch earthquake documentary, *Broken River*, was awarded the Gold Medal as the year's best current affairs programme.

GROWING PUBLIC VALUE > Over the past year we have continued to focus our attention on extracting the greatest possible public value from the content we produce.

While maintaining our place as New Zealand's leading live radio broadcaster, we continue to build a vast online library of programming which can be accessed on-demand, from anywhere in the world, using a wide range of platforms. This content-rich library now contains around 110,000 individual audio items and is growing at the rate of more than 2,000 new items each month.

The on-demand service we provide for our current listeners is among the very best in the world – but its greatest value will be realised by future generations, providing them with ready access to high quality content which charts the social, political and economic development of New Zealand for education and research purposes.

We continue to embrace new delivery technologies to reach the widest possible audience. Our iPhone application for mobile Apple devices has proved a great success with 45,000 downloads during the year. A similar application for Android-based smart phones and tablet computers will be released early in the coming financial year, extending our mobile reach significantly in New Zealand and particularly overseas.

A major re-design of the Radio New Zealand website is currently underway with the new site expected to be launched early in 2013.

REACHING NEW AUDIENCES > New strategic objectives were developed during the year to expand Radio New Zealand's reach into a range of new audiences.

Work is underway to develop an online youth radio service designed to provide relevant, high-quality public service broadcasting content to a younger generation who are not regular listeners to our existing radio networks.

New online services aggregating content of particular interest to the regions and specialist subject areas are also planned. These new services are expected to launch early next year.

DOING MORE WITH LESS > One of Radio New Zealand's most innovative and successful projects of the past 12 months has improved the efficiency of our daily operations and allowed us to indefinitely defer up to \$9 million in capital expenditure.

Faced with the prospect of replacing its ageing digital production system, Radio New Zealand decided instead to purchase the original source code from its European suppliers and redevelop the system to better meet our current and future needs. As a result of this initiative, operating costs have fallen and the working life of the current production system has been extended significantly.

We are proud that this project has been chosen by the Office of the Auditor-General as a best practice case study on improved efficiency and cost-effectiveness in the public sector.

IMPROVING OUR CULTURAL PERFORMANCE >

After many years of outsourcing coverage of Māori news and current affairs, Radio New Zealand made the decision to build on its own cultural diversity and produce this important service in-house.

Te Manu Korahi, which goes to air four times each day in our flagship news programmes, *Morning Report* and *Checkpoint*, has exponentially improved Radio New Zealand's coverage of Māori issues, attracting widespread acclaim.

LOOKING AHEAD > While several favourable one-off events helped to ease the financial pressures on Radio New Zealand in the past year, resources remain extremely tight. Through stringent financial management and adopting innovative solutions to costly problems, we have managed to maintain the range and quality of our output and expect to do so again in the coming year. Without additional funding however, current services levels cannot be guaranteed beyond 2012–2013.

In another challenging year, I would like to acknowledge the invaluable support and guidance of the Chairman and Board of Governors.

Despite the added difficulties posed by our financial constraints, Radio New Zealand staff continue to produce the world-class content our listeners have come to expect from us. I thank them for their outstanding loyalty and their dogged commitment to the true principles of public service broadcasting.

PETER CAVANAGH
– Chief Executive and Editor-in-Chief

PERFORMANCE MANAGEMENT

STRATEGIC DIRECTION

OVER THE REPORTING PERIOD RADIO NEW ZEALAND RESPONDED TO CHANGES IN ITS OPERATING ENVIRONMENT, PROVIDING NEW ZEALANDERS WITH NEW ZEALAND'S MOST FLEXIBLE AND DIVERSE RADIO SERVICE. WE WORKED TOWARDS BUILDING AN INFRASTRUCTURE WITH THE CAPACITY FOR NEW ZEALANDERS TO ACCESS INFORMATIVE, AUTHORITATIVE AND RELIABLE SERVICES OF THE HIGHEST QUALITY FROM A VARIETY OF PLATFORMS BOTH LIVE AND TIME-SHIFTED.

THE FOCUS OVER THE YEAR WAS TO PROVIDE NEW ZEALANDERS WITH A MULTI-PLATFORM SERVICE ACCESSIBLE WHEN AND WHERE THEY CHOSE AND MAINTAIN A STRONG LISTENERSHIP IN WHAT IS BECOMING A SHRINKING RADIO MARKET. IN THAT REGARD:

- > Our audience research indicated that more listeners than before agree that we provide a range of programmes which reflect New Zealand's cultural diversity, promote and support a sense of national identity, and broadcast programmes not generally found on other radio stations.
- > Radio New Zealand National provided over 4,300 hours of news and current affairs programming and our listenership satisfaction levels for all Radio New Zealand National programming remained high.
- > Our listenership for Radio New Zealand National was stronger than we predicted with a cumulative weekly live audience of 464,000 which was representative of 16.8% of the available radio audience.
- > We were able to deliver more innovative ways for New Zealanders to access our services. During the reporting period we developed and implemented a smartphone application which has seen more than 45,000 downloads of the application at a rate of 60 to 80 downloads per day.
- > Our online services continued to grow as we uploaded more of our content with around 110,000 items available (equating to 15,500 hours of content) and a staggering 14.3 million accesses to our website and 3.4 million podcasts downloaded.
- > Strategic planning continued with a focus on Radio New Zealand's statutory obligation as the only Civil Defence Lifeline Utility radio broadcaster – providing all New Zealanders with essential services in times of need. The Christchurch experience showed us that in an emergency people turned to Radio New Zealand as the trusted source of accurate and reliable information.

OUR SOUND ARCHIVING SERVICES IN CHRISTCHURCH WERE SEVERELY AFFECTED AS A RESULT OF THE CANTERBURY EARTHQUAKE IN FEBRUARY 2011. IT HAS BEEN A LONG, HARD JOURNEY FOR STAFF TO RECOVER AND RESUME SORTING AND CATALOGUING NEW ZEALAND'S VALUABLE SOUND HERITAGE.

OUR JOURNEY WILL CONTINUE AS WE:

- > Transfer day-to-day management of Sound Archives Ngā Taonga Kōrero operations to the New Zealand Film Archive;
- > Explore innovation for more cost-effective methods of service delivery;
- > Examine our services to find ways to engage a wider range of listeners;
- > Invest in an infrastructure which ensures Radio New Zealand can function even more effectively in the event of a major disaster.

PERFORMANCE MANAGEMENT FRAMEWORK: OUTCOMES

THE RADIO NEW ZEALAND PERFORMANCE MANAGEMENT FRAMEWORK IS ALIGNED WITH THE GOVERNMENT'S GOALS TO ENRICH NEW ZEALANDERS' LIVES WITH NEW ZEALAND'S DISTINCTIVE CULTURE. WE PROVIDED A WIDE RANGE OF SERVICES TO INFORM, ENGAGE AND PRESERVE NEW ZEALAND'S UNIQUE CULTURE AND NATIONAL IDENTITY, WHICH ARE REITERATED TO THE PUBLIC IN THE RADIO NEW ZEALAND CHARTER.

THE OUTCOMES WE SOUGHT TO CONTRIBUTE TO WERE:

- CREATE:** Creating an informed New Zealand and Pacific region;
- ENGAGE:** New Zealanders actively engage and identify with New Zealand's unique culture and national identity; and
- PRESERVE:** Preservation of New Zealand's sound heritage for future generations.

OUR SERVICES DIRECTLY CONTRIBUTED TOWARDS ACHIEVING THE FOLLOWING IMPACTS

- > New Zealanders are better informed about New Zealand and its place in the world.
- > New Zealanders participate in society's intellectual, democratic and cultural debate.
- > An informed Pacific region.
- > New Zealanders enjoy and engage in a diverse vibrant, artistic, musical and entertainment culture.
- > New Zealanders are aware of their ethnic and cultural diversity.
- > New Zealanders no matter where they are can maintain their connection with and sense of belonging to New Zealand.
- > New Zealanders actively engage in New Zealand's sound heritage.

GOVERNMENT GOAL: NEW ZEALAND'S DISTINCTIVE CULTURE ENRICHES OUR LIVES CONNECTING OUR TAONGA, OUR PEOPLE, OUR PLACE IN THE WORLD

CULTURE AND HERITAGE SECTOR OUTCOMES

CULTURAL ACTIVITY FLOURISHES IN NEW ZEALAND **(CREATE)**

ENGAGEMENT IN CULTURAL ACTIVITIES IS INCREASING **(ENGAGE)**

OUR CULTURE AND HERITAGE CAN BE ENJOYED BY FUTURE GENERATIONS **(PRESERVE)**

RADIO NEW ZEALAND CHARTER

CREATE: CREATING AN INFORMED NEW ZEALAND AND PACIFIC REGION

ENGAGE: NEW ZEALANDERS ACTIVELY ENGAGE AND IDENTIFY WITH NEW ZEALAND'S UNIQUE CULTURE AND NATIONAL IDENTITY

PRESERVE: PRESERVATION OF NEW ZEALAND'S SOUND HERITAGE FOR FUTURE GENERATIONS

Impact 1: New Zealanders are better informed about New Zealand and its place in the world.

Impact 1: New Zealanders enjoy and engage in a diverse vibrant, artistic, musical and entertainment culture.

Impact 1: New Zealanders actively engage in New Zealand's sound heritage.

Impact 2: New Zealanders participate in society's intellectual, democratic and cultural debate.

Impact 2: New Zealanders are aware of their ethnic and cultural diversity.

Impact 3: An informed Pacific region.

Impact 3: New Zealanders no matter where they are can maintain their connection with and belonging to New Zealand.

RADIO NEW ZEALAND OUTPUTS



THE RADIO NEW ZEALAND CHARTER

PERFORMANCE WAS ALSO MEASURED IN TERMS OF AUDIENCE PERCEPTIONS OF HOW EFFECTIVELY WE DELIVERED OUR CHARTER OBJECTIVES.

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

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.

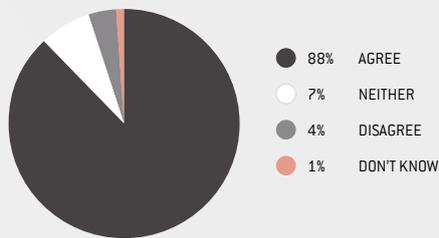
2 THE PUBLIC RADIO COMPANY SHALL, IN FULFILLING ITS CHARTER, OPERATE IN A FINANCIALLY RESPONSIBLE MANNER SO THAT IT MAINTAINS ITS FINANCIAL VIABILITY.

3 FOR THE PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE PUBLIC RADIO COMPANY IS FINANCIALLY VIABLE IF:

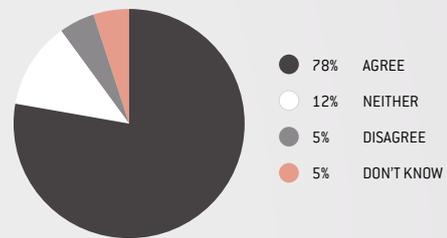
- (a) the activities of the company generate, on the basis of generally acceptable accounting principles, an adequate rate of return on shareholders' funds; and
- (b) the company is operating as a successful going concern.

OUR PERFORMANCE BASED ON PUBLIC VALUE AND OUR CHARTER OBJECTIVES

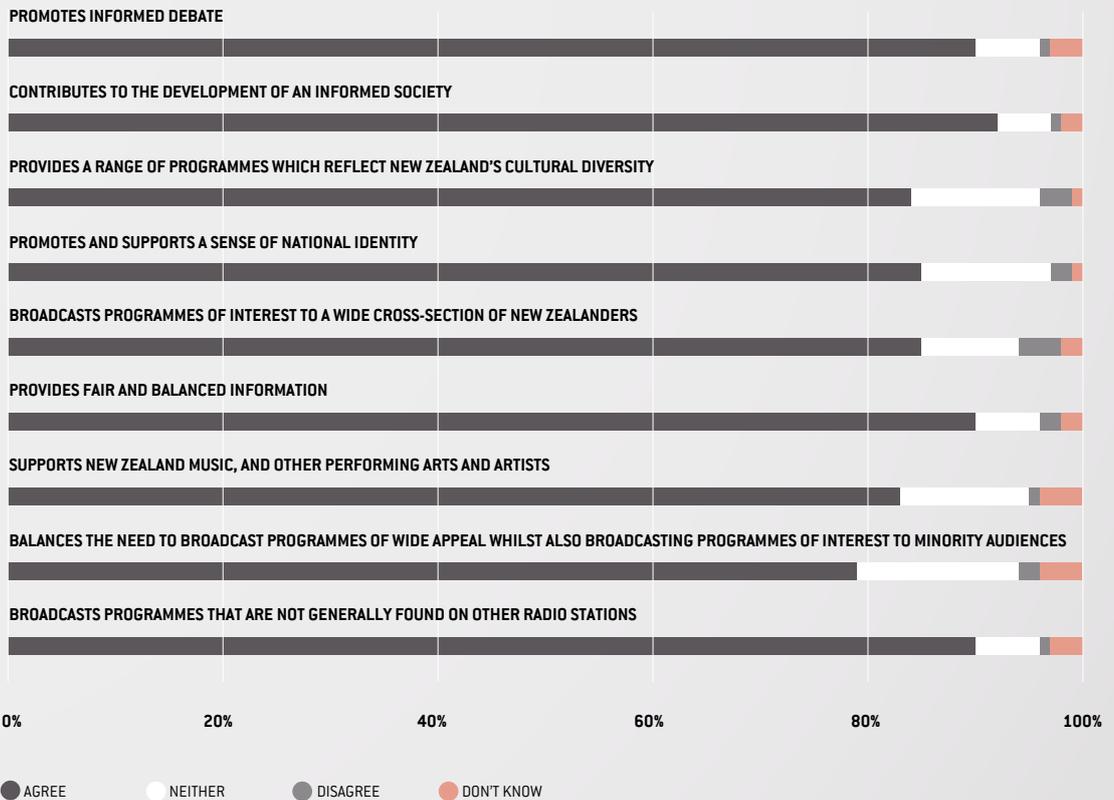
IT IS IMPORTANT FOR NEW ZEALAND TO HAVE A PUBLIC SERVICE RADIO BROADCASTER



RADIO NEW ZEALAND PROVIDES A VALUABLE SERVICE FOR NEW ZEALANDERS



Source: October 2011 survey + January/ February 2012 survey – Radio New Zealand Value Indices research, conducted by Colmar Brunton among all New Zealanders aged 15+



Source: 2011/2012 Radio New Zealand Listener Survey, conducted by Nielsen.

CREATE: CREATING AN INFORMED NEW ZEALAND AND PACIFIC REGION

THE FOLLOWING IMPACTS PROVIDED 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 RECOGNISED RADIO NEW ZEALAND'S CONTRIBUTION TO THE ACHIEVEMENT OF THIS IMPACT.	2011–2012 [ACTUAL]	2011–2012 [FORECAST]	2010–2011 [ACTUAL]	2009–2010 [ACTUAL]
Indicator¹: The percentage of listeners who agree that Radio New Zealand contributes to the development of an informed society.	93%	92%	92%	91%
Indicator¹: The percentage of Radio New Zealand listeners who agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders.	85%	84%	86%	83%
Indicator¹: 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.	79%	76%	76%	76%
Indicator²: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	90%	87%	89%	87%
Indicator²: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	80%	80%	81%	80%

2011–2012 PERFORMANCE STATUS: ACHIEVED

Radio New Zealand in its role as a lifeline utility responded to the following emergencies:

- there were no national civil defence emergencies declared in New Zealand during the period. There was one regional civil defence emergency declared in Nelson and Radio New Zealand provided full news coverage of the event, including provision of civil defence advice to the public.

Coverage of significant news and current affairs events included the:

- oil spill and salvage operations for the wreck of the container ship Rena on a reef off the coast of Tauranga and the subsequent sentencing of the Rena's captain and navigating officer;
- 2011 Rugby World Cup;
- first anniversary of the 22 February 2011 Christchurch earthquake;
- Urewera terror raid trial and subsequent sentencing;
- ACC controversy which cost the board their jobs and the resignation of Cabinet minister Nick Smith;
- 2011 Budget;
- trial and verdict in the Scott Guy murder case;
- closedown of TVNZ7;
- Waitangi Tribunal hearing of the Māori water claim;
- protests against the Government's planned asset sales;
- live broadcast of Sir Paul Reeves' state funeral; and
- Pike River Mine disaster inquiry.

1. Source: Radio New Zealand Listener Survey.

2. 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.

Initiatives launched during 2011–2012:

- Radio New Zealand launched its own Māori news service, *Te Manu Korihi*;
- special website coverage of the Rugby World Cup and the election campaign;
- leaders' debates organised and aired on *Morning Report* at the beginning and end of the election campaign;
- a six-hour special on election night, followed the next morning by a two-hour special programme on the election result; and
- extensive election and referendum coverage on *Insight*, including a live debate at Te Papa on the referendum on MMP.

Radio New Zealand deployed news staff to cover the following international stories and events:

- the Tuvalu drought relief mission in cooperation with the New Zealand Air Force;
- the Pacific Forum;
- the Political Editor accompanied the Prime Minister to Australia in late January; and
- the funeral of the Tongan King.

Awards and recognition:

- Radio New Zealand won 10 categories at the 2012 New Zealand Radio Awards:
 - Best News Coverage for the Christchurch earthquake;
 - Best Daily or Weekly Series under one hour for our investigative news programme, *Insight*;
 - Radio Journalist of the Year;
 - Best New Broadcaster;
 - Best Documentary;
 - Best Daily or Weekly Series over one hour: *Saturday Morning with Kim Hill* and *This Way Up*;
 - Best Dramatic Production;
 - Best Music Feature;
 - Best Recorded Live Music Event; and
 - Best Outside Broadcast.
- Radio New Zealand's Christchurch earthquake documentary, *Broken River*, won a Gold Medal as Best Social Issues or Current Affairs Programme at the 2012 New York Festival Radio Awards ceremony held in Manhattan on 18 June.

Programming of diversity and significance included:

- *Morning Report*;
- *Checkpoint*;
- *Nine to Noon with Kathryn Ryan*;
- *Te Manu Korihi*
- *Nights with Bryan Crump*;
- *Saturday Morning with Kim Hill*;
- *Sunday Morning with Chris Laidlaw*;
- *Mediawatch*;
- *Arts on Sunday*;
- *This Way Up*;
- *Afternoons with Jim Mora*;
- *Our Changing World*;
- *Spectrum*;
- *Country Life*;
- *One in Five*;
- jazz programmes including *The Art of Jazz*;
- *Global Sounds*;
- *New Horizons*;
- *Sound Lounge*;
- *Appointment*;
- *Upbeat*;
- *Vintage Years*;
- *Sounds Historical*;
- *Young New Zealand*, including 52 broadcasts of young musicians recorded around the country;
- *Insight and Focus on Politics*;
- *Composer of the Week* including seven New Zealand composers;
- drama and book readings;
- *Music 101*;
- *Round Midnight*;
- *World of Music*; and
- *The Music Mix*.

IMPACT 2:

NEW ZEALANDERS PARTICIPATE IN SOCIETY'S INTELLECTUAL, DEMOCRATIC AND CULTURAL DEBATE.

LISTENERS RECOGNISED RADIO NEW ZEALAND'S CONTRIBUTION TO THE ACHIEVEMENT OF THIS IMPACT.	2011–2012 (ACTUAL)	2011–2012 (FORECAST)	2010–2011 (ACTUAL)	2009–2010 (ACTUAL)
Indicator 1: The percentage of Radio New Zealand National listeners who agree that Radio New Zealand provides in-depth news and current affairs about New Zealand.	94%	93%	96%	92%
Indicator 1: The percentage of listeners who agree that Radio New Zealand provides fair and balanced information.	90%	89%	90%	89%
Indicator 1: The percentage of listeners who agree that Radio New Zealand promotes informed debate.	90%	89%	90%	88%
Indicator 2: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	90%	87%	89%	87%
Indicator 2: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	80%	80%	81%	80%

2011–2012 PERFORMANCE STATUS: ACHIEVED

Programming of significance included:

- *Morning Report* and *Checkpoint* playing a role in defining and reflecting matters of public interest and debate;
- in-depth coverage of politics, including *Focus on Politics*;
- *Nine to Noon with Kathryn Ryan*;
- *Te Manu Korihi*;
- *Upbeat*;
- *The Critic's Chair*;
- *Appointment*;
- *Afternoons with Jim Mora* including *The Panel*;
- *This Way Up*;
- *The Arts on Sunday*;
- *Saturday Morning with Kim Hill*;
- *Sunday Morning with Chris Laidlaw* including *Insight* and *Mediawatch*;
- Sunday's *4 til 8* programme profiling public events, debates and lectures including the Waitangi Rua Rau Tau Lecture, the Te Papa Debates, the University of Canterbury's Macmillan Brown lectures and coverage of the New Zealand Post Writers and Readers Week, and the Auckland Writers and Readers Festival;
- debate over creation of an Auckland super city;
- programming on spiritual and philosophical themes, including *Spiritual Outlook*, *Hymns on Sunday*, and church services; and
- *Our Changing World*.

1. Source: Radio New Zealand Listener Survey.

2. 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.

IMPACT 3:**AN INFORMED PACIFIC REGION.**

PACIFIC BROADCASTERS RECOGNISED RADIO NEW ZEALAND INTERNATIONAL AS A RELIABLE SOURCE OF INFORMATION FOR PACIFIC PEOPLES.	2011–2012 (ACTUAL)	2011–2012 (FORECAST)	2010–2011 (ACTUAL)	2009–2010 (ACTUAL)
Indicator ¹ : Primary coverage areas of the Pacific region will have access to good quality ² reception (average hours available per day).	16	16	16	16
Indicator : Secondary coverage areas of the Pacific region will have access to good quality reception (average hours available per day).	8	8	8	8
Indicator : General coverage areas of the Pacific region will have access to good quality reception (average hours available per day).	4	4	4	4
Indicator : Pacific radio stations will want to engage with Radio New Zealand International to rebroadcast the service across their country on their radio stations.	17	17	18	17

2011–2012 PERFORMANCE STATUS: ACHIEVED

Programming of significance included:

Radio New Zealand International originated content:

- *Dateline Pacific*;
- *Tagata o te Moana*;
- *Trade Winds*;
- *Pacific Correspondent*;
- Pacific, world, New Zealand, sports and business news bulletins; and
- Pacific current affairs, information and music.

Rebroadcasts of Radio New Zealand National included:

- *Checkpoint*;
- *Midday Report*;
- *Late Edition*;
- *parts of Morning Report*;
- *Insight*;
- Māori programming; and
- Radio New Zealand news bulletins.

Radio New Zealand International deployed news staff to cover the following Pacific stories and events:

- The funeral of the King of Tonga;
- The general election in Papua New Guinea;
- The ACP EU economic meeting in Vanuatu;
- The election in Kiribati;
- The Pacific Games in New Caledonia;
- The resources boom in Papua New Guinea;
- Progress towards elections in Fiji; and
- Celebrations to mark 50 years of independence in Samoa.

1. See page 59 of the Statement of Service Performance for an explanation of coverage.

2. 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 PROVIDED A POSITIVE CONTRIBUTION TO THE OVERALL ACHIEVEMENT OF THIS OUTCOME

IMPACT 1: NEW ZEALANDERS ENJOY AND ENGAGE IN A DIVERSE, VIBRANT, ARTISTIC, MUSICAL AND ENTERTAINMENT CULTURE.

LISTENERS RECOGNISED RADIO NEW ZEALAND'S CONTRIBUTION TO THE ACHIEVEMENT OF THIS IMPACT.	2011–2012 (ACTUAL)	2011–2012 (FORECAST)	2010–2011 (ACTUAL)	2009–2010 (ACTUAL)
Indicator¹: The percentage of listeners who agree that Radio New Zealand supports New Zealand music and other performing arts and artists.	83%	79%	82%	77%
Indicator²: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	90%	87%	89%	87%
Indicator²: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	80%	80%	81%	80%
Indicator³: Listeners will connect with Radio New Zealand National through traditional means (cumulative audience and percentage of available audience).	464,000 16.8%	414,000 14.4%	507,000 17.4%	462,000 17.4%
Indicator³: Listeners will connect with Radio New Zealand Concert through traditional means (cumulative audience and percentage of available audience).	121,000 4.4%	132,000 4.6%	140,000 4.8%	119,000 4.5%

2011–2012 PERFORMANCE STATUS: ACHIEVED

Programming of significance included:

- *WOMAD Taranaki*;
- *Music 101*;
- *The Music Mix*;
- *Musical Chairs*;
- *Access All Areas*;
- *The Sampler*;
- *The Arts on Sunday*;
- *Afternoons with Jim Mora* – including *New Zealand Live*;
- book readings, original drama, short stories and children's stories of New Zealand origin;
- *Sounds Historical*;
- *Upbeat*;
- coverage of New Zealand jazz, chamber music and choral festivals;
- coverage of New Zealand violin, piano, cello, chamber music, choral and opera aria competitions;
- coverage of the New Zealand Gold Guitar Awards held in Gore;
- extensive and authoritative book reviews;
- coverage of the New Zealand National Youth Orchestra and Youth Choirs;
- extensive coverage of the New Zealand International Arts Festival;
- *Sound Lounge*;
- *Made in New Zealand*;
- *Music Alive*, including 260 broadcasts of concerts recorded in New Zealand;
- *Young New Zealand*, including 52 broadcasts of concerts recorded in New Zealand;
- *Saturday Concert*;
- increased New Zealand music availability online via Radio New Zealand podcasts including monthly *Podcast Classics*, *Musical Chairs*, *Music 101 live sessions*;
- *Saturday Night with Peter Fry*; and
- *Appointment*.

1. Source: Radio New Zealand Listener Survey.

2. 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.

3. 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.

IMPACT 2:

NEW ZEALANDERS ARE AWARE OF THEIR ETHNIC AND CULTURAL DIVERSITY.

LISTENERS RECOGNISED RADIO NEW ZEALAND'S CONTRIBUTION TO THE ACHIEVEMENT OF THIS IMPACT.	2011–2012 [ACTUAL]	2011–2012 [FORECAST]	2010–2011 [ACTUAL]	2009–2010 [ACTUAL]
Indicator 1: The percentage of listeners who agree that Radio New Zealand promotes and supports a sense of national identity.	85%	81%	80%	79%
Indicator 1: The percentage of listeners who agree that Radio New Zealand provides a range of programmes which reflect New Zealand's cultural diversity.	84%	82%	84%	81%
Indicator 2: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	90%	87%	89%	87%
Indicator 2: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	80%	80%	81%	80%

2011–2012 PERFORMANCE STATUS: ACHIEVED

Programming of diversity and significance included:

- *Country Life*;
- *Spectrum*;
- book readings, original drama, short stories and children's stories of New Zealand origin;
- *Sounds Historical*;
- *Afternoons with Jim Mora*, coverage from heartland New Zealand including *Your Place* and *New Zealand Live*;
- *New Zealand Live*;
- rural news bulletins;
- *The Arts on Sunday*;
- *Asian Report*;
- *World of Music*;
- Radio New Zealand Concert programming including world music, *The Art of Jazz*, *Music Alive* and *New Horizons*; *Global Sounds*; *WOMAD Taranaki*; *Made in New Zealand* and *Young New Zealand*;
- *Storytime Treasure Chest* on the Radio New Zealand website;
- Waitangi Day celebrations, including live broadcasts from the Treaty Grounds by the news team deployed there;
- *Māori Language Week*;
- *Te Manu Korihi*;
- *Te Ahi Kaa*;
- *Waiata*;
- *Our Changing World*;
- *One in Five*;
- *Auckland and Christchurch Story*;
- *Tagata o te Moana*;
- *Dateline Pacific*; and
- New Zealand focused presentation including greetings and sign-offs in Te Reo Māori.

1. Source: Radio New Zealand Listener Survey

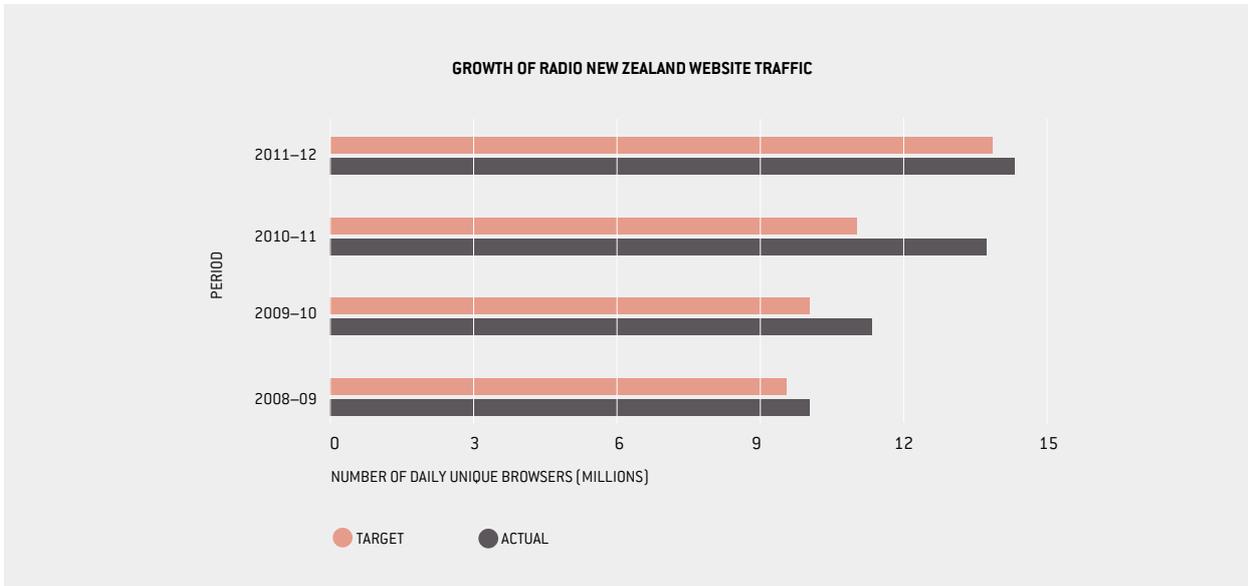
2. Source: Radio New Zealand Listener Survey: Radio New Zealand National listeners' satisfaction with Radio New Zealand National's programming – very satisfied and quite satisfied and Radio New Zealand Concert listeners' satisfaction with Radio New Zealand Concert's programming – very satisfied and quite satisfied.

IMPACT 3:

NEW ZEALANDERS NO MATTER WHERE THEY ARE CAN MAINTAIN THEIR CONNECTION WITH AND SENSE OF BELONGING TO NEW ZEALAND.

NEW ZEALANDERS ACCESSED INFORMATION ABOUT NEW ZEALAND THROUGH THE USE OF DIVERSE DELIVERY PLATFORMS.	2011–2012 (ACTUAL)	2011–2012 (FORECAST)	2010–2011 (ACTUAL)	2009–2010 (ACTUAL)
Indicator 1: Listeners will connect with Radio New Zealand National through traditional means (cumulative audience and percentage of available audience) .	464,000 16.8%	414,000 14.4%	507,000 17.4%	462,000 17.4%
Indicator 1: Listeners will connect with Radio New Zealand Concert through traditional means (cumulative audience and percentage of available audience) ² .	121,000 4.4%	132,000 4.6%	140,000 4.8%	119,000 4.5%
Indicator: Increased demand to access the website radionz.co.nz	14.3 million	13.9 million	13.8 million	11.3 million
Indicator 3: Percentage of New Zealanders who are aware that Radio New Zealand is New Zealand’s public service broadcaster.	67%	69%	67%	73%
Indicator 3: The percentage of New Zealanders who are aware of Radio New Zealand National.	70%	71%	75%	73%
Indicator 3: The percentage of New Zealanders who are aware of Radio New Zealand Concert.	57%	57%	57%	57%
Indicator 3: The percentage of New Zealanders who perceive that it is important for New Zealand to have a public service radio broadcaster.	88%	85%	87%	89%

2011–2012 PERFORMANCE STATUS: ACHIEVED



During 2011–2012 Radio New Zealand continued the development and launch of updated versions of its smartphone application. As at the end of June 2012 there were approximately 45,000 users who downloaded a version of the smartphone application; the application download rate was approximately 60 to 80 per day. Development of an Android-based application was undertaken during 2011–2012 and is expected to be launched during the second quarter of 2012–2013.

1. 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.
 2. Cumulative live audience forecasts depict the shrinking traditional live radio listening market as audiences move to audio-on-demand time-shifted listening.
 3. Source: Radio New Zealand Value Indices Research conducted nationwide by Colmar Brunton 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 CONTRIBUTED TO THE ACHIEVEMENTS OF THIS OUTCOME

IMPACT 1: NEW ZEALANDERS ACTIVELY ENGAGE IN NEW ZEALAND'S SOUND HERITAGE.

NEW ZEALANDERS WILL CONTRIBUTE TO AND WANT ACCESS TO THEIR RICH SOUND HERITAGE.	2011–2012 (ACTUAL)	2011–2012 (FORECAST)	2010–2011 (ACTUAL)	2009–2010 (ACTUAL) ¹
Indicator : Sound Archives Ngā Taonga Kōrero will continue to acquire New Zealand sound heritage to the archives.	1,352 hrs	1,300 hrs	578 hrs ²	1,211 hrs
Indicator : Sound Archives Ngā Taonga Kōrero will continue to preserve New Zealand sound heritage to the archives.	220 hrs	1,900 hrs	1,483 hrs	2,138 hrs
Indicator : Positive on-line engagement ³ with sound heritage will be achieved.	132,628	300,000	218,465	289,587
Indicator ⁴ : Radio New Zealand will provide an on-line programming library through radionz.co.nz for listeners to access where and when they like.	110,000 items 15,500 hrs	90,000 items 13,480 hrs	75,000 items 10,000 hrs	51,000 items 6,520 hrs
Indicator : Listeners will connect with Radio New Zealand through time-shifted means (number of audio-on-demand requests met).	not available ⁵	3.8 million	not available	4.2 million
Indicator : Listeners will connect with Radio New Zealand through time-shifted means (number of website podcast requests met ⁶).	3.4 million	5.3 million	3.2 million	5.7 million
Indicator ⁷ : The percentage of all New Zealanders whose perception is that Radio New Zealand provides a valuable service for New Zealanders.	78%	77%	79%	80%

2011–2012 PERFORMANCE STATUS: NOT FULLY ACHIEVED

The preservation programme continued to be severely affected following the Canterbury earthquake in February 2011. Christchurch operations were focused on the archive recovery programme. Over a 12 month period more than 70,000 items retrieved from the damaged premises were packed, sorted and consolidated at temporary premises. The archive recovery programme included the cataloguing of this material which is expected to extend into 2012–2013. Preservation facilities at the temporary premises are limited and will continue to impact on performance in this area. The forecast performance of 1,900 hours for preservation was renegotiated with NZ On Air down to 184 hours to reflect the impact of the earthquake on the operations of Sound Archives Ngā Taonga Kōrero.

1. The Sound Archives building based in Christchurch was significantly damaged during the Canterbury earthquake in February 2011. Access to the building was restricted and there was significant operational disruption during the retrieval of the archive and relocation to temporary accommodation.
2. This figure represents the July 2010–December 2010 acquisitions hours only and is not indicative of the year-end figure.
3. Nielsen NetRatings: calculated from the number of page impressions.
4. The online programme library excludes features and documentary programming.
5. 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 meant accurate logging of on-demand traffic has not been possible.
6. A new system was introduced in 2011–2012 to calculate data for complete audio downloads from the Radio New Zealand website. The figures for 2010–2011 and 2011–2012 represent complete audio downloads and the 2009–2010 figure represents partial download requests met.
7. Source: Radio New Zealand Value Indices Research conducted nationwide by Colmar Brunton among all New Zealanders aged 15+ of prompted awareness and perceptions.

Good Employer and Equal Employment Opportunities 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 continued to review its human resources systems in 2010–2011 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>

2011–2012 PERFORMANCE STATUS: ACHIEVED

The annual staff turnover within Radio New Zealand to 30 June was 5.8%, a decrease of 3.2%. This is the lowest annual turnover recorded in the previous five years. This level remains acceptable and reflects current turnover trends in the labour market. Radio New Zealand annual staff turnover:

- 30 June 2012 (5.8%)
- 30 June 2011 (9%);
- 30 June 2010 (6.2%);
- 30 June 2009 (8.1%); and
- 30 June 2008 (11.3%).

The Public Sector average turnover for the year to 30 June 2012 was not available at the time of publication.

The revised salary framework implemented from 1 January 2009 and structured in salary bands has been based on Public Sector median base salaries. In all salary bands, the average base salaries of Radio New Zealand employees continue to lag behind Public Sector medians, a lag of 1% to 12% depending on salary band.

The gender pay gap as at 30 June 2011 showed a female lag behind male at the rate of:

- 10.6% for all employees; and
- 8.1% for employees excluding senior management.

The gender pay gap in the Public Service for this period was 14.3%.

Participation in multi-skilling job opportunities was taken up by 5.6% of Radio New Zealand employees who had undertaken development roles outside of their substantive positions.

A high level of commitment to health and safety has been maintained. Over 12% of employees hold current Workplace First Aid qualifications. All employees had access to health and safety professional services including individual worksite assessments, hearing tests and confidential, independent, employee assistance programmes.

RADIO NEW ZEALAND'S EQUAL EMPLOYMENT OPPORTUNITIES SUPPORT THE SEVEN ELEMENTS OF GOOD EMPLOYER REPORTING:

ELEMENT	RADIO NEW ZEALAND ACTIVITY
1 LEADERSHIP, ACCOUNTABILITY AND CULTURE	Ongoing development of a Learning and Development framework which supports and promotes the involvement of all employees. It acknowledges cultural and ethnic diversity while supporting business needs.
2 RECRUITMENT, SELECTION AND INDUCTION	Ongoing collection of information relating to Equal Employment Opportunities. Focus continues on identifying potential improvements to data capture and analysis. Analysis of recruitment and selection processes to identify Equal Employment Opportunities and diversity trends.
3 EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT	Continued use of traineeships where possible to strengthen ethnic diversity. Internal rotation and career development opportunities identified, advertised and filled internally. Exit surveys routinely distributed, personal interviews held on request.
4 FLEXIBILITY AND WORK DESIGN	Increase in level of staff participation in multi-skilled job opportunities. Continue to evaluate all requests for flexible working conditions on a case-by-case basis. Equal Employment Opportunities and diversity competencies included in performance assessments and have been progressively added to job descriptions.
5 REMUNERATION, RECOGNITION AND CONDITIONS	Ongoing development of a fair and transparent remuneration system, which better aligns with level of remuneration and benefits applying elsewhere in the industry, subject to baseline funding.
6 HARASSMENT AND BULLYING PREVENTION	Continued promotion of the Dignity at Work policy to all staff through internal communications (email, intranet) and induction training. Continued promotion of a confidential external Employee Assistance Programme.
7 SAFE AND HEALTHY ENVIRONMENT	Providing access to Health and Safety professional services in the workplace. Early identification and immediacy of action of Occupational Health and Safety issues.

RADIO NEW ZEALAND WORKFORCE PROFILE AS AT 30 JUNE 2012

STAFF NUMBERS

Headcount	301
Full-time equivalent	276.7

LENGTH OF SERVICE

Under 3 years	22.3%
3 to 10 years	38.5%
Over 10 years	39.2%

AGE PROFILE

Under 30 years	12%
30–40 years	21%
40–50 years	29%
Over 50 years	38%

GENDER

Female	50%
Male	50%

ETHNICITY (OF THOSE REPORTED)

Māori	5.2%
NZ European/ Pakeha	78.2%
Pacific	3.6%
Asian	2.0%
Other	11.0%

Financial Performance

FOR THE YEAR ENDED 30 JUNE 2012

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Statement of Corporate Governance

ROLE OF THE BOARD

Radio New Zealand's Shareholding Ministers, the Minister Responsible for Radio New Zealand and the Minister of Finance, appoint a governing board of directors. The Radio New Zealand constitution sets the size of the Board at a minimum of two and a maximum of nine directors. There were seven directors appointed as at 30 June 2012.

The Board is responsible under the company's constitution to manage, direct and supervise the company's business and affairs in accordance with the Radio New Zealand Charter set out in Section 7 of The Radio New Zealand Act 1995 (dealing with programming) and the Principles of Operation of the company as provided for in Section 8. In practice, day-to-day management of the company is delegated to the Chief Executive Officer/Editor in Chief.

The Board, on the advice of the Executive, establishes the company's strategic, business and programming plans, ratifies annual budgets and monitors management's performance against established goals. The Board also considers and approves new policies and business initiatives, authorises transactions outside prescribed delegated authorities of management and appoints the Chief Executive/Editor in Chief. Procedures are in place at Board, corporate and business unit levels to safeguard the company's assets and its wider commercial interests. A well-established regime of regular reporting is designed to maintain a high standard of internal communication and to ensure the Board remains appropriately informed of all aspects of the company's business and activities.

Board fees are set by the Shareholding Ministers each year.

BOARD CHANGES

There have been no changes to the constitution of the Board during the year.

SUBSIDIARY

A fully owned subsidiary company, Sound Archives Ngā Taonga Kōero Limited, was incorporated in August 1998. The subsidiary's sole director is the Radio New Zealand Chief Executive (Peter Cavanagh). The subsidiary receives funding from NZ On Air and purchases services from Radio New Zealand to run the archives.

RADIO NEW ZEALAND CONCERT CHARITABLE TRUST

The Trust is a registered charity under the Charities Act 2005 and was settled on the 25 March 2011. The purpose of the trust is to advance education in relation to musical genres showcased by Radio New Zealand Concert.

The trust is treated as a controlled entity of Radio New Zealand Limited. Radio New Zealand has included in its consolidated financials the activities of Radio New Zealand Concert Charitable Trust and the financial statements are for the year ended 30 June 2012 which were approved by the trustees on the 31 October 2012.

BOARD COMMITTEE

The Board has formally constituted an Audit Committee to focus on audit and risk management issues. All members of the Board are on this committee. This committee met on four occasions during the year.

BOARD MEETINGS

The Board met on 10 scheduled occasions this year and once for a non-scheduled tele-conference meeting.

TABLE OF ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2012	BOARD MEETINGS SCHEDULED	BOARD MEETINGS OTHER	AUDIT COMMITTEE
Richard Griffin - Chairman	10	1	4
Josh Easby – Deputy Chairman	10	1	4
Gary Monk – Audit Chairman	10	1	4
Rt Hon. Paul East QC CNZM	9	1	3
Tiwana Tibble	8	1	4
Sheena Henderson	10	1	4
Jane Taylor	9	1	4

MANAGEMENT AND OPERATING STRUCTURE

Radio New Zealand's organisational structure reflects its core business activities. The structure is reviewed regularly and adjusted where necessary to accommodate new business and to ensure that it remains relevant to a changing trading and operational environment.

The Chief Executive is responsible for the management leadership of the company, its organisational structures, developing and recommending initiatives to the Board, implementing Board decisions and policies, achieving objectives, ensuring the company is properly equipped with skilled personnel, and for various interfaces between the company, its stakeholders and the public. The Chief Executive has a dual role as Editor in Chief. In that role he is responsible to the Board for Radio New Zealand's editorial matters.

The Board and the Chief Executive/Editor in Chief have acknowledged their responsibility by signing the Statement of Responsibility in this report.

AUDITOR

Audit New Zealand, acting on behalf of the Controller and Auditor-General, is the auditor of Radio New Zealand Limited in accordance with section 32 of the Public Audit Act 2001.

LEGISLATIVE COMPLIANCE

The Board acknowledges its responsibility to ensure the organisation complies with all legislation. The Board has delegated responsibility to the Chief Executive for the development and operation of a programme to systematically identify compliance issues and ensure staff are aware of relevant legislative requirements.

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2012

Pursuant to the Crown Entities Act 2004, the Board and management of Radio New Zealand Limited accepts responsibility for:

- The preparation of the financial statements and the Statement of Service Performance and the judgements used in them;
- The establishment and maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial statements and the statement of service performance.

In the opinion of the Board, the financial statements and Statement of Service Performance for the year ended 30 June 2012 fairly reflect the financial position and operations of Radio New Zealand Limited.

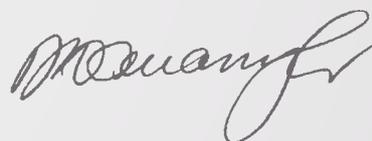
The audit opinion on these financial statements is on page 22-23.



RICHARD GRIFFIN
Chairman
31 October 2012



GARY MONK
Audit Committee Chairman and Board Member
31 October 2012



PETER CAVANAGH
Chief Executive and Editor-in-Chief
31 October 2012

To the readers of Radio New Zealand Limited and group's financial statements and non-financial performance information for the year ended 30 June 2012

The Auditor-General is the auditor of Radio New Zealand Limited (the company) and group. The Auditor-General has appointed me, J.R. Smail, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the company and group on her behalf.

We have audited:

- the financial statements of the company and group on pages 25 to 50, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the company and group that comprises the statement of service performance on pages 52 to 62 and the report about outcomes on pages 5 to 15.

OPINION

Financial statements and non-financial performance information

In our opinion:

- the financial statements of the company and group on pages 25 to 50:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the company and group's:
 - financial position as at 30 June 2012;
 - comply with International Financial Reporting Standards; and
 - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the company and group on pages 5 to 15 and 52 to 62:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the company and group's service performance and outcomes for the year ended 30 June 2012, including for each class of outputs:
 - the service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - the actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company and group as far as appears from an examination of those records.

Our audit was completed on 31 October 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company and group's financial statements and non-financial performance information that give a true and fair view of the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported service performance within the company and group's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. In accordance with the Financial Reporting Act 1993 we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company and group's financial position, financial performance and cash flows; and
- give a true and fair view of the company and group's service performance and outcomes.

The Board of Directors is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error.

The Board of Directors' responsibilities arise from the Crown Entities Act 2004 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the company or any of its subsidiaries.



J.R. SMALL

*Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand*

Matters relating to the electronic presentation of the audited financial statements and non-financial performance information

This audit report relates to the financial statements and non-financial performance information of Radio New Zealand and group for the year ended 30 June 2012 included on Radio New Zealand's website. Radio New Zealand's Board is responsible for the maintenance and integrity of Radio New Zealand's website. We have not been engaged to report on the integrity of Radio New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial statements and non-financial performance information since they were initially presented on the website.

The audit report refers only to the financial statements and non-financial performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and non-financial performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and non-financial performance information as well as the related audit report dated 31 October 2012 to confirm the information included in the audited financial statements and non-financial performance information presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Statement Specifying Financial Performance

FOR THE YEAR ENDED 30 JUNE 2012

The Board agreed financial targets with the Crown at the beginning of the year.

Budget figures are based on the high level budget set out in the 2011–2012 Statement of Intent.

	BUDGET \$000	ACHIEVEMENT \$000
INCOME	38,941	39,341
EXPENDITURE	38,931	39,176
OPERATING SURPLUS/ (DEFICIT) BEFORE TAXATION	10	165
INCOME TAX EXPENSE/ (BENEFIT)	0	54
NET SURPLUS/ (DEFICIT) AFTER TAXATION	10	111
EQUITY	52,936	49,320
WORKING CAPITAL RATIO (Current assets as percentage of current liabilities)	118.1%	148.4%
RATIO OF EQUITY TO TOTAL ASSETS (Equity as percentage of total assets)	86%	81.9%

Radio New Zealand has met its Charter service delivery targets within operating budgets. Both operating revenue and expenses are within 5% material variance limits of budget. Minor variances combine to yield a net surplus before tax of \$165,000 compared to a budget surplus before tax of \$10,000.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	GROUP BUDGET 2012 \$000	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Government funding and fees	2	35,615	35,645	35,705	34,980	34,850
Interest income		226	369	236	369	236
Other income	3	3,100	3,327	2,483	4,068	3,518
Total income		38,941	\$39,341	38,424	39,417	38,604
Personnel expenses		21,700	22,591	21,785	22,591	21,785
Operating expenses	4	13,750	13,562	13,254	13,914	13,417
Depreciation & amortisation expense	5	3,450	2,977	3,399	2,977	3,399
Financing costs		31	46	51	46	51
Total expenditure		38,931	39,176	38,489	39,528	38,652
Net operating surplus/ (deficit) before taxation		10	165	(65)	(111)	(48)
Income tax expense/ (benefit)	6	0	54	192	54	192
Net surplus/(deficit) after taxation		10	111	(257)	(165)	(240)
OTHER COMPREHENSIVE INCOME						
Revaluation of Property, plant and equipment on disposal		0	0	(1,977)	0	(1,977)
Tax on revaluation		0	0	(413)	0	(413)
Total other Comprehensive income		0	0	(2,390)	0	(2,390)
Total comprehensive income		10	111	(2,647)	(165)	(2,630)

Explanation of major variances against budget is provided in note 27.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2012

	GROUP BUDGET 2012 \$000	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Balance At 1 July	52,926	49,209	51,856	48,659	51,289
Surplus/(Deficit)	10	111	(257)	(165)	(240)
Other Comprehensive Income	0	0	(2,390)	0	(2,390)
	10	111	(2,647)	(165)	(2,630)
Write down revaluation on sale of asset	0	(1,730)	0	(1,730)	0
Transfer Revaluation To Retained Earnings On Disposal	0	1,730	0	1,730	0
Balance At 30 June	52,936	49,320	49,209	48,494	48,659

Explanation of major variances against budget is provided in note 27.

Statement of Financial Position

AS AT 30 JUNE 2012

	NOTE	GROUP BUDGET 2012 \$000	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
EQUITY						
Share capital	17	16,692	16,692	16,692	16,692	16,692
Revaluation reserve	17	30,389	26,232	27,962	25,432	27,162
Retained earnings	17	5,855	6,396	4,555	6,370	4,805
Total equity		52,936	49,320	49,209	48,494	48,659
CURRENT LIABILITIES						
Creditors & other payables	12	1,852	2,057	1,863	1,965	1,522
Provisions	15	0	150	0	150	0
Employee entitlements	13	1,655	2,291	2,072	2,291	2,072
Provision for tax		0	0	0	0	0
Revenue received in advance		0	56	27	56	27
Preference shares	16	4,120	4,120	4,120	4,120	4,120
Total current liabilities		7,627	8,674	8,082	8,582	7,741
NON CURRENT LIABILITIES						
Employee entitlements	13	50	78	70	78	70
Deferred tax	6	0	1,233	1,179	1,233	1,179
Revenue received in advance		0	10	0	10	0
Provisions	15	896	892	966	892	966
Total non current liabilities		946	2,213	2,215	2,213	2,215
Total Liabilities and Equity		61,509	60,207	59,506	59,289	58,615
CURRENT ASSETS						
Cash & cash equivalents	7	6,559	7,407	5,835	7,290	5,755
Investments	8	2,000	5,000	2,000	5,000	2,000
Debtors	9	250	210	313	209	302
Provision for tax		0	0	0	0	0
Other receivables		200	257	448	257	448
Total current assets		9,009	12,874	8,596	12,756	8,505
NON CURRENT ASSETS						
Intangibles	10	472	456	480	456	480
Property, plant and equipment	11	52,028	46,877	50,430	46,077	49,630
Total non current assets		52,500	47,333	50,910	46,533	50,110
Total Assets		61,509	60,207	59,506	59,289	58,615

Explanation of major variances against budget is provided in note 27.

For and on behalf of the Board



RICHARD GRIFFIN
Chairman
31 October 2012



GARY MONK
Audit Committee Chairman and Board Member
31 October 2012

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	GROUP BUDGET 2012 \$000	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Receipts from customers		3,070	4,873	3,453	4,647	3,337
Government funding & fees		35,645	35,645	35,705	34,980	34,850
Interest earned		226	369	236	369	236
		38,941	40,887	39,394	39,996	38,423
Cash was applied to:						
Payments to employees		22,400	22,364	21,722	22,364	21,722
Payments to suppliers		14,182	14,379	14,253	13,525	13,267
GST (net)		100	105	(96)	105	(96)
		36,682	36,848	35,879	35,994	34,893
Net cash inflow/(outflow) from operating activities	18	2,259	4,039	3,515	4,002	3,530
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Proceeds from sale of fixed assets		0	2,516	0	2,516	0
		0	2,516	0	2,516	0
Cash was applied to:						
Acquisition of term investments		0	3,000	2,000	3,000	2,000
Purchases of intangible assets		200	167	295	167	295
Purchase of property, plant & equipment		1,800	1,816	1,143	1,816	1,143
		2,000	4,983	3,438	4,983	3,438
Net cash inflow/(outflow) from investing activities		(2,000)	(2,467)	(3,438)	(2,467)	(3,438)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Increase in capital		0	0	0	0	0
Increase in loan	14	0	0	0	0	0
		0	0	0	0	0
Cash was applied to:						
Repayment of loan	14	0	0	0	0	0
		0	0	0	0	0
Net cash inflow/(outflow) from financing activities		0	0	0	0	0
Net increase/(decrease) in cash & cash equivalents		259	1,572	77	1,535	92
Add opening bank balance at 1 July		6,300	5,835	5,758	5,755	5,663
Cash & cash equivalents year end	7	6,559	7,407	5,835	7,290	5,755
Comprising:						
Cash & cash equivalents		6,559	7,407	5,835	7,290	5,755
Closing Cash & Cash Equivalents		6,559	7,407	5,835	7,290	5,755

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanation of major variances against budget is provided in note 27.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012

1 STATEMENT OF ACCOUNTING POLICIES

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 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 in August 1998 and has operated the archive since 1 October 1998. On 26 July 2011 a charitable trust, called Radio New Zealand Concert Charitable Trust, was registered with the Charities Commission. The Trust has been consolidated into the Radio New Zealand Group result.

Radio New Zealand has been designated a Public Benefit Entity (PBE) under New Zealand International Financial Reporting Standards (NZ IFRS) and as such the potential conflict between the pursuits of core public service objectives set out in Radio New Zealand's Charter and more commercial profit-maximisation objectives is minimised.

Government and shareholding Ministers have confirmed and strengthened Radio New Zealand's role as a public service broadcaster. They have waived the requirement for Radio New Zealand to pay a dividend and approved the Statement of Intent with minimal profit goals while still insisting on sound financial management.

The financial statements for Radio New Zealand are for the year ended 30 June 2012, and were approved by the Board on 31 October 2012.

B. BASIS OF PREPARATION

Statement of Compliance

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

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

C. MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of certain items of property, plant and equipment, and the measurement of equity investments and derivative financial instruments at fair value.

D. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Radio New Zealand is New Zealand dollars (NZ\$).

E. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.

Radio New Zealand has adopted the following standard NZ IAS 1 which has had only a presentational or disclosure effect:

- NZ IAS 1 Presentation of Financial Statements: - The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. Radio New Zealand has decided to present this in note 17.

Early adopted amendments to standards

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted and which are relevant to Radio New Zealand, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases:
 - Phase 1 Classification and Measurement;
 - Phase 2 Impairment Methodology; and
 - Phase 3 Hedge Accounting.

Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied to public entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Radio New Zealand is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means Radio New Zealand expects to transition to the new standards in preparing its 30 June 2015 financial standards. As the PAS are still under development, Radio New Zealand is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for the public entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZIFRS that exclude public benefit entities from their scope.

F. SIGNIFICANT ACCOUNTING POLICIES

The following significant assumptions underpin the financial statements:

The Crown has continued to fund Radio New Zealand's core activities; use of funds is restricted for the purpose of meeting its objectives as specified in the Statement of Intent.

Shareholding Ministers did not require Radio New Zealand to pay a dividend on their shareholding in the company. This was confirmed by the Minister of Broadcasting for the 2011/2012 income year.

There has been no withdrawal of capital by shareholding Ministers during the year.

The statements have been prepared on a going-concern basis.

i. Basis of Consolidation – Purchase Method

The consolidated financial statements include the holding company and its subsidiaries.

The subsidiaries are accounted for using the purchase method.

All significant inter-company transactions are eliminated on consolidation.

ii. Budget Figures

The budget figures are based on the high level budget approved by the Board in the Statement of Intent set at the beginning of the financial year. These budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements under NZ IFRS.

iii. Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or receivable from the IRD, including the GST relating to investing and financing activities, is classified as a net cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

iv. Taxation

Income Tax

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.

v. Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that Radio New Zealand will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

vi. Cash & Cash equivalents

Cash & cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

vii. Investments

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment. For bank deposits, impairment is established when there is objective evidence that Radio New Zealand will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter receivership or liquidation, and default in payments are considerations that the deposit is impaired.

viii. Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: land, buildings, leasehold improvements, plant and equipment (including transmission and studio equipment), furniture and fittings, computer assets and library assets.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other assets classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluations

Land and buildings are revalued with sufficient regularity and at least every three years to ensure that the carrying amount does not differ materially from fair value.

The carrying values of revalued assets are assessed by independent valuers to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Land and building revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and is accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Radio New Zealand and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Radio New Zealand and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

ix. Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) 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 and fittings	5 to 10 years
Library books and music collection	10 to 15 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

The sound archive collection is categorised as a heritage asset and as such is not normally depreciated.

x. Intangible Assets

Software that is acquired 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 set out in co-siting contracts.

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
Make good lease commitments	Term of lease

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

Impairment of property, plant, equipment and intangible assets

Property, plant, equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Radio New Zealand would, if deprived of the asset, replace its remaining economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impaired loss is recognised in other comprehensive income to the extent the amount in the revaluation reserve in equity for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

xi. Redeemable Preference Shares

Redeemable preference shares held by the Government in Radio New Zealand are to be repaid at the option of the holder and are classified as a current liability in the Statement of Financial Position.

xii. Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date. A liability for sick leave is not accrued as unused sick leave entitlements are not carried forward at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave has been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as a Non current liability.

xiii. Provisions

A provision is recognised 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, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

xiv. Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- general funds;
- property revaluation reserves; and
- fair value through other comprehensive reserves.

xv. Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver and the Government Superannuation Fund, are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

Radio New Zealand makes employer contributions to the Defined Benefit Plan Scheme, which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

xvi. Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

xvii. Leases

Finance Leases

Radio New Zealand had 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 incurred. Radio New Zealand leases its motor vehicles and the majority of its premises.

xviii. 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 Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Comprehensive Income.

All financial instruments are shown at their fair value

xix. Statement of Cash Flows

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.

xx. 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 contract (FEC's) to cover significant overseas purchases. These are defined as financial derivatives under NZ IFRS and the fair value of FEC's are determined on the basis of quoted market rates.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

xxi. Finance Costs

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

However, Radio New Zealand has incurred \$46,323 in finance costs in relation to the future valuing of its make-good provisions of its three leased premises.

xxii. Revenue (Crown, other revenue, rental income and interest)

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

Radio New Zealand is primarily funded through revenue received from the Crown, revenue from the Government through NZ On Air, from the Ministry for Culture and Heritage for specific purposes as outlined in its Charter and Statement of Intent and Parliamentary Services as a fee for the broadcast of Parliament.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Other revenue is derived from broadcasting activities and rental income from lease receipts under operating leases which is recognised as revenue on a straight-line basis over the lease term. Interest from bank and term deposits is recognised using the effective interest method.

xxiii. Cost Allocation

Radio New Zealand has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of actual usage of broadcasting infrastructure services and equipment. Business infrastructure costs are allocated according to the number of staff in each cost centre or actual usage.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

xxiv. Critical accounting estimates and assumptions

In preparing these financial statements Radio New Zealand has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating the fair value of land and buildings:

The significant assumptions applied in determining the fair value of land and buildings are disclosed in note 11.

Estimating useful lives and residual value of property, plant and equipment:

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Radio New Zealand, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the Statement of Financial Position. Radio New Zealand minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programme;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

Radio New Zealand has not made significant changes to past assumptions concerning useful lives and residual values.

2 GOVERNMENT FUNDING & FEES

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
NZ On Air	32,481	32,541	31,816	31,686
Ministry for Culture & Heritage	1,900	1,900	1,900	1,900
Parliamentary Services	1,178	1,178	1,178	1,178
Freeview	86	86	86	86
Total Government funding and fees	35,645	35,705	34,980	34,850

Radio New Zealand has been provided with funding from the Crown for the specific purposes as set out in its Charter, the Radio New Zealand Act 1995 and the Crown Entities Act 2004. Apart from the restrictions, there are no unfulfilled conditions or conditions attached to government funding (2011:0).

3 OTHER INCOME

Rental income from property leases	680	629	680	629
Net gain sale property, plant and equipment	553	0	553	0
Other-co-siting, transmission, sundry	2,094	1,854	2,835	2,889
Total other income	3,327	2,483	4,068	3,518

4 OPERATING EXPENSES

Audit fees	78	75	78	75
Directors fees	184	177	184	177
Donations	25	0	25	0
Operating lease expenses	1,467	1,464	1,467	1,464
Property	855	807	855	807
Travel	568	672	568	672
Transmission	4,011	4,034	4,011	4,034
Programming	2,895	3,379	2,895	3,379
Advertising & publicity	364	291	364	291
Insurance	262	134	262	134
Impairment financial assets	6	(10)	285	(10)
Impairment property, plant, equipment	538	0	538	0
Loss on sale of property, plant, equipment	8	0	8	0
Legal expenses	427	477	427	477
Consultancy fees	232	61	232	61
Other	1,642	1,693	1,715	1,856
Total operating expenses	13,562	13,254	13,914	13,417

5 DEPRECIATION & AMORTISATION

Depreciation	2,787	3,050	2,787	3,050
Amortisation	190	349	190	349
Total depreciation and amortisation	2,977	3,399	2,977	3,399

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

6 TAXATION

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Relationship between tax and accounting profit				
Net Surplus/ (deficit) before tax	165	(65)	(111)	(48)
Tax @ 28% (2011: 30%)	47	(20)	(31)	(15)
Plus/(less) the tax effect of:				
Non-deductible expenditure	40	26	118	26
Unrecognised temporary differences	0	5	0	0
Non taxable income	(242)	(11)	(242)	(11)
Prior year adjustment	17	131	17	131
Deferred tax adjustment	192	61	192	61
Tax expense	54	192	54	192
Components of tax expense				
Current tax expense	0	0	0	0
Deferred tax	54	192	54	192
	54	192	54	192

	PPE \$000	OTHER PROVISIONS \$000	TAX LOSSES \$000	TOTAL \$000
DEFERRED TAX ASSET (LIABILITY)				
Balance at 1 July 2010	(1,755)	655	526	(574)
Charged to income	54	36	(282)	(192)
Charged to comprehensive income	(413)	0	0	(413)
Balance at 30 June 2011	(2,114)	691	244	(1,179)
Balance at 1 July 2011	(2,114)	691	244	(1,179)
Charged to income	20	1	(75)	(54)
Charged to comprehensive income	0	0	0	0
Balance at 30 June 2012	(2,094)	692	169	(1,233)

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
IMPUTATION CREDIT ACCOUNT				
Balance at 30 June	1,369	1,293	1,368	1,290
Imputation credits are available to be used in subsequent periods.				

7 CASH & CASH EQUIVALENTS

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Cash & call deposits	7,407	5,835	7,290	5,755
The carrying value of call deposits are at fair value.				

8 INVESTMENTS

Term Deposits	5,000	2,000	5,000	2,000
Current	5,000	2,000	5,000	2,000
Non current	0	0	0	0

The carrying amounts of the term deposits with maturities less than 12 months approximate their fair value.

Radio New Zealand is a 5% shareholder in Freeview Limited, a joint venture company formed to provide free to air digital broadcasting in New Zealand; capital is unpaid.

Sound Archives Ngā Taonga Kōrero Limited is a 100% owned subsidiary; capital is unpaid.

9 DEBTORS

Debtors	230	326	229	315
Provision for impairment	(20)	(13)	(20)	(13)
	210	313	209	302

The carrying value of receivables approximate their fair value.

As at 30 June 2012, all overdue receivables have been assessed for impairment and appropriate provision applied as follows:

	GROSS 2012 \$000	IMPAIRMENT 2012 \$000	NET 2012 \$000	GROSS 2011 \$000	IMPAIRMENT 2011 \$000	NET 2011 \$000
Not past due	186	0	186	285	0	285
Past due 1–30 days	23	0	23	7	0	7
Past due 31–60 days	1	0	1	21	0	21
Past due 61–90 days	6	0	6	5	(5)	0
Past due > 91 days	14	(20)	(6)	8	(8)	0
	230	(20)	210	326	(13)	313

The provision for impairment has been calculated based on expected losses for Radio New Zealand's pool of debtors. Expected losses have been determined based on an analysis and review of specific debtors.

Movement in the provision for impairment of receivables is as follows:

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Balance at 1 July	13	24	13	24
Provisions made during the year	8	(5)	8	(5)
Receivables written off during the year	(1)	(6)	(1)	(6)
Balance at 30 June	20	13	20	13

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

10 INTANGIBLE ASSETS

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Software	443	418	443	418
Other ¹	13	62	13	62
Total intangible assets	456	480	456	480

Movements for each class of intangible asset are as follows:

	SOFTWARE 2012 \$000	SOFTWARE 2011 \$000	OTHER 2012 \$000	OTHER 2011 \$000
Cost				
Balance at 1 July 2010	3,458	3,162	1,599	1,599
Additions	167	296	0	0
Disposals	(311)	0	0	0
Balance at 30 June 2011	3,314	3,458	1,599	1,599
Accumulated amortisation				
Balance at 1 July 2011	3,040	2,918	1,537	1,312
Amortisation expense	142	122	49	225
Disposals/impairment losses	(311)	0	0	0
Balance at 30 June 2012	2,871	3,040	1,586	1,537
Carrying amounts as at June 2012	443	418	13	62

All intangible assets are owned by the parent.

There are no restrictions over the title of the Radio New Zealand's intangible assets pledged as security for liabilities.

1. Other consists of Capital contributions paid to Kordia for co-siting services and make-good expenses to be incurred in the future on Radio New Zealand's two lease premises in Wellington and Dunedin.

11 PROPERTY, PLANT AND EQUIPMENT

GROUP	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & EQUIPMENT \$000	LIBRARIES \$000	COMPUTER HARDWARE \$000	FURNITURE & FITTINGS \$000	TOTAL \$000
COST OR VALUATION								
Balance 1 July 2010	33,153	9,991	6,718	23,965	3,581	8,293	2,893	88,594
Additions	0	34	24	292	127	719	142	1,338
Revaluation movement	(3,452)	(1,885)	0	0	0	0	0	(5,337)
Disposals	0	0	0	(104)	0	(201)	(19)	(324)
Adjustments	0	(1,258)	(362)	406	0	0	1,214	0
Work in progress transfer	0	17	(12)	(16)	2	(304)	24	(289)
Balance 30 June 2011	29,701	6,899	6,368	24,543	3,710	8,507	4,254	83,982
Balance 1 July 2011	29,701	6,899	6,368	24,543	3,710	8,507	4,254	83,982
Additions	0	334	90	520	127	634	175	1,880
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	(1,813)	0	(946)	(65)	0	(3,264)	(156)	(6,244)
Adjustments	0	0	(13)	(2)	0	0	(19)	(34)
Work in progress transfer	0	0	6	(26)	(4)	(163)	17	(170)
Balance 30 June 2012	27,888	7,233	5,505	24,970	3,833	5,714	4,271	79,414
ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES								
Balance 1 July 2010	0	3,274	5,095	15,597	1,164	6,707	2,349	34,186
Depreciation expense	0	633	561	879	218	562	197	3,050
Eliminate on disposal	0	0	0	(104)	0	(201)	(19)	(324)
Adjustments	0	(547)	(329)	0	0	0	876	0
Eliminate on revaluation	0	(3,360)	0	0	0	0	0	(3,360)
Impairment losses	0	0	0	0	0	0	0	0
Balance 30 June 2011	0	0	5,327	16,372	1,382	7,068	3,403	33,552
Balance 1 July 2011	0	0	5,327	16,372	1,382	7,068	3,403	33,552
Depreciation expense	0	641	389	868	230	451	209	2,788
Eliminate on disposal	0	0	(561)	(65)	0	(3,256)	(82)	(3,964)
Adjustments	0	0	(23)	0	0	1	(17)	(39)
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	200	0	0	0	200
Balance 30 June 2012	0	641	5,132	17,375	1,612	4,264	3,513	32,537
CARRYING AMOUNTS								
At 30 June & 1 July 2010	33,153	6,717	1,623	8,368	2,417	1,586	544	54,408
At 30 June 2011	29,701	6,899	1,041	8,171	2,328	1,439	851	50,430
At 30 June 2012	27,888	6,592	373	7,595	2,221	1,450	758	46,877

The total amount of property, plant and equipment in the course of construction is \$1,065,000 (2011: \$1,305,000)

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

PARENT	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT & EQUIPMENT \$000	LIBRARIES \$000	COMPUTER HARDWARE \$000	FURNITURE & FITTINGS \$000	TOTAL \$000
COST OR VALUATION								
Balance 1 July 2010	33,153	9,991	6,718	23,965	2,781	8,293	2,893	87,794
Additions	0	34	24	292	127	719	142	1,338
Revaluation movement	(3,452)	(1,885)	0	0	0	0	0	(5,337)
Disposals	0	0	0	(104)	0	(201)	(19)	(324)
Adjustments	0	(1,258)	(362)	406	0	0	1,214	0
Work in progress transfer	0	17	(12)	(16)	2	(304)	24	(289)
Balance 30 June 2011	29,701	6,899	6,368	24,543	2,910	8,507	4,254	83,182
Balance 1 July 2011	29,701	6,899	6,368	24,543	2,910	8,507	4,254	83,182
Additions	0	334	90	520	127	634	175	1,880
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	(1,813)	0	(946)	(65)	0	(3,264)	(156)	(6,244)
Adjustments	0	0	(13)	(2)	0	0	(19)	(34)
Work in progress transfer	0	0	6	(26)	(4)	(163)	17	(170)
Balance 30 June 2012	27,888	7,233	5,505	24,970	3,033	5,714	4,271	78,614
ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES								
Balance 1 July 2010	0	3,274	5,095	15,597	1,164	6,707	2,349	34,186
Depreciation expense	0	633	561	879	218	562	197	3,050
Eliminate on disposal	0	0	0	(104)	0	(201)	(19)	(324)
Adjustments	0	(547)	(329)	0	0	0	876	0
Eliminate on revaluation	0	(3,360)	0	0	0	0	0	(3,360)
Impairment losses	0	0	0	0	0	0	0	0
Balance 30 June 2011	0	0	5,327	16,372	1,382	7,068	3,403	33,552
Balance 1 July 2011	0	0	5,327	16,372	1,382	7,068	3,403	33,552
Depreciation expense	0	641	389	868	230	451	209	2,788
Eliminate on disposal	0	0	(561)	(65)	0	(3,256)	(82)	(3,964)
Adjustments	0	0	(23)	0	0	1	(17)	(39)
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	200	0	0	0	200
Balance 30 June 2012	0	641	5,132	17,375	1,612	4,264	3,513	32,537
CARRYING AMOUNTS								
At 30 June & 1 July 2010	33,153	6,717	1,623	8,368	1,617	1,586	544	53,608
At 30 June 2011	29,701	6,899	1,041	8,171	1,528	1,439	851	49,630
At 30 June 2012	27,888	6,592	373	7,595	1,421	1,450	758	46,077

The total amount of property, plant and equipment in the course of construction is \$1,065,000 (2011: \$1,305,000)

VALUATION

Radio New Zealand Limited has significant library and music collections. Property, plant and equipment values are reflected in the Statement of Financial Position at their fair value. Land and buildings were valued by Darrochs registered valuers in 2011.

The reference library was valued at the original valuation of \$400,000 and the music library was valued at \$1.4 million.

The music library valuation was completed by Rolle Limited (independent valuers) as at 30 June 2003.

The company's 100% owned subsidiary, Sound Archives Ngā Taonga Kōrero Limited, has a substantial archival collection of valuable radio recordings, which is valued at \$800,000. This valuation was reviewed by the Director of Sound Archives Ngā Taonga Kōrero Limited as at 30 June 2012 and has been left unchanged from last valuation, effective 30 June 2011.

Depreciation has not been charged on the archival assets collection in 2011/2012.

12 CREDITORS AND OTHER PAYABLES

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Creditors	1,385	1,509	1,293	1,168
Accrued expenses	672	354	672	354
Total creditors and other payables	2,057	1,863	1,965	1,522

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

13 EMPLOYEE ENTITLEMENTS

Current	2,291	2,072	2,291	2,072
Non current long service leave	78	70	78	70
Total employee entitlements	2,369	2,142	2,369	2,142
This is represented by:				
Annual leave	1,684	1,433	1,684	1,433
Other & accrued salaries	594	613	594	613
Long service leave	91	96	91	96
	2,369	2,142	2,369	2,142

The present value of long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds.

The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 3.6% (2011: 4.2%) and an inflation factor of 3.5% were used.

If the discount rate were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service would be an estimated \$816 higher/lower.

If the salary inflation factor were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be an estimated \$4,994 higher/lower.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

14 BANK LOAN

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Multi option credit line	0	0	0	0

Radio New Zealand has a redrawable line of credit of \$3,500,000 with Westpac Banking Corporation. The credit advance is a short-term market unsecured advance and the interest rate charged is the Westpac offer rate at the time the advance was made plus a margin of 1.15%. This facility was used during the year. On the 29th February, NZOA funding was delayed in error causing an over-night overdraft of \$3,010,428. Interest was subsequently reimbursed by NZOA. The effective interest rate incurred was 16.53%.

Radio New Zealand has a credit card facility to the value of \$350,000.

Radio New Zealand has a negative pledge agreement with Westpac Banking Corporation.

15 PROVISIONS

Represented by:

Current – cabling	150	0	150	0
Non current – lease make-good/other	892	966	892	966

Associated with the sale of portion of the Henderson transmission site is a requirement to relocate cabling and an earth mat.

An Employment Court ruling has required Radio New Zealand to place \$3000 in a separate bank account pending the outcome of an employment dispute with a previous employee.

In respect to three of its leased premises, Radio New Zealand is required, at the expiry of the lease term, to make-good any damage caused from installed fixtures and fittings and to remove any fixtures or fittings installed. This provision is \$889,000 (2011: \$963,000).

Movements for provisions:

Lease make-good & other

Balance at 1 July 2010	915
Movements – financing costs	51

Balance at 30 June 2011 966

Balance at 1 July 2011	966
Reverse Radio New Zealand Christchurch	(120)
Movements – financing costs	46

Balance at 30 June 2012 892

16 REDEEMABLE PREFERENCE SHARES

Preference shares on issue at 30 June 2012 were reclassified from equity in 2007 to liabilities in 2008 and from non current liabilities to current liabilities in 2011 as they are legally redeemable on 30 days notice. There has been no alteration to this during the current year.

Redeemable preference shares	4,120	4,120	4,120	4,120
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There are 4,119,680 shares valued at \$1 per share.

The shares are held in equal portions by the Minister of Broadcasting and the Minister of Finance.

Redeemable preference shares have the following rights:

- (a) No voting rights except
 - (i) In the event of a liquidation or any proposal of liquidation.
 - (ii) When the company is in default in the payment of any dividend.
- (b) The right to:
 - (i) A non-cumulative preferential dividend at a rate equal to the aggregate five year Benchmark Bond rate plus 1%.
 - (ii) All dividends shall be payable by equal half yearly instalments on 31 May and 30 November in each calendar year.
 - (iii) The priority to receive such dividends over rights of ordinary shareholders to receive a dividend.
 - (iv) Dividends commence from 1 December 1998.

For 2011/2012 the shareholding ministers advised that Radio New Zealand is not required to pay a dividend.
- (c) On redemption, the company shall redeem the preference shares in cash by repaying the capital paid up or credited as paid up. Shareholding Ministers did not require Radio New Zealand to pay a dividend on their shareholding in the company. This was confirmed by the Minister of Broadcasting for the 2011/2012 income year.

17 EQUITY

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
SHARE CAPITAL				
Ordinary \$1 shares				
Ordinary shares have the following rights:				
(a) Normal voting rights				
(b) No fixed dividend rights				
Balance at 1 July	16,692	16,692	16,692	16,692
Issue ordinary shares	0	0	0	0
Balance at 30 June	16,692	16,692	16,692	16,692
REVALUATION RESERVE				
Balance at 1 July	27,962	30,352	27,162	29,552
Revaluation land	(1,730)	(3,452)	(1,730)	(3,452)
Revaluation buildings	0	1,475	0	1,475
Revaluation buildings-tax depreciation	0	(413)	0	(413)
Balance as 30 June	26,232	27,962	25,432	27,162
At the end of the 30 June 2011 Radio New Zealand revalued its owned land and building throughout New Zealand to current market value. The independent valuation was performed by Darrochs, registered public valuers.				
During the year the sale of a portion of land required an equivalent adjustment to the revaluation reserve and retained earnings respectively.				
RETAINED EARNINGS				
Balance at 1 July	4,555	4,812	4,805	5,045
Operating surplus/ (deficit)	111	(257)	(165)	(240)
Revaluation land	1,730	0	1,730	0
Balance at 30 June	6,396	4,555	6,370	4,805

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

18 RECONCILIATION OF THE NET SURPLUS/(DEFICIT) FROM OPERATIONS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES

For the year ended 30 June 2012

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Net surplus/(deficit) before taxation	165	(65)	(111)	(48)
Add/(less) non-cash items:				
Depreciation & amortised expenses	2,977	3,399	2,977	3,399
Bad debts written off	1	6	1	6
Change in provision for impaired debts	20	(10)	20	(10)
Impaired property, plant equipment	546	0	546	0
Financing costs – make-good provision	46	51	46	51
Donated assets income	(40)	(35)	(40)	(35)
Capitalised labour	(25)	(18)	(25)	(18)
Non current – long service leave movement	(8)	16	(8)	16
Other	24	12	24	12
Total non-cash items	3,541	3,421	3,541	3,421
Add/(less) items classified as investing activities:				
Net (gain)/loss on sale of fixed assets	(553)	0	(553)	0
Add/(less) movements in working capital items:				
Decrease/(increase) in receivables	103	350	93	356
Decrease/(increase) in prepayments/other receivables	191	(29)	191	(29)
Decrease/(increase) in intangibles	0	130	0	130
Increase/(decrease) in creditors/accruals	194	185	443	177
Increase/(decrease) in provisions	150	0	150	0
Increase/(decrease) in current employee entitlements	219	54	219	54
Increase/(decrease) in provision for tax	0	0	0	0
Increase/(decrease) in revenue received in advance	29	(531)	29	(531)
Working capital movement – net	886	159	1,125	157
Net cash flow from operating activities	4,039	3,515	4,002	3,530

19 COMMITMENTS

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Capital commitments	80	137	80	137
Non-cancellable operating lease commitments:				
– not later than one year	1,595	1,560	1,595	1,560
– later than one year and less than five years	1,618	2,884	1,618	2,884
– later than five years	58	60	58	60
Total non-cancellable operating lease commitments	3,271	4,504	3,271	4,504
Radio New Zealand leases properties in Wellington, Christchurch, Dunedin and in a number of regional areas of New Zealand. The main leases expire between 2012 and 2017.				
There are restrictions on these leases to “make-good” the property at the end of the lease. Radio New Zealand has recognised this future liability by creating a provision in its Statement of Financial Position.				
Other non-cancellable operating commitments:				
– not later than one year	4,105	4,606	4,105	4,606
– later than one year and less than five years	6,862	7,464	6,862	7,464
– later than five years	1,010	2,278	1,010	2,278
	11,977	14,348	11,977	14,348
Total non-cancellable commitments	15,248	18,852	15,248	18,852

20 CONTINGENT LIABILITIES

Legal proceedings and disputes	610	610	610	610
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Radio New Zealand has one contingent liability in relation to defamation action from its operations. This action is being taken by a former employee. Another contingent liability is in relation to personal grievances also instigated by a former employee. Management, in conjunction with the Board, are vigorously defending all charges and are confident that Radio New Zealand will not be found liable for any of those charges.

21 CONTINGENT ASSETS

There are no quantifiable contingent assets (2011: nil)

During 2010/2011 Radio New Zealand suffered some damage from the series of Canterbury earthquakes. As at balance date the estimate of damages could amount to more than \$1 million. Under its insurance policies, material damage and business interruption, claims will be filed once firm estimates are established. To date \$40,000, inclusive of GST, of claims receipts have been received. No other estimate for claims has been declared as a contingent asset at balance date as certainty of receipt has not been established.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

22 RELATED PARTY TRANSACTIONS, KEY MANAGEMENT PERSONNEL AND EMPLOYEE REMUNERATION

All related party transactions have been entered into on an arm's length basis.

Radio New Zealand is a wholly owned limited liability company of the Crown. The shares are held in equal portions by the Minister of Broadcasting and the Minister of Finance.

A. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

Radio New Zealand Limited received funding of \$31.816 million (2011: \$31.816 million) from NZ On Air for the year ended 30 June 2012. The contract between the two parties for broadcasting services prescribes the services which must be provided in relation to transmission coverage and hours, types of programmes to be broadcast, and also places restrictions on advertising. Of the total, \$130,000 of the broadcasting services funds was passed to Sound Archives Ngā Taonga Kōrero Limited.

In a separate agreement \$665,000 funding was received by Sound Archives Ngā Taonga Kōrero Limited (a subsidiary of Radio New Zealand Limited) for sound archiving services for the year ended 30 June 2012 (2011: \$725,000).

Radio New Zealand International, a division of Radio New Zealand Limited, received funding of \$1.90 million (2011: \$1.90 million) from the Ministry for Culture and Heritage for the year ended 30 June 2012.

B. COLLECTIVELY, BUT NOT INDIVIDUALLY SIGNIFICANT, TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

In conducting its activities, Radio New Zealand is required to pay various taxes (such as GST, FBT, PAYE and ACC levies) to the Crown. The payment of these taxes and levies, are based on the standard terms and conditions that apply to all tax and levy payers. Income tax is calculated under existing income tax legislation of New Zealand. Radio New Zealand purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2012 totalled \$3.09 million (2011: \$3.10 million). These purchases included the purchase of electricity from Genesis, postal services from NZ Post, broadcast frequency rights from the Ministry of Economic Development, technical services from Kordia, services from LandCorp, BSA and the Department of Internal Affairs.

C. INTER-GROUP TRANSACTIONS

An agreement for supply of services between Radio New Zealand Limited and Sound Archives Ngā Taonga Kōrero Limited outlines the management fee paid by Sound Archives Ngā Taonga Kōrero Limited for personnel and other resources to service the Archives.

An amount of \$884,238 has been transacted, for the period 1 July 2011 to 30 June 2012 (2011: \$994,622).

At year end the inter-company debt owed by Sound Archives Ngā Taonga Kōrero Limited of \$279,349 was forgiven.

D. KEY MANAGEMENT AND DIRECTORS

There are no other material transactions between directors and senior management and Radio New Zealand Limited in any capacity other than that for which they are employed. The Chief Executive, Peter Cavanagh, is a director of Sound Archives Ngā Taonga Kōrero Limited a 100% owned subsidiary company of Radio New Zealand Limited.

The Deputy Chief Executive, Ken Law, is a director of Freeview Limited. Radio New Zealand has 5% of the shares in the company. During the year, Radio New Zealand paid Freeview Limited \$37,487 for its 5% share of operational funding (2011: \$30,241).

Two Board members (Richard Griffin and Josh Easby) are trustees of the Radio New Zealand Concert Charitable Trust. During the year Radio New Zealand made a donation of \$25,000 to the Trust.

All material transactions are on an arm's length basis, with the interest of each party being completely independent.

D KEY MANAGEMENT PERSONNEL COMPENSATION

	GROUP ACTUAL 2012 \$000	GROUP ACTUAL 2011 \$000	PARENT ACTUAL 2012 \$000	PARENT ACTUAL 2011 \$000
Salaries & employee benefits	1,911	1,891	1,911	1,891
Post-employment benefits	0	0	0	0
Other long-term benefits	0	0	0	0
Termination benefits	0	0	0	0

Key management personnel include the Chief Executive, 10 members of the senior management group and two other senior managers.

E EMPLOYEE REMUNERATION

Details of the remuneration range for employees whose remuneration is over \$100,000 for the year ended 30 June 2012 are:

REMUNERATION RANGES FOR EMPLOYEES	NUMBER OF EMPLOYEES	
	2012	2011
\$100,000 – 109,999	6	9
\$110,000 – 119,999	7	7
\$120,000 – 129,999	4	4
\$130,000 – 139,999	2	1
\$140,000 – 149,999	1	0
\$170,000 – 179,999	1	2
\$180,000 – 189,999	1	0
\$340,000 – 349,999	1	1
Total number of employees in these ranges	23	24

The Chief Executive's remuneration is within the \$340,000 – \$349,999 range.

During the year ended 30 June 2012, there were no compensation payments in relation to cessation of employment (2011:\$13,911) and no redundancy payments (2011:\$33,810).

23 BOARD MEMBERS' REMUNERATION

DIRECTORS' REMUNERATION

The following persons held office as director during the year and received the following remuneration as directors of Radio New Zealand Limited. No Board member received compensation or other benefit in relation to cessation (2011:0).

	2012 \$	2011 \$
Richard Griffin – Chairman	42,500	27,167
Josh Easby – Deputy Chairman	26,000	21,667
Gary Monk – Chairman Audit Committee	29,500	27,000
Rt Hon. Paul East QC CNZM	21,500	21,000
Tiwana Tibble	21,500	17,500
Sheena Henderson	21,500	3,500
Jane Taylor	21,500	3,500
Christine Grice – Chairman (retired 30 April 2011)	0	35,000
Yvonne Sharp (retired 30 April 2011)	0	20,833
Total Board member remuneration	184,000	177,167

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

24 FINANCIAL INSTRUMENTS

Radio New Zealand's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. Radio New Zealand has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

A. MARKET RISK

Radio New Zealand has no equity investments exposed to price risk as at 30 June 2012.

B. FAIR VALUE INTEREST RATE RISK

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Radio New Zealand's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest. Radio New Zealand does not actively manage its exposure to fair value interest rate risk.

C. CASH FLOW INTEREST RATE RISK

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose Radio New Zealand to cash flow interest rate risk. Radio New Zealand currently has no variable interest rate investments.

D. CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Radio New Zealand purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies. Radio New Zealand has no foreign exchange forward contracts. Radio New Zealand's policy is to manage foreign currency risks arising from contractual commitments and liabilities by entering into foreign exchange forward contracts.

E. CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to Radio New Zealand, causing it to incur a loss. Due to the timing of its cash inflows and outflows, Radio New Zealand invests surplus cash with registered banks. Radio New Zealand has processes in place to review the credit quality of customers prior to the granting of credit. In the normal course of business, Radio New Zealand is exposed to credit risk from cash and term deposits with banks, debtors and other receivables, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

Radio New Zealand invests funds and enters into derivative financial instruments only with registered banks that have a Standard and Poor's credit rating of at least A2 for short term and A- for long term investments. Radio New Zealand has experienced no defaults of interest or principal payments for term deposits. Radio New Zealand holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	2012 \$000	2011 \$000
Counterparties with credit ratings		
Cash at bank and term deposits	12,407	7,835
AA		

F. LIQUIDITY RISK

Management of liquidity risk

Liquidity risk is the risk that Radio New Zealand will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. Radio New Zealand has no borrowings or loans other than its preference shares. Shareholding ministers have indicated they will not require redemption against the shares in 2011–2012.

Radio New Zealand mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 6 MONTHS \$000	6-12 MONTHS \$000	LATER THAN 1 YEAR \$000
2011 Creditors and other payables	1,863	1,863	1,863	0	0
2012 Creditors and other payables	2,057	2,057	2,057	0	0

25 CAPITAL MANAGEMENT

Radio New Zealand's capital is its equity, which comprises accumulated funds and revaluation reserves. Equity is represented by net assets.

Radio New Zealand is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives.

Radio New Zealand manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure it effectively achieves its objectives and purpose, while remaining a going concern.

26 EVENTS AFTER THE REPORTING DATE

Radio New Zealand has entered into an agreement with the New Zealand Film Archive to transfer management, operation and custody of its sound archives from its subsidiary company Sound Archives Ngā Taonga Kōrero Limited to the Film Archive with effect from 1 October 2012.

Radio New Zealand will continue to own and retain its existing interests in the sound archives and remain statutorily responsible for provision of sound archive services. Radio New Zealand will also retain its ownership of assets used for provision of the services and lease these and existing accommodation to the Film Archive.

Radio New Zealand staff previously assigned to the Sound Archives will be transferred to the Film Archive with existing employment conditions and entitlements. Radio New Zealand contracts for supply of goods and services to the sound archive operations will also be assigned to the Film Archive.

The inter-company debt owed by Sound Archives Ngā Taonga Kōrero Limited was written off by the Directors at year end.

27 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Significant variances from Radio New Zealand's budget figures in the Statement of Intent (SOI) are as follows:

A. STATEMENT OF COMPREHENSIVE INCOME

Higher cash balances on call deposit and term deposits compared to budget have resulted in interest income being \$133,000 over budget. Higher cash balances were the result of increased sundry income and the proceeds from the sale of land acquired by New Zealand Transport Agency.

Other sundry income includes transmission revenue, technical consultancy fees, property rentals (commercial rentals Radio New Zealand House, Hobson St, Auckland). This category of income was 7% above budget.

The sale of a portion of the Henderson transmission site for \$2,416,000 resulted in a \$1,730,000 reduction in the revaluation reserve and the profit on sale was \$453,000. This one-off financial transaction allowed a number of projects to be undertaken in the year such as the digitisation of the music library.

The inter-company debt of \$279,000 owed by Sound Archives Ngā Taonga Kōrero Limited to Radio New Zealand Limited which was written off at year end was not budgeted for.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2012

B. STATEMENT OF FINANCIAL POSITION

A revaluation reserve reduction of \$1,730,000 was due to the sale of land which had been revalued previously. Retained earnings increased by the same margin.

The deferred tax liability increased \$54,000 in the year to \$1,233,000. The deferred tax liability was \$1,179,000 the previous year. Deferred tax was not provided for in the budget.

C. STATEMENT CASH FLOWS

Receipts from government grants and fees were close to budget while other sundry receipts and interest income were above budget resulting in total revenue receipts being higher overall. While there were many cost saving measures instigated over many areas within the organisation, cash outflows were above budget due partly to increased spending on projects allowed for by the sale of land. Overall a favourable operating cash flow variance of \$1,572,000 resulted against budget of \$259,000.

Purchases of intangible assets and property, plant and equipment of \$1,983,000 compared to a budget of \$2,000,000 is close to budget.

A result of increased cash surpluses during the year, aided by the land sale, an additional \$3,000,000 was placed on term deposit with the company's bank, Westpac.

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2012

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Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2012

This statement reports on the performance of Radio New Zealand Limited in relation to the key performance indicators set out in its Statement of Intent for the year ended 30 June 2012.

	RADIO NEW ZEALAND NATIONAL 2012 \$000	RADIO NEW ZEALAND CONCERT 2012 \$000	SOUND ARCHIVES NGĀ TAONGA KŌRERO 2012 \$000	RADIO NEW ZEALAND INTERNATIONAL 2012 \$000	TOTAL 2012 \$000
RECONCILIATION OF OUTPUT FINANCIAL STATEMENTS TO GROUP NET SURPLUS/[DEFICIT] BEFORE TAX					
INCOME					
NZ on Air funding – Radio New Zealand	27,131	4,685	0	0	31,816
NZ on Air funding – Sound Archives Ngā Taonga Kōrero	0	0	665	0	665
Radio New Zealand funding	0	0	130	243	373
Freeview funding	43	43	0	0	86
Ministry for Culture and Heritage funding	0	0	0	1,900	1,900
Other revenue	3,820	451	61	144	4,476
Total income	30,994	5,179	856	2,287	39,316
EXPENDITURE					
Operating costs	31,008	4,961	884	2,323	39,176
Total expenditure	31,008	4,961	884	2,323	39,176
Net surplus/(deficit)	(14)	218	(28)¹	(36)	140²

1. The consolidated effect of the inter-company write down of the Sound Archives Ngā Taonga Kōrero debt to Radio New Zealand has not been included in the Financial Statement of Service Performance as it was not part of normal operations.
2. The financial results of the Radio New Zealand Concert Charitable Trust of \$25,000 has been excluded as it is not a Radio New Zealand output.

Company Performance: Radio New Zealand

FOR THE YEAR ENDED 30 JUNE 2012

QUALITY AND VALUE.

MEASURES:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
Total Radio New Zealand National and Radio New Zealand Concert operating costs per podcast and audio-on-demand requests met ¹	not available ²	\$3.91	not available
Total Radio New Zealand National operating costs per head: live audience ^{3 and 4}	\$66.88	\$73.75	\$71.82
Total Radio New Zealand Concert operating costs per head: live audience ^{3 and 5}	\$41.00	\$38.55	\$39.39
Perception ⁶ that it is important for New Zealand to have a public service radio broadcaster	88%	85%	87%
Perception that Radio New Zealand provides a valuable service for New Zealanders	78%	77%	79%

THREE OF THE FIVE TARGETS WERE ACHIEVED

A new system was introduced in 2011–2012 which captured data for complete audio downloads only from the Radio New Zealand website.

The actual figure represents only podcast downloads and does not include audio-on-demand data and the calculation for the 2011–2012 forecast was estimated on the requests met for both podcast and audio-on-demand. The increased cost per head for Radio New Zealand Concert was the result of a decline in the cumulative live audience forecast, see page 12.

ACCESSIBILITY AND AVAILABILITY⁷.

Radio New Zealand website podcasting and audio-on-demand requests met (millions)	not available	9.1 million	not available
Website availability radionz.co.nz	99.96%	99.90%	99.99%

ONE OF THE TWO TARGETS WAS ACHIEVED

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 meant accurate logging of on-demand traffic was not possible. A new system was introduced in 2011–2012 which captured data for complete audio downloads only from the Radio New Zealand website. This figure represents only podcast downloads and does not include audio-on-demand data.

COST OF FINANCIAL PERFORMANCE.

MEASURES (000'S):			
Revenue	\$39,341	\$38,941	\$38,424
Expenditure	\$39,176	\$38,931	\$38,489
Net surplus/(deficit)	\$165	\$10	(\$65)
Debt/equity ratio	1:5	1:6	1:5
Capital expenditure	\$1,983	\$2,000	\$1,438
Overheads as a percentage of gross operating expenditure	15%	14%	14%

THREE OF THE TARGETS WERE ACHIEVED

- the revenue target was exceeded;
- the net surplus target was exceeded; and
- capital expenditure was within budget.

THREE OF THE TARGETS WERE NOT ACHIEVED

- expenditure exceeded budget by 0.6%. Additional revenue earned allowed a key strategic music digitisation project to proceed;
- the debt equity ratio has declined during the year primarily as a result of asset revaluation; and
- the percentage of overheads to gross operating expenditure increased as a result of an increase in insurance premiums and the write-down of fitout costs for Radio New Zealand House in Christchurch, which was damaged by the February 2011 earthquake.

The variances are not considered material and do not reflect negatively on financial performance.

1. 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.
2. 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.
3. Calculated from the product of Radio New Zealand National total operating expenditure and Radio New Zealand National cumulative audience, page 12 refers.
4. Cumulative live audience forecasts depict the shrinking traditional live radio listening market as audiences move to audio-on-demand time-shifted listening. Figures for podcast and audio-on-demand requests met are shown on page 15.
5. Calculated from the product of Radio New Zealand Concert total operating expenditure and Radio New Zealand Concert cumulative audience, page 12 refers.
6. Source: Radio New Zealand Value Indices Research conducted nationwide by Colmar Brunton among all New Zealanders aged 15+ of perceptions.
7. Other than time lost for planned maintenance.

Output: Radio New Zealand National

FOR THE YEAR ENDED 30 JUNE 2012

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 bulletins, 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:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
Radio New Zealand National cost per broadcast hour ¹	\$3,533	\$3,476	\$3,431
Radio New Zealand National – number of complaints upheld against any one category by the Broadcasting Standards Authority	nil	< 3	nil

ONE OF THE TWO TARGETS WAS ACHIEVED

The variance between the actual cost per broadcast hour and the forecasted cost is less than 3% and not considered material.

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.

CHARTER CATEGORY ² :	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
A Programming that is predominantly and distinctively of New Zealand.	92%	92%	93%
B Programming that informs, entertains and enlightens the people of New Zealand.	96%	96%	96%
C Programming that is challenging, innovative and engaging.	97%	97%	98%
D Programming that fosters critical thought, information and wide-ranging debate thereby contributing to greater tolerance and understanding.	96%	95%	96%
E Programming that stimulates, supports and reflects the diversity of cultural expression including drama, comedy, literature and the performing arts.	86%	87%	87%
F Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance.	12%	10%	11%
G Programming that reflects New Zealand's cultural identity, including Māori language and culture.	92%	92%	93%
H Programming that provides awareness of the world and of New Zealand's place in it.	72%	74%	73%
I Programming that provides comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs.	50%	47%	50%
J Balance programmes of special interest with those of wide appeal recognising the interest of all age groups.	96%	96%	96%
K Programming that contributes towards intellectual and spiritual development.	84%	86%	86%

ALL TARGETS HAVE BEEN ACHIEVED WITHIN ACCEPTED TOLERANCES.

ACCESSIBILITY³ AND AVAILABILITY⁴.

MEASURES:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
Radio New Zealand National (cumulative audience)	464,000	414,000	507,000
AM Network coverage: Radio New Zealand National	94%	94%	94%
FM Network coverage: Radio New Zealand National	90%	90%	90%
Sky (Satellite) coverage	100%	100%	100%
Freeview (Satellite) coverage	100%	100%	100%
AM and FM Network availability – Radio New Zealand National	99.99% (population weighted)	99.90%	99.99% (population weighted)

ALL TARGETS HAVE BEEN ACHIEVED.

COST OF OUTPUT FINANCIAL PERFORMANCE.

MEASURES (000'S):			
Revenue	\$30,994	\$30,528	\$30,108
Expenditure	\$31,008	\$30,533	\$30,056
Net surplus/(deficit)	(\$14)	(\$5)	\$52

ALL TARGETS HAVE BEEN ACHIEVED

Variances are less than 3% and not considered significant.

1. Calculated from the product of total expenditure and the number of broadcast hours during the reporting period, 2012 being a leap year.
2. 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.
3. Coverage is measured in terms of percentage of the total resident New Zealand population able to receive the network signal.
4. Other than time lost for planned maintenance.

Output: Radio New Zealand Concert

FOR THE YEAR ENDED 30 JUNE 2012

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:	2011-2012 ACTUAL	2011-2012 TARGET	2010-2011 ACTUAL
Radio New Zealand Concert cost per broadcast hour	\$565.00	\$579.35	\$594.00
Radio New Zealand Concert – number of complaints upheld against any one category by the Broadcasting Standards Authority	nil	< 3	nil

ALL TARGETS HAVE BEEN ACHIEVED.

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.

CHARTER CATEGORY ¹ :	2011-2012 ACTUAL	2011-2012 TARGET	2010-2011 ACTUAL
A Programming that is predominantly and distinctively of New Zealand.	17%	14%	18%
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.	97%	97%	96%
F Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance.	97%	97%	96%
G Programming that reflects New Zealand's cultural identity, including Māori language and culture.	17%	14%	18%
H Programming that provides awareness of the world and of New Zealand's place in it.	9%	4%	10%
I Programming that provides comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs.	4%	3%	4%
J Balance programmes of special interest with those of wide appeal recognising the interest of all age groups.	10%	8%	10%
K Programming that contributes towards intellectual and spiritual development.	100%	100%	100%

ALL TARGETS HAVE BEEN ACHIEVED.

ACCESSIBILITY² AND AVAILABILITY³.

MEASURES:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
Radio New Zealand Concert (cumulative audience) ⁴	121,000	132,000	140,000
FM Network coverage: Radio New Zealand Concert	92%	92%	92%
Sky (Satellite) coverage	100%	100%	100%
Freeview (Satellite) coverage	100%	100%	100%
FM Network availability – Radio New Zealand Concert	99.99% (population weighted)	99.90%	99.97% (population weighted)

FOUR OF THE FIVE TARGETS HAVE BEEN ACHIEVED.

While the target of the cumulative audience was not achieved, it should be noted that the percentage of available audience (see page 12 of the Performance Management section) has remained reasonably static, thus demonstrating the general shrinkage of the New Zealand radio listening population. Radio New Zealand has been predicting a downward trend in traditional live listening as advancement in technology shows an increasing trend towards on-demand listening.

COST OF OUTPUT FINANCIAL PERFORMANCE.

MEASURES (000'S):			
Revenue	\$5,179	\$5,089	\$5,059
Expenditure	\$4,961	\$5,089	\$5,200
Net surplus/(deficit)	\$218	\$0	(\$141)

ALL TARGETS HAVE BEEN ACHIEVED

Variances are less than 3% and not considered significant.

1. 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.
2. Coverage is measured in terms of percentage of the total resident New Zealand population able to receive the network signal.
3. Other than time lost for planned maintenance.
4. Cumulative live audience forecasts depict the shrinking traditional live radio listening market.

Output: Radio New Zealand International

FOR THE YEAR ENDED 30 JUNE 2012

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:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
Radio New Zealand International cost per broadcast hour	\$264.34	\$258.08	\$255

THE TARGET WAS NOT ACHIEVED

The variance is less than 3% and not considered significant.

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.

Approximate percentage of original programming	27.8%	27.0%	27.0%
Number of morning sessions	307	305	308
Number of afternoon and evening sessions	240	238	240

ALL TARGETS HAVE BEEN ACHIEVED

Radio New Zealand International added an additional hour of originated programming to provide content for Samoa and Tokelau stations when those countries changed time zones in January 2012.

ACCESSIBILITY AND AVAILABILITY.

MEASURES:	2011-2012 ACTUAL	2011-2012 TARGET	2010-2011 ACTUAL
Primary coverage of Radio New Zealand International transmissions			French Polynesia, Cook Islands, Tokelau, Samoa, 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	99.80%	99.00%	99.90%
Website availability ¹ rnzi.com	99.99%	99.90%	99.99%

ALL TARGETS HAVE BEEN ACHIEVED.

COST OF OUTPUT FINANCIAL PERFORMANCE.

MEASURES (000'S):			
Revenue	\$2,287	\$2,282	\$2,279
Expenditure	\$2,323	\$2,267	\$2,238
Net surplus/(deficit)	(\$36)	\$15	\$41

THE TARGETS WERE ACHIEVED

The variances are less than 3% and not considered significant.

1. Other than time lost for planned maintenance.

Output: Sound Archives Ngā Taonga Kōrero

FOR THE YEAR ENDED 30 JUNE 2012

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:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL ¹
Total Sound Archives operating costs per acquisition and preservation hour ²	not available	\$325.63	not available

The recovery of the sound archive has taken precedence over preservation work and accurate data is not available to calculate this performance measure.

WORK PROGRAMME.

Acquires material to archive (number of hours)	1,352 hrs	1,300 hrs	578 ³
Preserves and retains historical material to the archives (number of hours)	220 hrs	1,900 hrs	1,483

ONE OF THE TWO TARGETS WAS ACHIEVED

The preservation programme continued to be severely affected following the Canterbury earthquake in February 2011. Christchurch operations were focused on the archive recovery programme. Over a 12 month period more than 70,000 items retrieved from the damaged premises were packed, sorted and consolidated at temporary premises. The archive recovery programme included the cataloguing of this material which is expected to extend into 2012–2013. Preservation facilities at the temporary premises are limited and will continue to impact on performance in this area. The forecast performance of 1,900 hours for preservation was renegotiated with NZ On Air down to 184 hours to reflect the impact of the earthquake on the operations of Sound Archives Ngā Taonga Kōrero.

ACCESSIBILITY AND AVAILABILITY.

MEASURES:	2011–2012 ACTUAL	2011–2012 TARGET	2010–2011 ACTUAL
Access levels to the soundarchives.co.nz website ⁴	132,628	300,000	218,465
Website availability ⁵	99.99%	99.90%	99.99%

ONE OF THE TWO TARGETS WAS ACHIEVED

As a result of the Christchurch earthquake, access to the Sound Archive was closed down for a period of time, while operations were relocated to temporary premises. The general state of flux following the earthquake was evident in website traffic volumes for some considerable time following the earthquake and volumes did not return to normal until the latter quarters of 2011–2012.

COST OF OUTPUT FINANCIAL PERFORMANCE.

MEASURES (000'S):			
Revenue	\$856	\$1,042	\$978
Expenditure ⁶	\$884	\$1,042	\$995
Net surplus/(deficit)	[\$28]	\$0	[\$17]

NONE OF THE TARGETS WERE ACHIEVED.

The Canterbury earthquakes have continued to affect archiving operations in Christchurch with a reduction in third party revenue generated from sales of material from the sound archives collection and a subsequent drop in expenditure, particularly in relation to preservation activities.

1. The Sound Archives building based in Christchurch was significantly damaged during the Canterbury earthquake in February 2011. Access to the building was restricted and there was significant operational disruption during the retrieval of the archive and relocation to temporary accommodation.
2. 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.
3. This figure represents the July 2010-December 2010 acquisitions hours only and is not indicative of the year-end figure.
4. Nielsen NetRatings: calculated from the number of page impressions.
5. Other than time lost for planned maintenance.
6. Operating costs for 2011 to 2014 include the cost of significant client work not represented in accession and preservations hours.

Output: Radio New Zealand - Lifeline Utility

FOR THE YEAR ENDED 30 JUNE 2012

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.

The terms of those requirements are set out in the Civil Defence Emergency Management Act 2002 and the Memorandum of Understanding between the Ministry of Civil Defence and Emergency Management and Radio New Zealand, available on the Ministry's website civildefence.govt.nz.

RESPONSE.

MEASURES:	2011-2012 ACTUAL	2011-2012 TARGET	2010-2011 ACTUAL
Radio New Zealand will be available to respond in times of an emergency	24/7	24/7	24/7
In the event of a declared priority 1 emergency Radio New Zealand will provide broadcasts of warnings and emergency information where directed by Civil Defence announcements	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 broadcasts of warnings and emergency information where directed by Civil Defence announcements	broadcasts hourly	broadcasts hourly	broadcasts hourly

There were no National Civil Defence emergencies declared during the reporting period.

ACCESSIBILITY AND AVAILABILITY¹.

Radio New Zealand will provide coverage and representation in main districts (number of district locations)	3	3	3
Radio New Zealand will provide regional coverage and representation (number of regional locations)	9	9	9
AM Network coverage: Radio New Zealand National	94%	94%	94%
FM Network coverage: Radio New Zealand National	90%	90%	90%
Sky (Satellite) coverage	100%	100%	100%
Freeview (Satellite) coverage	100%	100%	100%
AM and FM Network availability – Radio New Zealand National	99.99% (population weighted)	99.90%	99.99% (population weighted)
Website availability	99.96%	99.90%	99.99%

ALL TARGETS HAVE BEEN ACHIEVED

Radio New Zealand's infrastructure was maintained to enable it to undertake its Lifeline Utility role in the event of a declared national civil defence emergency. There were no national civil defence emergencies declared during the reporting period.

1. Other than time lost for planned maintenance.

Directory

FOR THE YEAR ENDED 30 JUNE 2012

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RADIO NEW ZEALAND CONCERT

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RADIO NEW ZEALAND NEWS

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RADIO NEW ZEALAND INTERNATIONAL

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