



CELEBRATING INNOVATION

OVER 100 NEWS
ITEMS PUBLISHED ONLINE
EVERY DAY

ON AIR, ONLINE, ON DEMAND

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RADIO NEW ZEALAND'S WEBSITE IS REDESIGNED AND RELAUNCHED

86% of all New Zealanders agree that it is important for New Zealand to have a public service radio broadcaster.

88% of our listeners agree that Radio New Zealand promotes informed debate.

91% of our listeners agree that Radio New Zealand provides fair and balanced information.

ONCE AGAIN RADIO NEW ZEALAND NATIONAL IS THE TOP RANKING RADIO STATION IN NEW ZEALAND

527,000
PEOPLE LISTEN TO
RADIO NEW ZEALAND

245,000
PEOPLE LISTEN TO
NINE TO NOON

336,000
PEOPLE LISTEN TO
MORNING
REPORT

246,000
PEOPLE LISTEN TO
AFTERNOONS

3.5 million
PODCASTS
DOWNLOADED

78,000
SMARTPHONE
DOWNLOADS

MOBILE APPLICATIONS
boost global service.

120,000 CDs DIGITISED for
new digital music library.

30% OF ONLINE
VISITORS USE PHONES
OR TABLETS TO
ACCESS CONTENT

15.7
MILLION

>> VISITS TO OUR WEBSITE <<
THIS YEAR

INTERNATIONAL AWARD-WINNING RADIO

2012

KIM HILL IS NAMED INTERNATIONAL RADIO PERSONALITY OF THE YEAR by the Association for International Broadcasters in London.

SIMON MORTON WINS A GOLD MEDAL in the prestigious New York Festival Radio Awards.

2013

KIM HILL WINS GOLD AS BEST TALK SHOW HOST in the prestigious New York Festival Radio Awards.

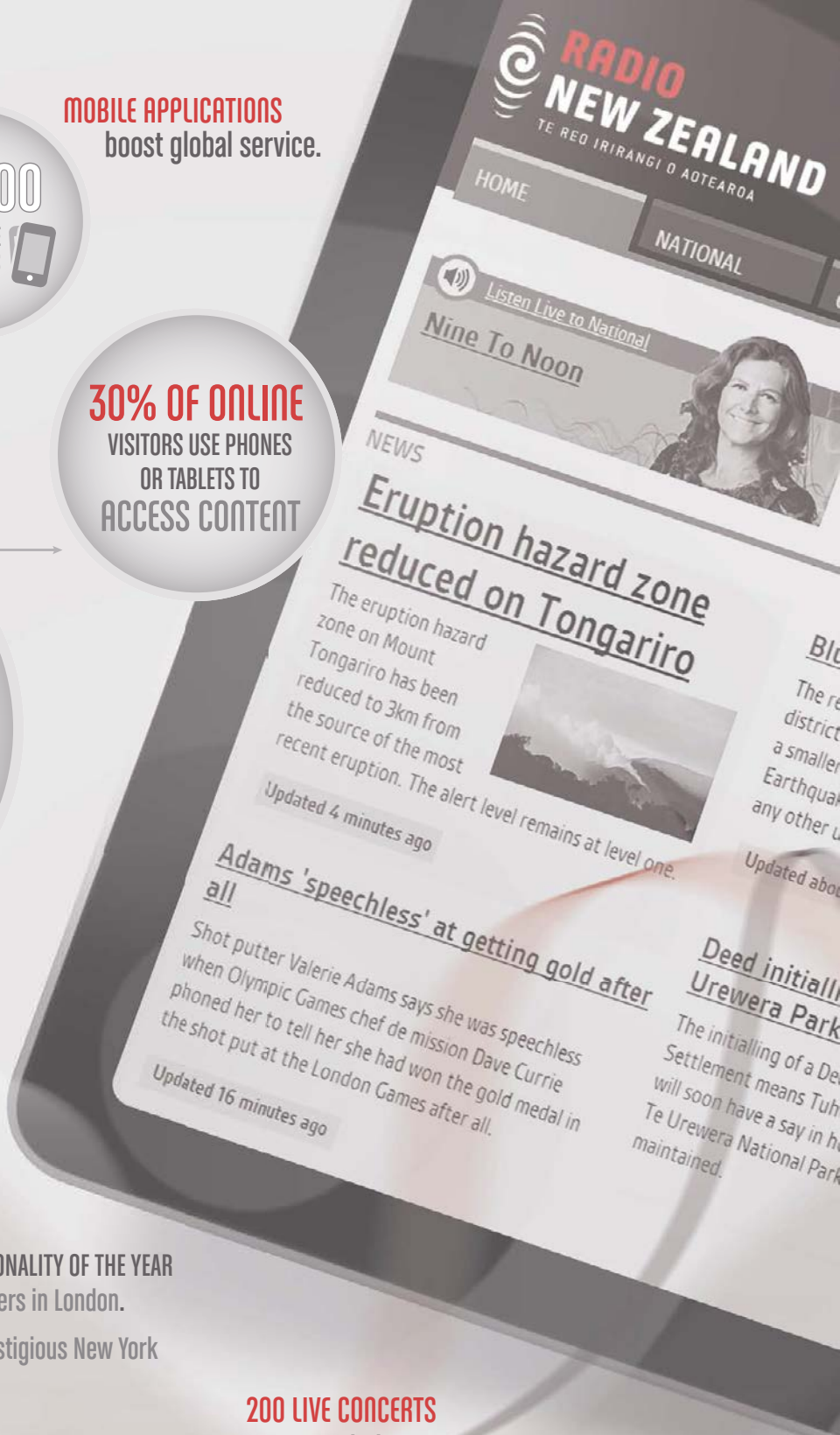
RADIO NEW ZEALAND IS A FINALIST in the World Summit Awards which honour excellence in multimedia creativity.

RADIO NEW ZEALAND WINS 11 CATEGORY AWARDS at the New Zealand Radio Awards.

KIM HILL WINS OUTSTANDING CONTRIBUTION TO RADIO BROADCASTING, BEST CURRENT AFFAIRS HOST and BEST WEEKLY SERIES at the New Zealand Radio Awards.

200 LIVE CONCERTS
recorded.

150,000 AUDIO
ITEMS
AVAILABLE FROM THE ARCHIVE



CHAIR REPORT

AS CHAIR OF THE BOARD OF GOVERNORS I AM PLEASED TO REPORT THAT THE TWELVE MONTHS UNDER REVIEW HAVE SEEN RADIO NEW ZEALAND ENJOY THE HIGHEST LEVEL OF PUBLIC SUPPORT SINCE THE ORGANISATION BECAME A STAND-ALONE PUBLIC BROADCASTER 17 YEARS AGO. PUBLIC APPROVAL RATINGS ARE AT RECORD LEVELS AND WE ARE THE CLEAR MARKET LEADER IN ON-LINE RADIO BROADCASTING.

In the same period the Board launched a programme of staff consultation and external recruitment designed to fill the position of outgoing Chief Executive Peter Cavanagh. The exercise was managed entirely by the Board with some assistance from State Services and Crown Ownership Monitoring Unit and resulted in a smooth transition with the appointment in May of the widely respected and experienced media executive Paul Thompson as the new Chief Executive.

Meanwhile, there continues to be a strong and demonstrated appetite among an expanding range of audiences for high quality public service broadcasting, and Radio New Zealand is committed to serving that public interest by providing programming of the highest international standard.

We continue to be focussed on exploring, designing and delivering a range of platforms to ensure an increasing menu of independent services is available to our growing audiences. The aim is not just to meet public expectations but to also demonstrate leadership across the industry and meet our obligation to broadcast the very highest standard of current affairs, news, information and entertainment to the people of the region and beyond.

CREATIVE INNOVATION – DOING MORE WITH LESS > While Government funding continues to flat-line the company has adjusted by concentrating on ways and means of doing more with less. The emphasis in recent years is on constructive innovation and the aim is to improve overall efficiency and the sustainability of the company's on-going operations. As a consequence, substantial savings have been achieved in areas that are not directly programme related.

We have effectively managed delivery processes and applied new technology to sustain and improve the range and quality of our services. During the past year, for instance, we have seen the benefits of an innovative and creative approach to digital production systems which not only created significant savings but also future-proofed the organisation and freed up operational expenditure for core programming.

Radio New Zealand has also explored supplementary funding options, received additional revenue from co-siting and actively engaged in consultancy work providing transmission solutions for South Pacific broadcasters.

Our internet and its 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. Radio New Zealand's evolution from a provider of traditional radio services to a new global role as the country's leading online broadcaster is now well advanced and remains a major focus of our attention.

LIFELINE UTILITY > The resonance of the natural disaster in Christchurch, and more recent upheavals in Seddon and Wellington, regularly reminds us of the vital civil defence responsibilities we carry as a designated national lifeline utility. Disaster recovery contingencies are pivotal to the company's future planning and play a critical role in proposals to increase broadcasting and production capability outside of Wellington so we are able to maintain essential services should a major event disrupt operations in the capital.

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 > Prudent financial management remains a priority and we continue to place great emphasis on improving efficiency and productivity while preserving shareholder value. While some non-essential capital expenditure has been deferred, we have nonetheless fully maintained our asset base essential for the delivery of core services.

Despite tight budget constraints, careful management of operating costs and the introduction of sustainable savings has allowed Radio New Zealand to maintain current levels of core service at the highest international standards.

That stringent management from a financial team led by Ken Law has allowed Radio New Zealand to operate within budget for the year, returning a surplus of \$5,000 before tax. In keeping with past practice Shareholding Ministers have again waived their right to a dividend.

Our challenge remains the management of available resources and the creation of a capital structure and operating infrastructure that supports and guarantees continued financial viability and the preservation of shareholder value.

ACKNOWLEDGEMENTS > I thank my colleagues on the Board of Governors for their professional support, considered advice and direction over the past twelve months.

On behalf of the Board I want to acknowledge the contribution that former Chief Executive, Peter Cavanagh, made to Radio New Zealand and to the promotion of public service broadcasting in this country. Peter steered the company with extraordinary success over the decade of his stewardship and he leaves the organisation in good heart and confident of its future.

And in that context the Board would also like to congratulate the dedicated, talented and professional individuals who daily contribute to the success of the programmes and are singularly responsible for Radio New Zealand's extraordinary standing in the community.

We look forward now to a new era of executive leadership under the auspices of Chief Executive Paul Thompson who took the helm of the company in September 2013. The Board is sure Radio New Zealand will only grow in stature in the years ahead as a consequence of his experience and achievement.



RICHARD GRIFFIN
Chair

CHIEF EXECUTIVE REPORT

THE PAST YEAR HAS BEEN ONE OF THE MOST SUCCESSFUL PERIODS ON RECORD FOR RADIO NEW ZEALAND. PER CAPITA, AUDIENCES FOR THE HIGH QUALITY NON-COMMERCIAL PUBLIC BROADCASTING SERVICE PROVIDED BY RADIO NEW ZEALAND ARE AMONG THE HIGHEST IN THE WORLD.

TOP RATING NEW ZEALAND RADIO

For the 12 months to the end of June 2013, Radio New Zealand National was once again the No.1 radio station in New Zealand for station share, consolidating the top rating position it established in 2011 and 2012.

In the world's most competitive radio market, Radio New Zealand's flagship daily news and current affairs programme, *Morning Report*, attracts more listeners than any other radio programme in the country.

Many Radio New Zealand programmes are No.1 in their timeslots – including Charter programmes which are not specifically designed to attract mass audiences.

Radio New Zealand is also the clear market leader in online broadcasting with traffic to the news and information on our website growing exponentially and millions of radio programmes downloaded each year.

Our journalists and programme-makers continue to attract widespread acclaim for the quality of their work both in New Zealand and in competition against the best broadcasters the world has to offer.

Over the past 12 months Radio New Zealand presenter Kim Hill was honoured with two major international awards, being named International Radio Personality of the Year at the Association for International Broadcasting Awards in London and later awarded a Gold Medal for Best Talk Show Host at the prestigious 2013 New York Festival Radio Awards.

PUBLIC SUPPORT AT HIGHEST LEVELS > Public support for Radio New Zealand and the public service broadcasting it provides is also among the highest levels ever recorded. Our annual Value Indices research shows that even the vast majority of non-listeners say they value the services we provide.

While the traditional business models adopted by the print media and many commercial broadcasters are rapidly unravelling, Radio New Zealand is thriving in the new media landscape. We have wholeheartedly embraced the opportunities presented by new technology to launch new services and to grow our audiences.

Over the past year we have completely re-designed and re-launched the Radio New Zealand website providing instantly searchable access to more than 150,000 audio items totalling over 22,500 hours of content.

Our new smartphone apps for Android and iPhone have also been hugely successful, allowing over 78,000 users to access Radio New Zealand content across a wide range of mobile devices.

CELEBRATING INNOVATION > As we enter our sixth year of frozen public funding, Radio New Zealand has employed ground-breaking innovations and rigorous financial management to extract maximum efficiency from its operations and ensure that the full range of its services could be maintained.

One such innovation involved purchasing the source code for our ageing digital production system which was rapidly approaching the end of its useful working life. By buying the code and redeveloping the software internally, Radio New Zealand has saved many thousands of dollars in annual operating expenditure and indefinitely deferred replacement costs of up to \$8 million dollars.

We have successfully pursued new sources of external revenue which do not compromise our editorial independence and are consistent with our Charter responsibilities as a commercial-free public service broadcaster.

In the Pacific, Radio New Zealand International has delivered training, media development, and infrastructure projects for New Zealand and international aid and broadcasting agencies.

Plans are well advanced for a range of cost-effective new services to be launched in the latter part of 2013 which will significantly increase the public value we provide for the public funding we receive.

Our new youth online project will for the first time provide younger New Zealanders with high quality public service broadcasting content relevant to the important issues they're facing in their lives. A team of online producers has been appointed and extensive market research undertaken to identify the subject areas of greatest need and interest.

This highly innovative multimedia project will harness social media and interactivity to connect young people from all parts of the country in a national conversation about the things that really matter to them.

We will continue to unlock the maximum value from the content we produce by launching new websites curating content from across the full range of Radio New Zealand programming which is of particular interest to individual regional areas, Pacific nations and specialist subject areas such as Science & Technology, Arts & Culture, Māori Issues, Health and Education.

A DECADE OF GROWTH > As I step down after ten years as Chief Executive and Editor in Chief, it is timely to reflect on the dramatic transformation of New Zealand's national public service broadcaster over the past decade.

Only a few years ago Radio New Zealand was still exclusively a linear radio broadcaster. To access Radio New Zealand content you had to be listening

to the radio when a programme went to air and you had to be within reach of one of our transmitters here in New Zealand. If you missed something, it was gone forever.

Today you can listen to current Radio New Zealand content anytime you like and you can access our comprehensive and rapidly growing online programme library going back more than five years. You can listen to Radio New Zealand on virtually any communications device and you can hear our programmes live or time-shifted anywhere in the world.

Listeners can share our content on websites, blogs and an ever-increasing array of social media networks.

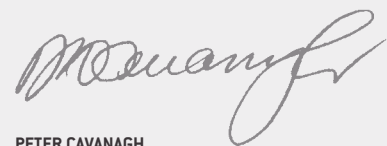
The on-demand service we provide for our existing audience is among the very best in the world – but its greatest value will be realized by future generations, providing them with ready access to high quality content which charts the social, cultural, political and economic development of New Zealand. We are currently in discussion with education officials to ensure that this invaluable material is clearly identified and readily available in schools and universities as a learning and teaching resource.

Radio New Zealand has never been stronger or more successful than it is today - and the service it provides has never been more important to the people of New Zealand. With the demise of public service television, we are now the country's only surviving public service broadcaster.

As commercial media organizations drastically reduce their newsgathering resources and begin to lock their remaining content behind pay walls, Radio New Zealand will be one of the very few freely accessible places New Zealanders can turn to for trusted and reliable news and information.

While other media organizations have a commercial imperative, Radio New Zealand exists for the sole purpose of serving the interests of the New Zealand public. It is a vitally important role for this country and long may it continue.

I would like to take this opportunity to praise the extraordinary talent and dedication of the Radio New Zealand staff I have had the pleasure of working with over the past ten years and to thank the members of the Radio New Zealand Board, past and present, for their commitment to the values and principles of true public service broadcasting.



PETER CAVANAGH
Chief Executive and Editor in Chief

PERFORMANCE MANAGEMENT

STRATEGIC DIRECTION

OVER THE REPORTING PERIOD RADIO NEW ZEALAND NATIONAL RETAINED ITS POSITION AS THE COUNTRY'S MOST LISTENED TO RADIO STATION; DELIVERING RELEVANT, QUALITY RADIO TO A RESPONSIVE DIVERSE NEW ZEALAND AUDIENCE. OUR CONTINUOUS IMPROVEMENTS THROUGH THE DEVELOPMENT OF A SUSTAINABLE INFRASTRUCTURE HAVE SEEN AUDIENCE DIVERSIFICATION WITH ONLINE LISTENERSHIP INCREASING BY A STEADY 3% AND THE UPTAKE OF OUR APPLICATIONS FOR MOBILE DEVICES REACHED JUST OVER 78,000 AT THE END OF REPORTING PERIOD.

THE FOCUS OVER THE YEAR WAS TO CONTINUE 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 listenership for Radio New Zealand National was stronger than we predicted with a cumulative weekly live audience of 491,000 which was representative of 17.5% of the available radio audience. Radio New Zealand National continued to buck the radio listening trend by maintaining its cumulative weekly live audience in an environment that has seen the listenership of some radio broadcasters drop.
- > Our audience research indicated that more listeners than before agree that we promote and support a sense of national identity, broadcast programmes of interest to a wide cross-section of New Zealanders, and provide a range of programmes that reflect New Zealand's cultural diversity.
- > Radio New Zealand National and Radio New Zealand Concert provided almost 4,500 hours of news and current affairs programming and our listenership satisfaction levels for all Radio New Zealand National programming remained high.
- > During the reporting period we developed further enhancements for smartphone applications which has seen more than 78,000 downloads and monthly active smartphone users increase by 70%.
- > Our online services continued to grow as we uploaded more of our content with over 150,000 items available (equating to almost 23,000 hours of content) and a staggering 15.7 million accesses to our website and 3.5 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 and recent Wellington events have shown us the importance of preparedness and that in an emergency people turned to Radio New Zealand as the trusted source of accurate and reliable information.

DURING THE PERIOD THE DAY-TO-DAY OPERATIONS OF OUR SOUND ARCHIVING SERVICES IN CHRISTCHURCH WERE TRANSFERRED TO THE NEW ZEALAND FILM ARCHIVE.

OUR OPERATIONS CONTINUE AS WE UNDERTAKE THE FOLLOWING:

- > delivery of a Youth Online Network to expand our listenership;
- > exploration of innovation to offer listeners the widest and most cost-effective choices of service delivery;
- > examination of our services to find ways to engage a wider range of listeners;
- > implementation of business continuity plans which ensure Radio New Zealand functions even more effectively in the event of a major disaster; and
- > the permanent reinstatement of our Christchurch operations.

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.
- > Pacific peoples are informed about their region and its place in the world.
- > 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 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: Pacific peoples are informed about their region and its place in the world.

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

RADIO NEW ZEALAND OUTPUTS DELIVERING CHARTER SERVICES



RADIO NEW ZEALAND NATIONAL



RADIO NEW ZEALAND CONCERT



RADIO NEW ZEALAND INTERNATIONAL



RADIO NEW ZEALAND SOUND ARCHIVES
NGĀ TRONGA KŌRERO

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.

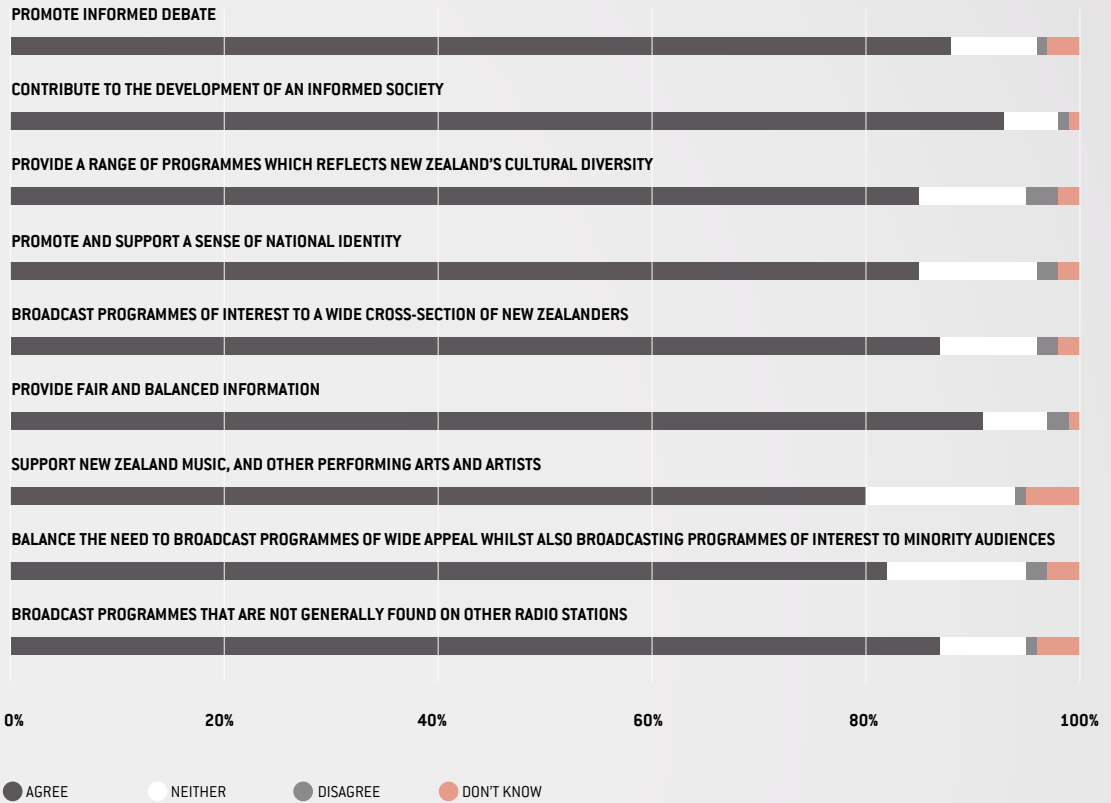
3

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 OUR CHARTER OBJECTIVES

HOW MUCH DO YOU AGREE OR DISAGREE THAT THE COMBINED SERVICES OF NATIONAL AND CONCERT MEET RADIO NEW ZEALAND'S REQUIREMENTS TO:



2012/2013 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.	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)	2010-2011 (ACTUAL)
Indicator: The percentage of Radio New Zealand National listeners who agree that Radio New Zealand provides in-depth news and current affairs about New Zealand. ¹	93%	94%	94%	96%
Indicator: The percentage of Radio New Zealand listeners who agree that Radio New Zealand contributes to the development of an informed society. ¹	93%	92%	93%	92%
Indicator: 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. ¹	87%	85%	85%	86%
Indicator: The percentage of New Zealanders who perceive that it is important for New Zealand to have a public service radio broadcaster. ²	86%	87%	88%	87%
Indicator: The percentage of New Zealanders who are aware that Radio New Zealand is New Zealand's public service radio broadcaster. ²	70%	70%	67%	67%
Indicator: Radio New Zealand's fulfilment of its role as a designated Lifeline Utility to maintain an informed New Zealand during declared states of emergency, broadcasting 24 hours per day 7 days per week. Total annual hours of broadcast.	8,760 hrs	8,760 hrs	8,784 hrs	8,760 hrs
Indicator: The percentage of the population able to receive either an AM or FM network signal.	97%	97%	97%	97%
Indicator: The percentage of time New Zealanders will have access to our AM or FM network signals.	99.99%	99.9%	99.99%	99.97%
Indicator: The percentage of time New Zealanders will have access to our website radionz.co.nz.	99.99%	99.9%	99.99%	99.99%

2012-2013 PERFORMANCE STATUS:

Coverage of significant news and current affairs events included:

- the ANZAC Day Dawn Service from the Wellington Cenotaph;
- the on-air and website coverage of the 2012 London Olympic Games;
- the *Morning Report* live broadcast from the Christchurch City Council office on the second anniversary of the Canterbury earthquakes;
- the Waitangi Day live broadcast;
- the Pike River Royal Commission;
- the inquiry into the collapse of the CTV building in the Christchurch earthquake;
- the Mighty River Power share float;
- the landmark Urewera settlement between Tuhoe and Government;
- the spread of the kiwifruit disease to Coromandel;
- the collapse of the Kaipara Council over debt and installation of commissioners;
- the Kim Dotcom case;
- the Northland school paedophilia charges.

1. Source: Radio New Zealand Listener Survey

2. Source: Radio New Zealand Value Indices Research conducted nationwide by Nielsen or Colmar Brunton among all New Zealanders aged 15+ of prompted awareness and perceptions.

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

- the Prime Minister's trip to the APEC meeting in Russia;
- the battle of El Alamein commemorations;
- the withdrawal of New Zealand forces from Timor Leste;
- the Prime Minister's trade trip to Mexico and South America;
- the official end of New Zealand's military deployment in Afghanistan.

Programming of significance included:

- *Morning Report*;
- *Checkpoint*;
- *Nine to Noon with Kathryn Ryan*;
- *Te Manu Korihū*;
- *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*;
- *Music Alive*, featuring live concerts;
- *Global Sounds*;
- *New Horizons*;
- *Sound Lounge*;
- *Appointment*;
- *Upbeat*;
- *Vintage Years*;
- *Sounds Historical*;
- *Young New Zealand*, including 52 broadcasts of young musicians recorded overseas and around the country;
- *Insight and Focus on Politics*;
- *Composer of the Week* including programmes featuring New Zealand composers;
- drama and book readings;
- *Music 101*;
- *Round Midnight*;
- *World of Music*; and
- *The Music Mix*.

In its role as a lifeline utility, Radio New Zealand responds to declared civil defence emergencies. Although there were no national civil defence emergencies declared in New Zealand during the period, Radio New Zealand did respond to the following emergencies providing news coverage, broadcast warnings and information available via the website:

- the Tongariro eruption; and
- the earthquake and tsunami in the Solomon Islands on Waitangi Day.

While research results indicate some negative variances, they are considered minimal and within industry accepted margins of error.

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.	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)	2010-2011 (ACTUAL)
Indicator: The percentage of Radio New Zealand listeners who agree that Radio New Zealand promotes informed debate. ³	88%	89%	90%	90%
Indicator: The percentage of Radio New Zealand listeners who agree that Radio New Zealand provides fair and balanced information. ³	91%	90%	90%	90%
Indicator: The percentage of New Zealanders whose perception is that Radio New Zealand provides a valuable service for New Zealanders. ⁴	77%	78%	78%	79%

2012-2013 PERFORMANCE STATUS:

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 outside broadcast coverage of a range of the writers festivals;
- programming on spiritual and philosophical themes, including *Spiritual Outlook*, *Hymns on Sunday*, and church services; and
- *Our Changing World*.

While research results indicate some negative variances, they are considered minimal and within industry accepted margins of error.

3. Source: Radio New Zealand Listener Survey

4. Source: Radio New Zealand Value Indices Research conducted nationwide by Nielsen or Colmar Brunton among all New Zealanders aged 15+ of prompted awareness and perceptions.

IMPACT 3:
PACIFIC PEOPLES ARE INFORMED ABOUT THEIR REGION AND ITS PLACE IN THE WORLD.

PACIFIC BROADCASTERS RECOGNISED RADIO NEW ZEALAND INTERNATIONAL AS A RELIABLE SOURCE OF INFORMATION FOR PACIFIC PEOPLES.	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)	2010-2011 (ACTUAL)
Indicator: Pacific radio stations will want to engage with Radio New Zealand International to rebroadcast the service across their country on their radio stations.	18	17	17	18
Indicator: Radio New Zealand International will be widely available and accessible throughout the Pacific region. Measured in terms of area coverage and the average hours of good quality reception available per day. ⁵				
Primary coverage: French Polynesia, Cook Islands, Tokelau, Samoa, American Samoa, Niue, Tonga, Wallis and Futuna, Fiji, Tuvalu, New Caledonia and Vanuatu.	16 hrs	16 hrs	16 hrs	16 hrs
Secondary coverage: Solomon Islands, Papua New Guinea, Nauru and Kiribati.	8 hrs	8 hrs	8 hrs	8 hrs
General coverage: Asia/Pacific and Pacific rim including: Federated States of Micronesia, Marshall Islands and Palau.	4 hrs	4 hrs	4 hrs	4 hrs
Indicator: Average programming hours. Pacific people will have access to:				
• original programming produced specifically for and about the Pacific region.	2,385 hrs	2,365 hrs	2,442 hrs	2,365 hrs
• Radio New Zealand National programming about New Zealand and the world.	6,375 hrs	6,395 hrs	6,342 hrs	6,395 hrs

2012-2013 PERFORMANCE STATUS:

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:

- Fiji constitutional reform meetings held by the Government and opposition groups;
- The French Polynesia general elections;
- The New Zealand Foreign Minister's trip to Niue, Tonga and New Caledonia;
- The New Zealand Prime Minister's visit to Samoa to mark the New Zealand/Samoa Treaty of Friendship; and
- The Pacific Forum meeting in the Cook Islands.

During the period Radio New Zealand International delivered media development and training projects for the New Zealand Aid Programme, ABC International, PACMAS, the AIBD and the ABU. These included:

- media leadership training for Tonga;
- technical training for Vanuatu;
- infrastructure development work in Vanuatu and Solomon Islands; and
- journalism and technical workshops in Samoa for regional media..

5. 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.	2012-2013 [ACTUAL]	2012-2013 [FORECAST]	2011-2012 [ACTUAL]	2010-2011 [ACTUAL]
Indicator: The percentage of Radio New Zealand listeners who agree that Radio New Zealand supports New Zealand music and other performing arts and artists. ⁶	80%	79%	83%	82%
Indicator: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming. ⁷	90%	88%	90%	89%
Indicator: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming. ⁷	74%	81%	80%	81%
Indicator: Listeners will connect with Radio New Zealand National through traditional means (cumulative audience and percentage of available audience). ⁸	491,000 17.5%	406,000 14.2%	464,000 16.8%	507,000 17.4%
Indicator: Listeners will connect with Radio New Zealand Concert through traditional means (cumulative audience and percentage of available audience). ⁸	108,000 3.9%	129,000 4.5%	121,000 4.4%	140,000 4.8%
Indicator: Listeners will connect with Radio New Zealand through time shifted means (number of download requests met).	3.5 million	2.8 million	3.4 million	not available

2012-2013 PERFORMANCE STATUS:

Five of the eight targets were met or exceeded. Targets relating to audience numbers and listener satisfaction in respect of Radio New Zealand Concert were not met. A review of Radio New Zealand Concert programming is to be undertaken during 2013-2014 with a view to increasing the awareness levels and listenership.

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, and schools' 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 Auckland Arts Festival and Nelson Chamber Music Festival;
- partnerships with Te Papa Tongarewa, the Auckland War Memorial Museum, the Royal Society and the Arts Foundation to record panel discussions all round New Zealand
- 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 as audio on demand and via Radio New Zealand podcasts including monthly Podcast Classics, Musical Chairs, Music 101 live sessions;
- Saturday Night with Peter Fry;
- Appointment; and
- Matinee Idle – Public Holidays and Summer Schedule.

6. Source: Radio New Zealand Listener Survey

7. 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.

8. 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.	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)	2010-2011 (ACTUAL)
Indicator: The percentage of Radio New Zealand listeners who agree that Radio New Zealand promotes and supports a sense of national identity. ⁹	85%	81%	85%	80%
Indicator: The percentage of listeners who agree that Radio New Zealand provides a range of programmes which reflect New Zealand's cultural diversity. ⁹	85%	82%	84%	84%
Indicator: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming. ¹⁰	90%	88%	90%	89%
Indicator: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming. ¹⁰	74%	81%	80%	81%

2012-2013 PERFORMANCE STATUS:

Three of the four targets were met or exceeded. A review of Radio New Zealand Concert programming is to be undertaken during 2013-2014 with a view to increasing the awareness levels and listenership.

Programming of 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*;
- *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;
- *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.

9. Source: Radio New Zealand Listener Survey

10. 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 BELONGING TO NEW ZEALAND.

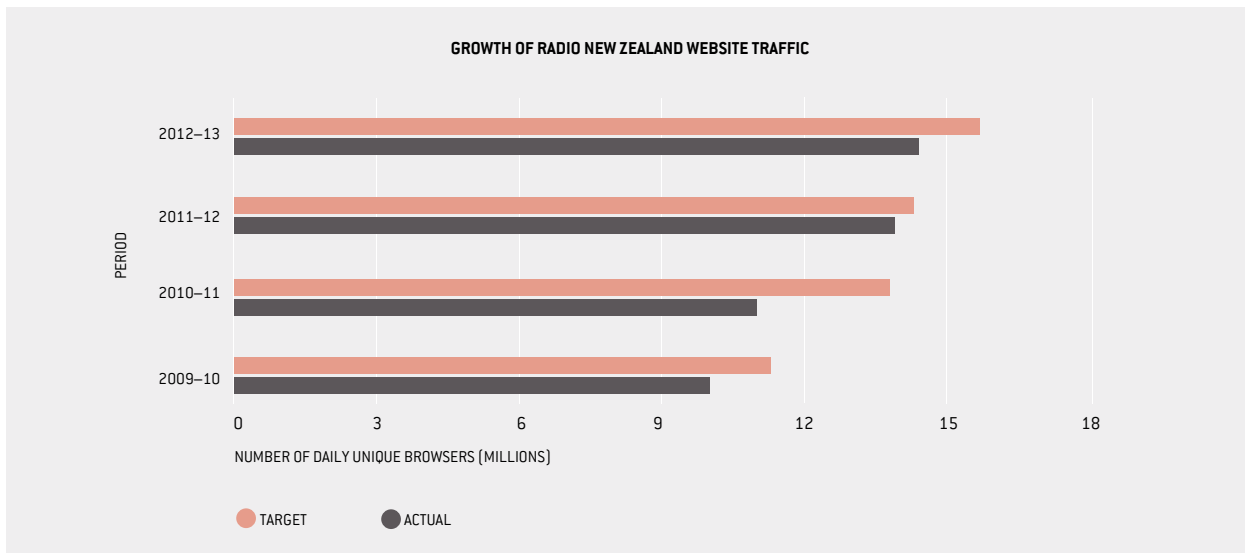
NEW ZEALANDERS WILL ACCESS INFORMATION ABOUT NEW ZEALAND THROUGH THE USE OF DIVERSE DELIVERY PLATFORMS.	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)	2010-2011 (ACTUAL)
Indicator: Listeners will connect with Radio New Zealand National through traditional means (cumulative audience and percentage of available audience). ^{11,12}	491,000 17.5%	406,000 14.2%	464,000 16.8%	507,000 17.4%
Indicator: Listeners will connect with Radio New Zealand Concert through traditional means (cumulative audience and percentage of available audience). ^{11,12}	108,000 3.9%	129,000 4.5%	121,000 4.4%	140,000 4.8%
Indicator: Listeners will connect with Radio New Zealand through time shifted means (number of download requests met).	3.5 million	2.8 million	3.4 million	not available
Indicator: Increased demand to access the website radionz.co.nz	15.7 million	14.4 million	14.3 million	13.8 million
Indicator: Radio New Zealand will provide an online programming library through radionz.co.nz for listeners to access where and when they like. ¹³	150,286 items 22,926 hrs	123,000 items 16,690 hrs	110,000 items 15,500 hrs	75,000 items 10,000 hrs

2012-2013 PERFORMANCE STATUS:

Six of the eight targets were met or exceeded. A review of Radio New Zealand Concert programming is to be undertaken during 2013-2014 with a view to increasing the awareness levels and listenership.

Radio New Zealand launched the following initiatives during 2012-2013:

- self-hosting of the Radio New Zealand website and the launch of the new website design;
- smartphone application for Android devices;
- Radio New Zealand online shop.



During the period Radio New Zealand moved to a system of tracking actual smartphone engagement, rather than raw downloads of our phone applications, to give a better picture of the reach and use of the application. During the reporting period there were on average just over 13,000 smartphone users actively engaging with our services each month.

Radio New Zealand initiated its Youth Online project with the successful recruitment of a project team. In 2012-2013 Colmar Brunton commenced a major research project. Results from their research will feed into the 2013-2014 planning processes to identify the target demographic, shape the branding and marketing strategies and the design of the new Youth Online website.

11. 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.

12. Cumulative live audience forecasts depict the shrinking traditional live radio listening market as audiences move to audio-on-demand time shifted listening.

13. The online programme library excludes features and documentary programming.

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

THE FOLLOWING IMPACT CONTRIBUTED TO THE OVERALL ACHIEVEMENT 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.	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)	2010-2011 (ACTUAL)
Indicator: Sound Archives/Ngā Taonga Kōrero will continue to acquire New Zealand sound heritage to the archives.	328 hrs	1,300 hrs	1,352 hrs	578 hrs ¹⁴
Indicator: Sound Archives/Ngā Taonga Kōrero will continue to preserve New Zealand sound heritage to the archives.	284 hrs	1,600 hrs	220 hrs ¹⁵	1,483 hrs
Indicator: Positive online engagement with sound heritage will be achieved. ¹⁶	63,606	220,000	132,628	218,465
Indicator: The percentage of all New Zealanders whose perception is that Radio New Zealand provides a valuable service for New Zealanders. ¹⁷	77%	78%	78%	79%

2012-2013 PERFORMANCE STATUS:

The day-to-day operations of Sound Archives/Ngā Taonga Kōrero transferred to the New Zealand Film Archive on 1 October 2012. The actual performance is representative of the period 1 July 2012 to 30 September 2012 only and within expected performance levels.

Performance reporting from 1 October 2012 became the responsibility of the New Zealand Film Archive.

While research results indicate some negative variances they are considered minimal and within industry accepted margins of error.

14. This figure represents the July 2010-December 2010 acquisitions hours only and is not indicative of the year-end figure.

15. The preservation programme continued to be severely affected following the Canterbury earthquake in February 2011. Christchurch operations were focussed on the archive recovery programme. Over the 2011-2012 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 extended into 2012-2013.

16. Nielsen NetRatings: calculated from the number of page impressions.

17. 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 will continue to review its human resources systems in 2011-2014 to align policies and processes with Good Employer principles.</p> <p>Radio New Zealand will monitor and report annually on its Equal Employment Opportunity Plan.</p>

2012-2013 PERFORMANCE STATUS:

The annual staff turnover within Radio New Zealand to 30 June was 9.2%. The turnover this year, while 3.4% higher than 2012, has returned to a level similar to June 2011. This level remains acceptable and reflects current turnover trends in the labour market. Radio New Zealand annual staff turnover:

- 30 June 2013 (9.2%);
- 30 June 2012 (5.8%);
- 30 June 2011 (9%);
- 30 June 2010 (6.2%); and
- 30 June 2009 (8.1%).

The Public Sector average turnover for the year to 30 June 2013 was not available at the time of publication. For the period to 30 June 2012 it was 11.4%, compared to Radio New Zealand 5.8%.

The revised salary framework implemented from 1 January 2009 and structured in salary bands has been based on Public Sector median base salaries.

The average base salaries of Radio New Zealand employees continue to lag behind Public Sector median. For the year to 30 June 2012 the lag varied between 7% and 13%, depending on the salary band. The Public Sector median salaries for the year to 30 June 2013 were not available at the time of publication.

The gender pay gap as at 30 June 2013 showed a female lag behind male at the rate of:

- 9.7% for all employees (10.6% in 2012) and
- 6.9% for employees excluding senior management (8.1% in 2012).

The gender pay gap in the Public Service for June 2013 is not available. For the year to 30 June 2012, the Radio New Zealand gender pay gap was 10.6% compared to the Public Service gender pay gap of 13.7%.

Participation in multi-skilling job opportunities was taken up by 4% of Radio New Zealand employees who had undertaken development roles outside of their substantive positions during this year.

A high level of commitment to health and safety has been maintained. Over 9% 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 2013

STAFF NUMBERS

Headcount	296
Full-time equivalent	273.1

LENGTH OF SERVICE

Under 3 years	22%
3 to 10 years	40%
Over 10 years	38%

AGE PROFILE

Under 30 years	11%
30–40 years	21%
40–50 years	29%
Over 50 years	39%

GENDER

Female	51%
Male	49%

ETHNICITY (OF THOSE REPORTED)

Māori	4.5%
NZ European/ Pakeha	61.6%
Pacific	2.9%
Asian	1.6%
Other	13.5%
Unknown	15.6%

Financial Performance

FOR THE YEAR ENDED 30 JUNE 2013

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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 2013.

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 Kōrero Limited, was incorporated in August 1998. The subsidiary's sole director is Radio New Zealand's Chief Executive (Peter Cavanagh). The subsidiary's operations were transferred to the New Zealand Film Archive on 1 October 2012 and funding from NZ On Air ceased on the 30 June 2012. For the quarter before the transfer, funding to run the archives was provided by the Ministry for Culture and Heritage.

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 the 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. Its financial statements are for the year ended 30 June 2013 and were approved by the trustees on the 31 October 2013.

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 ten scheduled occasions this year and one teleconference meeting.

TABLE OF ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2013	BOARD MEETINGS SCHEDULED	BOARD MEETINGS OTHER	AUDIT COMMITTEE
Richard Griffin – Chairman	10	1	4
Josh Easby – Deputy Chairman	10	1	4
Gary Monk – Audit Committee Chairman	10	1	4
Rt Hon. Paul East QC CNZM	10	1	4
Tiwana Tibble	10	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 2013

Pursuant to the Crown Entities Act 2004, the Board and management of Radio New Zealand Limited accept 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 2013 fairly reflect the financial position and operations of Radio New Zealand Limited.

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



RICHARD GRIFFIN
Chairman
31 October 2013



GARY MONK
Audit Committee Chairman and Board Member
31 October 2013



PETER CAVANAGH
Chief Executive and Editor in Chief
31 October 2013

To the readers of Radio New Zealand Limited and group's financial statements and non-financial performance information for the year ended 30 June 2013

The Auditor-General is the auditor of Radio New Zealand Limited (the company) and group. The Auditor-General has appointed me, J.R. Smaill, 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 2013, 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 61 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 2013; 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 61:
 - 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 2013, 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 2013. 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, in our judgement, are likely to influence readers' 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. Also we did not evaluate the security and controls over the electronic publication 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 is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

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 External Reporting Board.

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

Statement Specifying Financial Performance

FOR THE YEAR ENDED 30 JUNE 2013

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 2012-2013 Statement of Intent.

	BUDGET \$000	ACHIEVEMENT \$000
INCOME	39,844	38,673
EXPENDITURE	39,744	38,668
OPERATING SURPLUS/ (DEFICIT) BEFORE TAXATION	100	5
INCOME TAX EXPENSE/ (BENEFIT)	0	(45)
NET SURPLUS/ (DEFICIT) AFTER TAXATION	100	50
EQUITY	49,659	49,370
WORKING CAPITAL RATIO (Current assets as percentage of current liabilities)	127%	163%
RATIO OF EQUITY TO TOTAL ASSETS (Equity as percentage of total assets)	86%	82%

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 \$5,000 compared to a budget surplus before tax of \$100,000.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	GROUP BUDGET 2013 \$000	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Government funding and fees	2	35,894	35,294	35,645	35,080	34,980
Interest income		350	409	369	409	369
Other income	3	3,600	2,970	3,327	3,222	4,068
Total income		39,844	38,673	39,341	38,711	39,417
Personnel expenses		22,550	22,322	22,591	22,322	22,591
Operating expenses	4	13,859	13,645	13,562	13,642	13,914
Depreciation & amortisation expense	5	3,300	2,652	2,977	2,652	2,977
Financing costs		35	49	46	49	46
Total expenditure		39,744	38,668	39,176	38,665	39,528
Net operating surplus/ (deficit) before Income tax expense/ (benefit)	6	100	5	165	46	(111)
		0	(45)	54	(45)	54
Net surplus/(deficit) after taxation		100	50	111	91	(165)
OTHER COMPREHENSIVE INCOME						
Revaluation of property, plant and equipment on disposal		0	0	0	0	0
Tax on revaluation		0	0	0	0	0
Total other comprehensive income		0	0	0	0	0
Total comprehensive income		100	50	111	91	(165)

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

Statement of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	GROUP BUDGET 2013 \$000	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Balance at 1 July		49,559	49,320	49,209	48,494	48,659
Surplus/(deficit)		100	50	111	91	(165)
Other comprehensive income		0	0	0	0	0
		100	50	111	91	(165)
Write down revaluation on sale of asset		0	0	(1,730)	0	(1,730)
Transfer revaluation on sale to retained earnings		0	0	1,730	0	1,730
Balance at 30 June		49,659	49,370	49,320	48,585	48,494

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

Statement of Financial Position

AS AT 30 JUNE 2013

	NOTE	GROUP BUDGET 2013 \$000	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
EQUITY						
Share capital	17	16,692	16,692	16,692	16,692	16,692
Revaluation reserve	17	26,232	26,232	26,232	25,432	25,432
Retained earnings	17	6,735	6,446	6,396	6,461	6,370
Total equity		49,659	49,370	49,320	48,585	48,494
CURRENT LIABILITIES						
Creditors & other payables	12	1,674	2,255	2,057	2,247	1,965
Provisions	15	0	0	150	0	150
Employee entitlements	13	1,485	2,291	2,291	2,291	2,291
Provision for tax		0	0	0	0	0
Revenue received in advance		0	5	56	5	56
Preference shares	16	4,120	4,120	4,120	4,120	4,120
Total current liabilities		7,279	8,671	8,674	8,663	8,582
NON-CURRENT LIABILITIES						
Employee entitlements	13	50	80	78	80	78
Deferred tax	6	0	1,188	1,233	1,188	1,233
Revenue received in advance		0	6	10	6	10
Provisions	15	942	961	892	961	892
Total non-current liabilities		992	2,235	2,213	2,235	2,213
Total liabilities and equity		57,930	60,276	60,207	59,483	59,289
CURRENT ASSETS						
Cash & cash equivalents	7	3,391	7,354	7,407	7,330	7,290
Investments	8	5,000	6,000	5,000	6,000	5,000
Debtors	9	650	241	210	236	209
Provision for tax		0	0	0	0	0
Other receivables		200	524	257	560	257
Total current assets		9,241	14,119	12,874	14,126	12,756
NON-CURRENT ASSETS						
Intangibles	10	841	435	456	435	456
Property, plant and equipment	11	47,848	45,722	46,877	44,922	46,077
Total non-current assets		48,689	46,157	47,333	45,357	46,533
Total Assets		57,930	60,276	60,207	59,483	59,289

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

For and on behalf of the Board



RICHARD GRIFFIN
Chairman

31 October 2013



GARY MONK
Audit Committee Chairman and Board Member

31 October 2013

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	GROUP BUDGET 2013 \$000	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from:						
Receipts from customers		3,600	2,888	4,873	3,133	4,647
Government funding & fees		35,894	35,294	35,645	35,080	34,980
Interest earned		350	409	369	409	369
		39,844	38,591	40,887	38,622	39,996
Cash was applied to:						
Payments to employees		22,550	22,320	22,364	22,320	22,364
Payments to suppliers		14,762	13,780	14,379	13,718	13,525
GST (net)		100	64	105	64	105
		37,412	36,164	36,848	36,102	35,994
Net cash inflow/(outflow) from operating activities	18	2,432	2,427	4,039	2,520	4,002
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from:						
Proceeds from sale of fixed assets		0	38	2,516	38	2,516
		0	38	2,516	38	2,516
Cash was applied to:						
Acquisition of term investments		0	1,000	3,000	1,000	3,000
Purchases of intangible assets		250	145	167	145	167
Purchase of property, plant & equipment		4,250	1,373	1,816	1,373	1,816
		4,500	2,518	4,983	2,518	4,983
Net cash inflow/(outflow) from investing activities		(4,500)	(2,480)	(2,467)	(2,480)	(2,467)
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		(2,068)	(53)	1,572	40	1,535
Add opening bank balance at 1 July		5,459	7,407	5,835	7,290	5,755
Cash & cash equivalents year end	7	3,391	7,354	7,407	7,330	7,290
Comprising:						
Cash & cash equivalents		3,391	7,354	7,407	7,330	7,290
Closing cash & cash equivalents		3,391	7,354	7,407	7,330	7,290

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 2013

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 (SANTK) 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 2013, and were approved by the Board on 31 October 2013.

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 significant changes in accounting policies during the year. There was a minor change to the economic life of software which was changed from 3-5 years to 2-5 years.

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 in 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 through 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 statements.

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 NZ IFRS 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 2012-2013 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.

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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 3 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	2 to 5 years
Capital contributions	Term of contract
Make good lease commitments	Term of lease

Impairment of property, plant, and equipment and intangible assets

Property, plant, and 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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 impairment loss is recognised in other comprehensive income to the extent impairment loss does not exceed 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 an outflow of future economic benefits 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. Cash Flow Statement

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

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

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

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

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, and consequently no exchange gain or loss is recognised. Radio New Zealand also enters into foreign exchange contracts (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.

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 \$49,097 in finance costs in relation to the future valuing of its make good provisions of its three leased premises.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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 made one change to a past assumption concerning useful lives and residual values. Software, an intangible asset has had its useful life dropped to a minimum of two years, so the life of the asset is now between 2-5 years (it was previously 3-5 years). There are no other changes from previous years.

2 GOVERNMENT FUNDING & FEES

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
NZ On Air	31,849	32,481	31,845	31,816
Ministry for Culture & Heritage	2,110	1,900	1,900	1,900
Parliamentary Services	1,249	1,178	1,249	1,178
Freeview	86	86	86	86
	35,294	35,645	35,080	34,980

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 (2012:0).

3 OTHER INCOME

Rental income from property leases	704	680	704	680
Net gain sale property, plant and equipment	0	553	0	553
Other-co-siting, transmission, sundry	2,266	2,094	2,518	2,835
Total other income	2,970	3,327	3,222	4,068

4 OPERATING EXPENSES

Audit fees	113	78	102	78
Directors' fees	189	184	189	184
Donations	0	25	0	25
Operating lease expenses	1,326	1,467	1,326	1,467
Property	994	855	994	855
Travel	564	568	562	568
Transmission	4,258	4,011	4,258	4,011
Programming	3,261	2,895	3,261	2,895
Advertising & publicity	355	364	355	364
Insurance	358	262	358	262
Impairment financial assets	(2)	6	(2)	285
Impairment property, plant, equipment	110	538	110	538
Loss on sale property, plant, equipment	0	8	0	8
Legal expenses	373	427	373	427
Consultancy fees	217	232	217	232
Other	1,529	1,642	1,539	1,715
	13,645	13,562	13,642	13,914

5 DEPRECIATION & AMORTISATION

Depreciation	2,492	2,787	2,492	2,787
Amortisation	160	190	160	190
	2,652	2,977	2,652	2,977

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

6 TAXATION

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Relationship between tax and accounting profit				
Net surplus/ (deficit) before tax	5	165	46	(111)
Tax @ 28%	1	47	13	(31)
Plus/(less) the tax effect of:				
Non-deductible expenditure	9	40	9	118
Unrecognised temporary differences	0	0	0	0
Non-taxable income	(8)	(242)	(8)	(242)
Prior year adjustment	(79)	17	(79)	17
Unrecognised tax losses	12	0	0	0
Deferred tax adjustment	20	192	20	192
Tax expense	(45)	54	(45)	54
Components of tax expense				
Current tax expense	0	0	0	0
Deferred tax	(45)	54	(45)	54
	(45)	54	(45)	54
	PPE \$000	OTHER PROVISIONS \$000	TAX LOSSES \$000	TOTAL \$000
DEFERRED TAX ASSET/(LIABILITY)				
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)
Balance at 1 July 2012	(2,094)	692	169	(1,233)
Charged to income	84	106	(145)	45
Charged to comprehensive income	0	0	0	0
Balance at 30 June 2013	(2,010)	798	24	(1,188)
	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Imputation Credit Account				
Balance at 30 June	1,373	1,369	1,369	1,368
Imputation credits are available to be used in subsequent periods				

7 CASH & CASH EQUIVALENTS

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Cash & call deposits	7,354	7,407	7,330	7,290
The carrying value of call deposits are at fair value.				

8 INVESTMENTS

Term deposits	6,000	5,000	6,000	5,000
Current	6,000	5,000	6,000	5,000
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. Value is nil.

Sound Archives/Ngā Taonga Kōrero Limited is a 100% owned subsidiary; capital is unpaid. Value is \$800,000.

9 DEBTORS

Debtors	259	230	254	229
Provision for impairment	(18)	(20)	(18)	(20)
	241	210	236	209

The carrying value of receivables approximate their fair value.

As at 30 June 2013, all overdue receivables have been assessed for impairment and appropriate provision applied as follows:

	GROSS 2013 \$000	IMPAIRMENT 2013 \$000	NET 2013 \$000	GROSS 2012 \$000	IMPAIRMENT 2012 \$000	NET 2012 \$000
Not past due	189	0	189	186	0	186
Past due 1-30 days	44	0	44	23	0	23
Past due 31-60 days	5	0	5	1	0	1
Past due 61-90 days	3	0	3	6	0	6
Past due > 91 days	18	(18)	0	14	(20)	(6)
	259	(18)	241	230	(20)	210

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 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Balance at 1 July	20	13	20	13
Provisions made during the year	0	8	0	8
Receivables written off during the year	(2)	(1)	(2)	(1)
Balance at 30 June	18	20	18	20

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

10 INTANGIBLE ASSETS

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Software	428	443	428	443
Other ¹⁸	7	13	7	13
	435	456	435	456

Movements for each class of intangible asset are as follows:

	SOFTWARE 2013 \$000	SOFTWARE 2012 \$000	OTHER 2013 \$000	OTHER 2012 \$000
Cost				
Balance at 1 July 2012	3,314	3,458	1,599	1,599
Additions	145	167	0	0
Disposals	(8)	(311)	0	0
Balance at 30 June 2013	3,451	3,314	1,599	1,599
Accumulated amortisation				
Balance at 1 July 2012	2,871	3,040	1,586	1,537
Amortisation expense	155	142	6	49
Disposals/impairment losses	(3)	(311)	0	0
Balance at 30 June 2013	3,023	2,871	1,592	1,586
Carrying amounts as at June 2013	428	443	7	13

All intangible assets are owned by the parent.

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

18. 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 three lease premises in Wellington, Christchurch 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 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
Balance 1 July 2012	27,888	7,233	5,505	24,970	3,833	5,714	4,271	79,414
Additions	0	0	83	439	0	666	397	1,585
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	0	0	(93)	(59)	0	(69)	(34)	(255)
Adjustments	0	0	0	0	0	0	0	0
Work in progress transfer	0	92	25	(24)	117	(151)	(204)	(145)
Balance 30 June 2013	27,888	7,325	5,520	25,326	3,950	6,160	4,430	80,599
ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES								
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
Balance 1 July 2012	0	641	5,132	17,375	1,612	4,264	3,513	32,537
Depreciation expense	0	601	126	863	241	449	212	2,492
Eliminate on disposal	0	0	(42)	(16)	0	(67)	(27)	(152)
Adjustments	0	0	0	0	0	0	0	0
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
Balance 30 June 2013	0	1,242	5,216	18,222	1,853	4,646	3,698	34,877
Carrying amounts								
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
At 30 June 2013	27,888	6,083	304	7,104	2,097	1,514	732	45,722

The total amount of property, plant and equipment in the course of construction is \$591,000 (2012: \$1,065,000)

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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 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
Balance 1 July 2012	27,888	7,233	5,505	24,970	3,033	5,714	4,271	78,614
Additions	0	0	83	439	0	666	397	1,585
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	0	0	(93)	(59)	0	(69)	(34)	(255)
Adjustments	0	0	0	0	0	0	0	0
Work in progress transfer	0	92	25	(24)	117	(151)	(204)	(145)
Balance 30 June 2013	27,888	7,325	5,520	25,326	3,150	6,160	4,430	79,799
ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES								
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
Balance 1 July 2012	0	641	5,132	17,375	1,612	4,264	3,513	32,537
Depreciation expense	0	601	126	863	241	449	212	2,492
Eliminate on disposal	0	0	(42)	(16)	0	(67)	(27)	(152)
Adjustments	0	0	0	0	0	0	0	0
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
Balance 30 June 2013	0	1,242	5,216	18,222	1,853	4,646	3,698	34,877
Carrying amounts								
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
At 30 June 2013	27,888	6,083	304	7,104	1,297	1,514	732	44,922

The total amount of property, plant and equipment in the course of construction is \$591,000 (2012: \$1,065,000)

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 2013 and as no impairment was assessed has been left unchanged from last valuation effective 30 June 2012.

Depreciation has not been charged on the archival assets collection in 2012-2013.

12 CREDITORS AND OTHER PAYABLES

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Creditors	1,603	1,385	1,601	1,293
Accrued expenses	652	672	646	672
	2,255	2,057	2,247	1,965

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	2,291	2,291	2,291
Non-current long service leave	80	78	80	78
	2,371	2,369	2,371	2,369

This is represented by:

Annual leave	1,710	1,684	1,710	1,684
Other & accrued salaries	581	594	581	594
Long service leave	80	91	80	91
	2,371	2,369	2,371	2,369

The present value of long service leave obligations depends 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 3.8% (2012: 3.6%) 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 leave would be an estimated \$4,330 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 \$4,350 higher/lower.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

14 BANK LOAN

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$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 not used during the year. Last year a delay in NZOA funding caused an overnight overdraft on 29 February 2012.

Radio New Zealand has an overdraft facility of \$250,000.

Radio New Zealand has a credit card facility to the value of \$400,000.

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

15 PROVISIONS

Represented by:

Current – cabling	0	150	0	150
Non-current – lease make good/other	961	892	961	892

Associated with the 2012 sale of portion of the Henderson transmission site there is a requirement to relocate cabling and an earth mat.

An Employment Court ruling has required Radio New Zealand to place \$3,000 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 \$958,129 (2012: \$889,049).

MOVEMENTS FOR PROVISIONS:	LEASE MAKE- GOOD & OTHER
Balance at 1 July 2011	966
Reverse Radio New Zealand Christchurch	(120)
Movements – financing costs	46
Balance at 30 June 2012	892
Balance at 1 July 2012	892
Movements – financing costs	49
Make good	20
Balance at 30 June 2013	961

16 REDEEMABLE PREFERENCE SHARES

Preference shares on issue at 30 June 2013 were reclassified from equity in 2007 to liabilities in 2008.

They are classified as a current liability as they are legally redeemable on 30 days notice.

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 and 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 5-year Benchmark Bond rate plus 1%.
 - (ii) All dividends shall be payable by equal half-yearly installments 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 2012-2013 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 2012-2013 income year.

17 EQUITY

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$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	26,232	27,962	25,432	27,162
Revaluation land	0	(1,730)	0	(1,730)
Revaluation buildings	0	0	0	0
Revaluation buildings-tax depreciation	0	0	0	0
Balance as 30 June	26,232	26,232	25,432	25,432
At the end of the year ending 30 June 2011 Radio New Zealand revalued its owned land and building throughout New Zealand to current market value. The independent valuation was preformed by Darrochs, registered public valuers.				
RETAINED EARNINGS				
Balance at 1 July	6,396	4,555	6,370	4,805
Net surplus/ (deficit)	50	111	91	(165)
Other comprehensive income	0	0	0	0
Revaluation land	0	1,730	0	1,730
Balance at 30 June	6,446	6,396	6,461	6,370

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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

For the year ended 30 June 2013

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Net surplus/ (deficit) before taxation	5	165	46	(111)
Add/(less) non-cash items:				
Depreciation & amortised expenses	2,652	2,977	2,652	2,977
Bad debts written off	0	1	0	1
Change in provision for impaired debts	(2)	20	(2)	20
Impaired property, plant and equipment	110	546	110	546
Financing costs – make good provision	49	46	49	46
Donated assets income	(28)	(40)	(28)	(40)
Capitalised labour	(36)	(25)	(36)	(25)
Non-current – long service leave movement	(2)	(8)	(2)	(8)
Other	18	24	18	24
Total non-cash items	2,761	3,541	2,761	3,541
Add/(less) items classified as investing activities:				
Net (gain)/loss on sale of fixed assets	(38)	(553)	(38)	(553)
Add/(less) movements in working capital items:				
Decrease/(increase) in receivables	(31)	103	(27)	93
Decrease/(increase) in prepayments/other receivables	(267)	191	(303)	191
Decrease/(increase) in intangibles	0	0	0	0
Increase/(decrease) in creditors/accruals	198	194	282	443
Increase/(decrease) in provisions	(150)	150	(150)	150
Increase/(decrease) in current employee entitlements	0	219	0	219
Increase/(decrease) in provision for tax	0	0	0	0
Increase/(decrease) in revenue received in advance	(51)	29	(51)	29
Working capital movement – net	(301)	886	(249)	1,125
Net cash flow from operating activities	2,427	4,039	2,520	4,002

19 COMMITMENTS

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Capital commitments	38	80	38	80
Non-cancellable operating lease commitments:				
– not later than one year	1,220	1,595	1,220	1,595
– later than one year and less than five years	534	1,618	534	1,618
– later than five years	55	58	55	58
	1,809	3,271	1,809	3,271
Radio New Zealand leases properties in Wellington, Christchurch, Dunedin and in a number of regional areas of New Zealand. The main leases expire between 2014 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	4,560	4,105	4,560	4,105
– later than one year and less than five years	6,815	6,862	6,815	6,862
– later than five years	0	1,010	0	1,010
	11,375	11,977	11,375	11,977
Total non-cancellable commitments	13,184	15,248	13,184	15,248

20 CONTINGENT LIABILITIES

Legal proceedings and disputes	610	610	610	610
--------------------------------	-----	-----	-----	-----

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.

21 CONTINGENT ASSETS

There are no quantifiable contingent assets (2012: 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 2013

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 (2012: \$31.816 million) from NZ On Air for the year ended 30 June 2013. 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.

In a separate agreement \$209,000 funding was received by Sound Archives/Ngā Taonga Kōrero Limited (a subsidiary of Radio New Zealand Limited) from the Ministry for Culture and Heritage for sound archiving services for the year ended 30 June 2013 (2012: \$665,000 from NZOA).

Radio New Zealand International, a division of Radio New Zealand Limited, received funding of \$1.90 million (2012: \$1.90 million) from the Ministry for Culture and Heritage for the year ended 30 June 2013.

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 2013 totalled \$3.13 million (2012: \$3.09 million). These purchases include the purchase of electricity from Genesis, broadcast frequency rights from the Ministry of Economic Development, technical services from Kordia, and the Broadcasting Standards Authority fees.

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. This operated for the first quarter of 2012-2013 only. An amount of \$276,483 has been transacted, for the period 1 July 2012 to 30 September 2013 (2012: \$884,238 for the full year). An amount of \$3,007 was transacted between Radio New Zealand and the Radio NZ Concert Charitable Trust during the year.

D. KEY MANAGEMENT AND DIRECTORS

There are no 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 (2012: \$37,487).

Two Board members (Richard Griffin and Josh Easby) are trustees of the Radio New Zealand Concert Charitable Trust.

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

E. KEY MANAGEMENT PERSONNEL COMPENSATION

	GROUP ACTUAL 2013 \$000	GROUP ACTUAL 2012 \$000	PARENT ACTUAL 2013 \$000	PARENT ACTUAL 2012 \$000
Salaries & employee benefits	1,928	2,095	1,928	2,095
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 seven Board members, the Chief Executive, ten members of the senior management group and two other senior managers.

F. EMPLOYEE REMUNERATION

Details of the remuneration range for employees whose remuneration is over \$100,000 for the year ended 30 June 2013 are:

REMUNERATION RANGES FOR EMPLOYEES	NUMBER OF EMPLOYEES	
	2013	2012
\$100,000 – 109,999	4	6
\$110,000 – 119,999	8	7
\$120,000 – 129,999	5	4
\$130,000 – 139,999	2	2
\$140,000 – 149,999	2	1
\$170,000 – 179,999	0	1
\$180,000 – 189,999	1	1
\$190,000 – 199,999	1	0
\$340,000 – 349,999	1	1
Total number of employees in these ranges	24	23

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

During the year ended 30 June 2013, there were no compensation payments in relation to cessation of employment (2012:\$0) and no redundancy payments (2012:\$0).

23 BOARD MEMBER 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 (2012:0).

	2013 \$	2012 \$
Richard Griffin – Chairman	42,500	42,500
Josh Easby – Deputy Chairman	31,000	26,000
Gary Monk – Chairman Audit Committee	29,500	29,500
Rt Hon. Paul East QC CNZM	21,500	21,500
Tiwana Tibble	21,500	21,500
Sheena Henderson	21,500	21,500
Jane Taylor	21,500	21,500
	189,000	184,000

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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 2013.

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's policy is to manage foreign currency risks arising from contractual commitments and liabilities by entering into foreign exchange forward contracts. Radio New Zealand purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies. As at 30 June 2013 Radio New Zealand had no 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.

F. 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:

	2013 \$000	2012 \$000
Counterparties with credit ratings		
Cash at bank and term deposits	13,354	12,407

AA rating

G. 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 2012-2013.

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
2012					
Creditors and other payables	2,057	2,057	2,057	0	0
2013					
Creditors and other payables	2,255	2,255	2,255	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

The Chief Executive/Editor in Chief completes his second term in July 2013 earlier than his scheduled completion date in December 2013.

The new Chief Executive/Editor in Chief, Mr. Paul Thompson, starts his tenure in September 2013.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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

The operations of Sound Archives/Ngā Taonga Kōrero Limited were transferred to the New Zealand Film Archive on the 1 October 2012 so funding from Government for the archives was less than provided for in the budget for the full year.

Higher cash balances on call deposit and term deposits have resulted in interest income being \$59,000 over budget. Largely an under spend in capital expenditure, significantly the Christchurch property/building investment, which hadn't started to date allowed cash investments to carry on.

Other sundry income includes transmission revenue, technical consultancy fees, property rentals (commercial rentals Radio New Zealand House, Hobson St, Auckland) and miscellaneous income such as insurance claim payouts. This category of income was 17% under budget and did not include an insurance claim receipt of \$500,000 which wasn't finalised at balance date.

B. STATEMENT OF FINANCIAL POSITION

Deferred tax arising largely from income tax changes to buildings was anticipated to reverse equity/retained earnings in the current year, but did not occur.

Deferred tax was not provided for in the budget. The subsequent approved policy allowing for this change applied to private entities only and not to public entities such as Radio New Zealand.

Non-current property, plant and equipment is lower than budget largely due to Christchurch investment project not starting. Consequently cash, bank and term deposits were all higher than budget.

C. CASH FLOW STATEMENT

Receipts from government grants and fees were down on budget due to the transfer of the archives to New Zealand Film Archive at the end of the first quarter where a full year's funding was budgeted. In conjunction operating expenditure also dropped and also with many cost saving measures in place, operating cash outflows were less than budget. Overall actual operating cash flow was on budget.

Purchases of intangible assets and property, plant and equipment of \$1,583,000 was under budget compared to a budget of \$4,500,000. Budget included the investment in land and building in Christchurch which hadn't started.

As a result of increased cash surpluses during the year, aided by the delayed capital expenditure, an additional \$1,000,000 was placed on term deposit with the company's bank, Westpac, compared to budget.

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2013

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Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2013

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 2013.

	RADIO NEW ZEALAND NATIONAL 2013 \$000	RADIO NEW ZEALAND CONCERT 2013 \$000	RADIO NEW ZEALAND INTERNATIONAL 2013 \$000	SOUND ARCHIVES/ NGĀ TAONGA KŌRERO 2013 \$000	TOTAL 2013 \$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	0	5	5
Radio New Zealand funding	0	0	243	0	243
Freeview	43	43	0	0	86
Ministry for Culture and Heritage funding	0	0	1,900	209	2,109
Other revenue	3,764	438	182	30	4,414
Total income	30,938	5,166	2,325	244	38,673
EXPENDITURE					
Operating costs	30,749	5,200	2,434	276	38,659
Total expenditure					
NET SURPLUS/(DEFICIT)	189	(34)	(109)	(32)	14¹⁹

19. The financial result of the Radio New Zealand Concert Charitable Trust of \$9,710 deficit has been excluded as it is not a Radio New Zealand output.

Output: Radio New Zealand National

FOR THE YEAR ENDED 30 JUNE 2013

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	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Radio New Zealand National cost per broadcast hour. ²⁰	\$3,510	\$3,575	\$3,533
Indicator: Radio New Zealand National operating costs per head: live audience.	\$62.63	\$77.14	\$66.88
Indicator: Radio New Zealand National and Concert operating costs per download request met.	\$10.27	\$13.36	\$10.60
Indicator: Radio New Zealand National – number of complaints upheld against any one category by the Broadcasting Standards Authority.	1 ²¹	< 3	nil
Indicator: The percentage of Radio New Zealand National listeners who are satisfied or very satisfied with Radio New Zealand National programming.	90%	88%	90%
Indicator: The percentage of New Zealanders who are aware of Radio New Zealand National.	71%	73%	70%

FIVE OF THE SIX TARGETS WERE ACHIEVED

While there was a decrease in New Zealanders' awareness of Radio New Zealand National, the variance is minimal and within industry accepted margins of error.

20. Calculated from the product of total expenditure and the number of broadcast hours during the reporting period, 2012 being a leap year.

21. Upheld in part by the Broadcasting Standards Authority

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 ²²	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
A Programming that is predominantly and distinctively of New Zealand.	92%	92%	92%
B Programming that informs, entertains and enlightens the people of New Zealand.	96%	96%	96%
C Programming that is challenging, innovative and engaging.	98%	97%	97%
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.	87%	87%	86%
F Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance.	12%	10%	12%
G Programming that reflects New Zealand's cultural identity, including Māori language and culture.	92%	92%	92%
H Programming that provides awareness of the world and of New Zealand's place in it.	75%	74%	72%
I Programming that provides comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs.	46%	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.	85%	86%	84%

ALL TARGETS HAVE BEEN ACHIEVED WITHIN ACCEPTED TOLERANCES.

22. 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.

ACCESSIBILITY²³ AND AVAILABILITY²⁴:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Radio New Zealand National (cumulative audience).	491,000	406,000	464,000
Indicator: Radio New Zealand number of download requests met.	3.5 million	2.8 million	3.4 million
Indicator: AM Network coverage: Radio New Zealand National.	94%	94%	94%
Indicator: FM Network coverage: Radio New Zealand National.	90%	90%	90%
Indicator: Sky (Satellite) coverage.	100%	100%	100%
Indicator: Freeview (Satellite) coverage.	100%	100%	100%
Indicator: AM and FM Network availability – Radio New Zealand National.	99.99%	99.90%	99.99%
	(population weighted)		(population weighted)
ALL TARGETS HAVE BEEN ACHIEVED			

COST OF OUTPUT FINANCIAL PERFORMANCE:

MEASURES (\$000)	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Revenue	\$30,938	\$31,417	\$30,994
Expenditure	\$30,749	\$31,317	\$31,008
Net surplus/(deficit)	\$189	\$100	(\$14)

ALL TARGETS HAVE BEEN ACHIEVED

Variances between forecast and actual revenue and expenditure are less than 2% and not considered significant.

23. Coverage is measured in terms of percentage of the total resident New Zealand population able to receive the network signal.

24. Other than time lost for planned maintenance.

Output: Radio New Zealand Concert

FOR THE YEAR ENDED 30 JUNE 2013

Radio New Zealand Concert brings fine music in stereo to 100% of New Zealanders, through a network of FM transmitters and digital satellite. The best in musical, dramatic and performing arts from New Zealand and around the world 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. Radio New Zealand Concert is committed to recording and broadcasting the best of New Zealand music and music-making to all New Zealanders and online listeners from around the world.

QUALITY AND VALUE:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Radio New Zealand Concert cost per broadcast hour.	\$594	\$580	\$565
Indicator: Radio New Zealand Concert operating costs per head: live audience.	\$48.15	\$39.42	\$41.00
Indicator: Radio New Zealand National and Concert operating costs per download request met.	\$10.27	\$13.36	\$10.60
Indicator: Radio New Zealand Concert – number of complaints upheld against any one category by the Broadcasting Standards Authority.	nil	< 3	nil
Indicator: The percentage of Radio New Zealand Concert listeners who are satisfied or very satisfied with Radio New Zealand Concert programming.	74%	81%	80%
Indicator: The percentage of New Zealanders who are aware of Radio New Zealand Concert.	54%	57%	57%

TWO OF THE SIX TARGETS WERE ACHIEVED

A review of Radio New Zealand Concert programming is to be undertaken during 2013-2014 with a view to increasing the awareness levels and listenership.

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 ²⁵	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
A Programming that is predominantly and distinctively of New Zealand.	17%	14%	17%
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		
E Programming that stimulates, supports and reflects the diversity of cultural expression including drama, comedy, literature and the performing arts.	96%	97%	97%
F Programming that stimulates, supports and reflects a wide range of music, including New Zealand composition and performance.	96%	97%	97%
G Programming that reflects New Zealand's cultural identity, including Māori language and culture.	17%	14%	17%
H Programming that provides awareness of the world and of New Zealand's place in it.	10%	4%	9%
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.	9%	8%	10%
K Programming that contributes towards intellectual and spiritual development.	100%	100%	100%

ALL TARGETS HAVE BEEN ACHIEVED WITHIN ACCEPTED TOLERANCES.

ACCESSIBILITY²⁶ AND AVAILABILITY²⁷:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Radio New Zealand Concert (cumulative audience) ²⁸	108,000	129,000	121,000
Indicator: Radio New Zealand number of download requests met.	3.5 million	2.8 million	3.4 million
Indicator: FM Network coverage: Radio New Zealand Concert	92%	92%	92%
Indicator: Sky (Satellite) coverage	100%	100%	100%
Indicator: Freeview (Satellite) coverage	100%	100%	100%
Indicator: FM Network availability – Radio New Zealand Concert	99.99%	99.90%	99.99%
	(population weighted)		(population weighted)

FIVE OF THE SIX TARGETS WERE ACHIEVED

A review of Radio New Zealand Concert programming is to be undertaken during 2013-2014 with a view to increasing the awareness levels and listenership.

COST OF OUTPUT FINANCIAL PERFORMANCE:

MEASURES (\$000)	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Revenue	\$5,166	\$5,085	\$5,179
Expenditure	\$5,200	\$5,085	\$4,961
Net surplus/(deficit)	(\$34)	\$0	\$218

ALL TARGETS HAVE BEEN ACHIEVED

Variances between forecast and actual revenue and expenditure are less than 3% and not considered significant.

26. Coverage is measured in terms of percentage of the total resident New Zealand population able to receive the network signal.

27. Other than time lost for planned maintenance.

28. Cumulative live audience forecasts depict the shrinking traditional live radio listening market.

Output: Radio New Zealand International

FOR THE YEAR ENDED 30 JUNE 2013

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

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

QUALITY AND VALUE:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Radio New Zealand International cost per broadcast hour.	\$277.91	\$261.00	\$264.34
Indicator: Primary coverage areas of the Pacific region will have access to good quality reception (average hours available per day). ^{29,30}	16 hrs	16 hrs	16 hrs
Indicator: Secondary coverage areas of the Pacific region will have access to good quality reception (average hours available per day).	8 hrs	8 hrs	8 hrs
Indicator: General coverage areas of the Pacific region will have access to good quality reception (average hours available per day).	4 hrs	4 hrs	4 hrs

THREE OF THE FOUR TARGETS WERE ACHIEVED

The increased cost per broadcast hour arose as a result of increased operating expenditure; the cost of output financial performance following provides a detailed explanation.

PROGRAMMING:

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

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Approximate number of hours of original programming.	2,385 hrs	2,365 hrs	2,442 hrs
Indicator: Approximate number of hours of Radio New Zealand National rebroadcasts.	6,375 hrs	6,395 hrs	6,342 hrs
Indicator: Number of morning sessions broadcast. ³¹	306	305	307
Indicator: Number of afternoon and evening sessions broadcast.	239	238	240

THREE OF THE FOUR TARGETS WERE ACHIEVED

The decrease in the hours of rebroadcast programming was the result of increased original programming.

29. See page 11 of the Statement of Service Performance for an explanation of coverage.

30. Good quality reception describes the level of the reception that allows Pacific radio stations to rebroadcast Radio New Zealand International.

31. The forecasts for 2012-2013 are the minimum number of sessions that would be broadcast, however numbers can vary slightly depending on which day of the week a statutory holiday may fall.

ACCESSIBILITY AND AVAILABILITY:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: 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		
Indicator: Secondary coverage of Radio New Zealand International transmissions.	Solomon Islands, Papua New Guinea, Nauru and Kiribati		
Indicator: General coverage of Radio New Zealand International transmissions.	Asia/Pacific and Pacific rim including: Federated States of Micronesia, Marshall Islands and Palau		
Indicator: Radio New Zealand International Analogue and Digital Shortwave Network availability.	99.8%	99.00%	99.8%
Indicator: Increased demand to access Radio New Zealand International rnzi.com ³²	1.6 million	1.7 million	not previously measured
Indicator: Website availability rnzi.com ³³	99.99%	99.90%	99.99%

FIVE OF THE SIX TARGETS WERE ACHIEVED

This is the first year website traffic has been included as a performance measure and it was difficult to forecast the performance as access to internet services can be expensive and unreliable for many islands in the Pacific region.

COST OF OUTPUT FINANCIAL PERFORMANCE:

MEASURES (\$'000)	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Revenue	\$2,325	\$2,282	\$2,287
Expenditure	\$2,434	\$2,282	\$2,323
Net surplus/(deficit)	(\$109)	\$0	(\$36)

TARGETS WERE NOT ACHIEVED

The operating deficit arose as a result of an urgent need for transmitter repairs and maintenance including purchase of costly spare parts.

32. Page impressions.

33. Other than time lost for planned maintenance.

Output: Sound Archives/Ngā Taonga Kōrero

FOR THE YEAR ENDED 30 JUNE 2013

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

QUALITY AND VALUE:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Total Sound Archives operating costs per acquisition and preservation hour.	\$451	\$348	not available ³⁴

THE TARGET WAS NOT ACHIEVED

The day-to-day operations of Sound Archives/Ngā Taonga Kōrero transferred to the New Zealand Film Archive on 1 October 2012 and performance reporting from that date became the responsibility of the New Zealand Film Archive.

WORK PROGRAMME:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Number of hours of sound material acquired by the archives.	328 hrs	1,300 hrs	1,352 hrs
Indicator: Number of hours of sound material preserved to the archives.	284 hrs	1,750 hrs	220 hrs ³⁴

ALL TARGETS WERE ACHIEVED

The day-to-day operations of Sound Archives/Ngā Taonga Kōrero transferred to the New Zealand Film Archive on 1 October 2012. The actual performance is representative of the period 1 July 2012 to 30 September 2012 only and within expected performance levels.

34. The preservation activity was reduced in 2011-12 and replaced with the Archive Recovery Programme in Christchurch (following the February 2011 earthquake).

ACCESSIBILITY AND AVAILABILITY:

MEASURES	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Indicator: Access levels to the soundarchives.co.nz website ³⁵	63,606	220,000	132,628
Indicator: Website availability ³⁶	99.99%	99.90%	99.99%

ALL TARGETS WERE ACHIEVED

The day-to-day operations of Sound Archives/Ngā Taonga Kōrero transferred to the New Zealand Film Archive on 1 October 2012. The actual performance is representative of the period 1 July 2012 to 30 September 2012 only and within expected performance levels.

COST OF OUTPUT FINANCIAL PERFORMANCE:

MEASURES (\$000)	PERFORMANCE AT YEAR END:		
	2012-2013 (ACTUAL)	2012-2013 (FORECAST)	2011-2012 (ACTUAL)
Revenue	\$244	\$1,060	\$856
Expenditure ³⁷	\$276	\$1,060	\$884
Net surplus/(deficit)	(\$32)	\$0	(\$28)

TARGETS WERE NOT ACHIEVED

The day-to-day operations of Sound Archives/Ngā Taonga Kōrero transferred to the New Zealand Film Archive on 1 October 2012. The actual performance is representative of the period 1 July 2012 to 30 September 2012 only. Performance reporting from 1 October 2012 became the responsibility of the New Zealand Film Archive.

35. Calculated from the number of daily unique browsers. There are no promotional campaigns for Sound Archive services therefore access levels remain static.

36. Other than time lost for planned maintenance.

37. Operating costs for 2011 to 2013 include the cost of significant client work not represented in accession and preservations hours.



Directory

FOR THE YEAR ENDED 30 JUNE 2013

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www.radionz.co.nz

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FAX: 09 367 9330

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Christchurch 8011
Postal Address
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Christchurch 8140
PHONE: 03 374 8464
FAX: 03 374 5115

RADIO NEW ZEALAND CONCERT

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RADIO NEW ZEALAND NEWS

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RADIO NEW ZEALAND INTERNATIONAL

Radio New Zealand House
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