

CHANGE IS IN THE AIR



# THE YEAR IN NUMBERS



EVERY  
WEEK

687,100 people listen live to RNZ

467,000 people listen to **MORNING REPORT** with Susie Ferguson and Guyon Espiner

309,800 people listen to **NINE TO NOON** with Kathryn Ryan

283,400 people listen to **CHECKPOINT** with John Campbell

267,000 people listen to **AFTERNOONS** with Jesse Mulligan

277,600 people listen to **SATURDAY MORNING** with Kim Hill

301,100 people listen to **SUNDAY MORNING** with Wallace Chapman



## NUMBER ONE

RNZ National is number one among all radio stations nationwide, with a share of 11.7%



## Live Listening

Strong audience growth for RNZ live listening underlines the continuing relevance of radio as a medium in New Zealand.

SOURCE: GfK RADIO AUDIENCE MEASUREMENT, ALL RADIO STATIONS, TOTAL NEW ZEALAND - RNZ - 2/2017, ALL PEOPLE 10+

## PACIFIC PROGRAMMING

8,693 hours of RNZ Pacific content

17 Pacific radio stations rebroadcasting RNZ Pacific

4,791,000 RNZ Pacific website pageviews

## INSIDE...

THE YEAR IN REVIEW

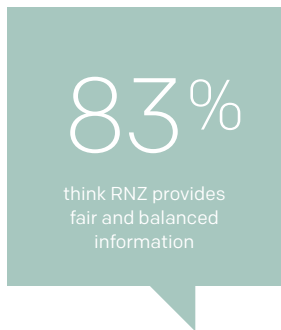
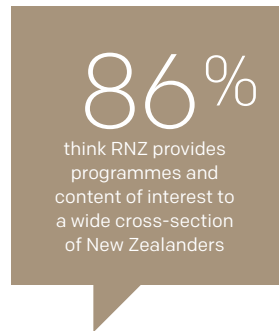
FINANCIAL PERFORMANCE 15

SERVICE PERFORMANCE 40



## PERFORMANCE AGAINST THE CHARTER

AMONG RNZ LISTENERS AND WEBSITE USERS:



### Attitudinal Research

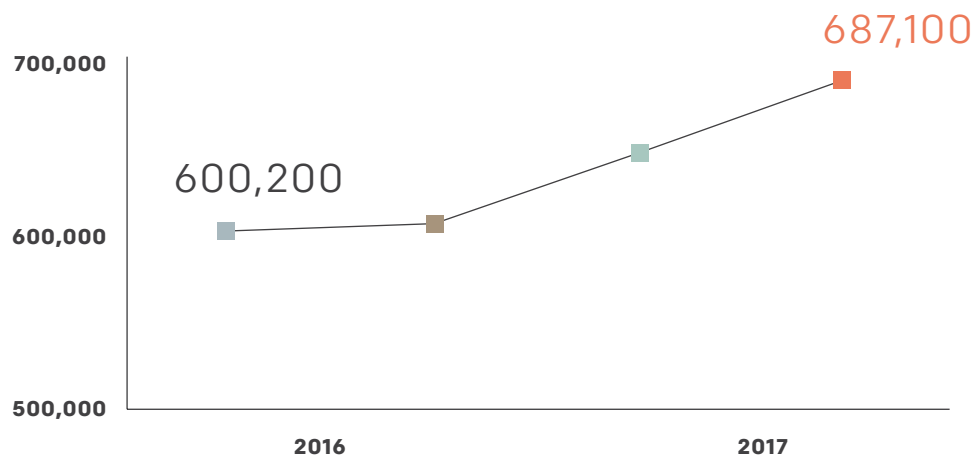
RNZ continues to meet the expectations of listeners and audiences across multiple platforms, providing programmes and content that highlight who we are and what interests us as a nation.

SOURCE: RNZ LISTENERS AND USERS SURVEY, 2016, NIELSEN

## AUDIENCE GROWTH NATIONWIDE

FOR RNZ NATIONAL AND CONCERT 2016/2017

**Number of Listeners:**  
Cumulative reach

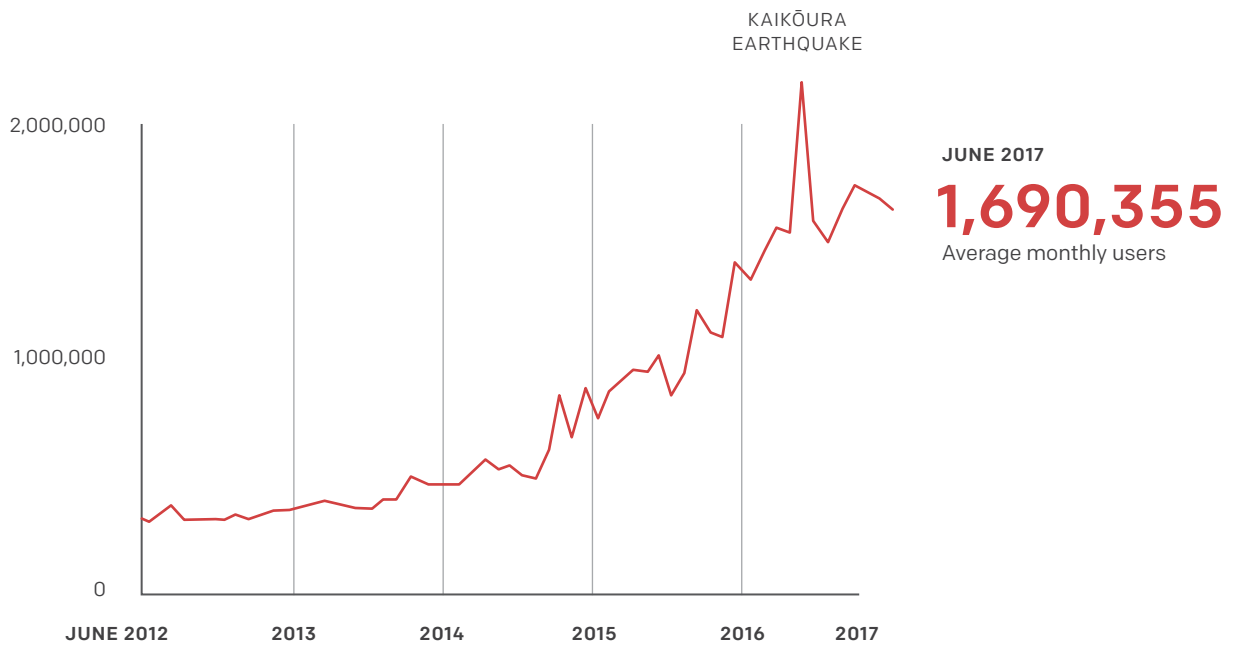


GfK RADIO SURVEYS - TOTAL NZ RNZ, 2016/2017, ALL PEOPLE 10+

# ONLINE GROWTH TRENDS

Audiences for RNZ digital platforms continue to show significant growth. RNZ is growing audiences online, on-demand and through content-sharing partnerships with other media outlets.

## Average monthly users of rnz.co.nz website



TOTAL WEBSITE USERS

▲ 46%

2017	2016
15,034,752	10,289,871

TOTAL PAGEVIEWS

▲ 54%

2017	2016
84,897,103	55,323,469

TOTAL SESSIONS

▲ 70%

2017	2016
42,961,959	25,239,719

USERS ARE THE NUMBER OF DIFFERENT BROWSERS; PAGEVIEWS ARE THE TOTAL NUMBER OF PAGES LOADED. SOURCE: GOOGLE ANALYTICS

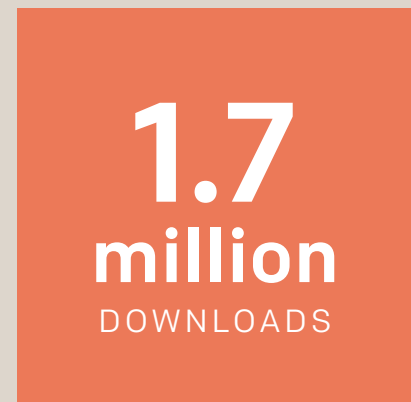


### Innovative Content

RNZ continues to innovate in content delivery, appealing to new and diverse audiences. Toby Morris received a Canon Media Award for online graphics, including his regular Pencil Sword cartoon strip.

### On-demand

RNZ offers a range of podcasts and series, all free for download. Most podcasts contain recent audio, although full audio archives from 2008 onwards are available through RNZ's programme pages.



SOURCE: GOOGLE ANALYTICS, INTERNAL RNZ ANALYTICS, JUNE 2017

### THIRD-PARTY PLATFORMS

RNZ also delivers content to New Zealanders through a number of third-party platforms:







# AWARDS & RECOGNITION

2016 / 2017



**2017 IPANZ AWARD FOR BUSINESS TRANSFORMATION**  
RNZ won The Treasury Award for Excellence in Improving Public Value Through Business Transformation in the 2017 IPANZ Public Sector Excellence Awards.

**2016 NATIONAL MĀORI LANGUAGE AWARDS**  
RNZ won two major awards at the 2016 National Māori Language Awards – Ngā Tohu Reo Māori.

Toa Reo Māori – Pāpāho (Media category). This award recognises the news outlets that are encouraging their viewers, readers or listeners to adopt better attitudes about te reo Māori.

Te Toa Reo Māori – Pāpāhotanga (Broadcasting category). This award recognises individuals or groups that are using te reo Māori on their television or radio platforms.

**2017 NEW YORK FESTIVAL AWARDS**  
RNZ received six awards at the New York Festivals International Radio Awards – the most ever received by RNZ in any international competition – with two gold, two silver and two bronze.

The Public Enemy podcast series presented by **Mohammed Hassan** won gold for excellence and **Kim Hill** won a gold award for Best Radio Personality.

## Personal Recognition

In December, Wellington Mayor Justin Lester presented the RNZ National All Night Programme host **Vicki McKay** (pictured at right), with the Absolutely Positively Wellingtonian Award to “recognise her extraordinary level-headedness and calmness in the face of an emergency” – the emergency being the 7.8 Kaikōura earthquake on 14 November 2016.

RNZ Pacific reporter **Koro Vakauta** won a Public Media Alliance travel bursary to travel to Tonga to report on the country’s battle for media freedom.

Insight’s presenter and executive producer **Philippa Tolley** won a place on the prestigious Jefferson Fellowship programme in May.

**2017 CANON MEDIA AWARDS**  
RNZ’s excellence in journalism was recognised at the Canon Media Awards.

RNZ won five Canon Media Awards with the Head of Digital **Glen Scanlon** picking up the coveted Editorial Executive of the Year award.

RNZ winners were:

**Aaron Smale** Feature writing (long-form), general

**Mava Enoka** Feature writing (short-form) business and politics

**Simon Wilson** Opinion writing, business and politics

**Toby Morris** Best artworks/graphics

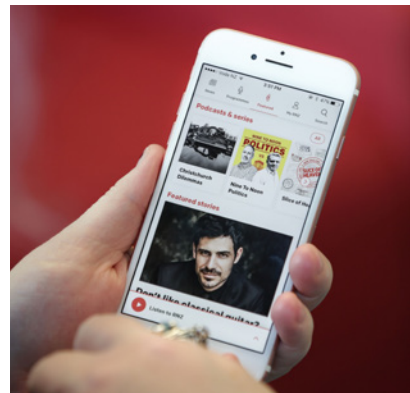
**Glen Scanlon** Editorial Executive of the Year

rnz.co.nz was also a finalist in the best website, best news or app and best coverage of a major news event sections.

**AGRICULTURAL JOURNALISM**  
**Susan Murray** won the Federated Farmers Broadcast Journalism Award as well as the Horticulture New Zealand Journalism Award.



The reporters were amazing; calm and clear. Thank you all for being there.



These two wonderful ladies brought a sense of calm and order to an otherwise confused situation. Well done RNZ.



# THE RADIO NEW ZEALAND CHARTER

## PURPOSE:

1. As an independent public service broadcaster, the public radio company's purpose is to serve the public interest.
2. Freedom of thought and expression are foundations of democratic society and the public radio company as a public service broadcaster plays an essential role in exercising these freedoms.
3. The public radio company fosters a sense of national identity by contributing to tolerance and understanding, reflecting and promoting ethnic, cultural, and artistic diversity and expression.
4. The public radio company provides reliable, independent, and freely accessible news and information.

## DELIVERY:

5. In achieving its purpose, the public radio company must endeavour to provide services of the highest quality, which —
  - (a) are predominantly and distinctively of New Zealand:
  - (b) inform, entertain, and enlighten the people of New Zealand:
  - (c) are challenging, innovative, and engaging:
  - (d) foster critical thought, and informed and wide-ranging debate:
  - (e) stimulate, support, and reflect the diversity of cultural expression, including drama, comedy, literature, and the performing arts:
  - (f) stimulate, support, and reflect a wide range of music, including New Zealand composition and performance:
  - (g) reflect New Zealand's cultural identity, including Māori language and culture:
  - (h) provide awareness of the world and of New Zealand's place in it:
  - (i) provide comprehensive, independent, accurate, impartial, and balanced regional, national, and international news and current affairs:
  - (j) provide programmes which balance special interest with those of wide appeal, recognising the interests of all age groups:
  - (k) contribute towards intellectual and spiritual development:
  - (l) include an international service to the South Pacific in both English and Pacific languages:
  - (m) take account of services provided by other broadcasters:
  - (n) take advantage of the most effective means of delivery:
  - (o) preserve and archive broadcasting material of historical interest.



# TE TŪTOHINGA MENGĀ MĀTĀPONO O TE REO IRIRANGI O AOTEAROA

## TE PŪTAKE:

1. Nā runga i tana tū hei kaipāpāho ratonga tūmatanui motuhake, ko te pūtake o te kamupene reo irirangi tūmatanui he ū ki ngā take whai tikanga ki a ngāi tūmatanui.
2. Ko te noho herekore o te mana whakaaro me te mana whakapuaki hei tūāpapa mō te pāpori manapori, ā, nā runga i tana tū hei kaipāpāho ratonga tūmatanui, he tūranga mātuatua tō te kamupene reo irirangi tūmatanui hei kaiwhakaū i ēnei mana.
3. Ka whakatītina te kamupene reo irirangi tūmatanui i tētahi tuakiri ā-motu mā te whakaū i ngā tikanga o te noho manawa nui me te māramatanga, otirā, ka whakaatu, ka whakatairanga anō i te whakapuakanga me te kanorautanga o ngā kaupapa ā-iwi, ā-ahurea, ā-toi hoki.
4. Ka whakaratongia e te kamupene reo irirangi tūmatanui he pārongo, otirā, he rongu o te wā, he tika, he motuhake, he māmā hoki te torohia atu.

## TE TUKUHANGA:

5. Hei whakatutuki i tōna pūtake, me mātua whai te kamupene reo irirangi tūmatanui kia whakaratongia e ia he ratonga kounga nui, e pēnei ana—
  - (a) ko te nuinga, e mārama kehokeho ana, he mea pupū ake i Aotearoa:
  - (b) e whakamōhio ana, e whakangahau ana, e whakapūrangiaho anō ana i ngā uri o Aotearoa:
  - (c) e wero ana i te hinengaro, e auaha ana, e pārekareka anō ana:
  - (d) e whakatītina ana i te whakaaro hōhonu me te momo tautohetohe e whai mōhio ana, ā, e aro ana ki ētahi kaupapa whānui:
  - (e) e whakatenatena ana, e taunaki ana, e whakaatu anō ana i te kanorau o ngā momo whakapuakanga ā-ahurea, tae atu ki te whakaari, te whakakatakata, ngā momo tuhinga, me ngā mahi a Rēhia:
  - (f) e whakatenatena ana, e taunaki ana, e whakaatu anō ana i ētahi momo pūoru whānui, tae atu ki ngā titonga me ngā whakapuakanga o Aotearoa:
  - (g) e whakaatu ana i te tuakiri ahurea o Aotearoa, tae atu ki te reo me te ahurea Māori:
  - (h) e whai whakaaro ana ki te ao, otirā, ki te tūnga o Aotearoa ki te ao:
  - (i) e whakarato ana i ētahi rongu o te wā me ētahi kaupapa mohoa ā-rohe, ā-motu, ā-ao anō, he aro whānui, he motuhake, he tika, he tōkeke, he whārite hoki:
  - (j) e whakarato hōtaka ana e noho whārite ai ngā kaupapa aronga whāiti me ērā e arongia whānuitia ana, e whai wāhi mai ai ngā kaupapa whai take ki ngā reanga katoa:
  - (k) e whakaū ana i te whakawhanaketanga ā-hinengaro, ā-wairua hoki:
  - (l) e kapi ana i a ia he ratonga ā-ao ki Te Moana-nui-a-Kiwa, ki te reo Pākehā, ki ngā reo o Te Moana-nui-a-Kiwa hoki:
  - (m) e aro ana ki ngā ratonga e whakaratongia ana e ētahi kaipāpāho kē atu:
  - (n) e whai hua ana i te/ngā ara tuku whai take nui:
  - (o) e tiaki ana, e whakaputu anō ana i ngā kōrero pāpāho ka noho hei taonga tuku iho.

## CHAIR'S REPORT

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RNZ's progress in the 12 months under review comprehensively underscores the success of the strategic programme of transformation and internal cultural adjustment that the Board and management have been assiduously pursuing since the organisation's change of leadership.

As the detail in Chief Executive Paul Thompson's definitive report makes clear, the empirical results to date are exceeding expectations.

This shift from radio broadcaster to an innovative, multi-media organisation required organisational change, a significant review of services, a realignment of vision and purpose and a commitment to future-focused strategies designed to meet Charter obligations.

The impacts of change on traditional attitudes to delivering a public broadcasting service have proved challenging for both management and some staff. However, the leadership of the organisation rose to the challenge of strategic rejuvenation and the changing profile of RNZ has resulted in a very positive public response. What initially appeared to be an aspirational goal of doubling audiences within five years is being rapidly overhauled.

### STRATEGIC FOCUS

The investment in the future pivots on the organisation's ability to grow the base of its traditional listeners while also attracting a new, diverse audience with dynamic, online and on-demand audio and visual services. RNZ is already well down that road and now well geared to embrace the plethora of public service broadcasting opportunities that are on the horizon.

The organisation is enthusiastically engaging with a range of potential audiences by providing quality content and visual and audio programming with a firm public service focus on the needs and preferences of our increasingly expanding and diverse supporters.

### THE POWER OF PARTNERSHIPS

In line with this policy, partnerships with other media and associated organisations are an important component of our strategy. Collaboration with diverse partners in the digital-media ecosystem is critical to our long-term plan. We have dispensed with a previous tendency to be somewhat remote from other media outlets, but we are still very conscious of the need to retain our public service ethos and continue the direct relationship we have with the New Zealanders we serve.

Thus, we are committed to a programme of expanding formal partnerships with external organisations and launching more joint initiatives that will benefit all the parties involved. However, our most important obligation is to continue to concentrate in all our potential ventures on the values inherent in the organisation's status as our country's only public service broadcaster.

### FINANCIAL

The 2016/2017 financial year concluded with a return to a 'break-even' financial position.

As always, our resolve continues to focus on prudent financial management within the context of an innovative and progressive strategic plan.

RNZ has now managed its way through a period of financial adjustment that involved internal cultural change, a range of redundancies, and the replacement of aging and collapsing technology together with a significant investment in new audio and visual technology, to record an operating surplus of \$36,000 in the year ended 30 June, 2017.

This result includes \$262,000 of non-recurring redundancy-related costs and additional expenditure related to the Kaikōura earthquake.

Additional core funding was announced in the Government's Budget in May 2017.

RNZ paid a dividend to Shareholding Ministers of \$2.88m

The empirical results to date are exceeding expectations

RNZ House in Auckland was sold during the 12 months under review and the new owners took possession at the beginning of April. As a result of the sale \$700,000 was included in planning and budget allocations for 2017/18 and beyond.

Following the sale of the Auckland building RNZ worked with Treasury on returning capital to the Crown, the retirement of the preference shares involved and a corresponding funding increase to the organisation.

In addition, RNZ paid a dividend to Shareholding Ministers of \$2.88m.

The sale of the Auckland building was a joint decision arrived at after considerable discussion between the RNZ Board and senior management. That decision was made in the best interests of RNZ's financial management plan and on the basis of what was best for the long-term, strategic interests of the company.

#### ACKNOWLEDGEMENTS

During the year RNZ governor Sheena Henderson left the Board at the expiry of her term. Sheena was a highly engaged and astute director and made an excellent contribution to RNZ. We thank her for her service. As noted

new director Graham Pryor joined the Board during the same period, bringing with him considerable skills and media experience.

I would also like to thank directors Jane Taylor, Melissa Clark-Reynolds, Bill Francis and Roger Finlay for their continuing invaluable assistance and counsel.

On behalf of the Board, my sincere thanks also go to Chief Executive Paul Thompson and the talented management team he has assembled around him. Their level of performance in sometimes trying circumstances is reflected in these excellent results. The Board would also like to pay tribute to the multi-talented RNZ staff for their flexibility and commitment to the organisation during a challenging 12 months.

Thanks also to former Minister, Hon Maggie Barry, for her support in our 2017 funding bid and the ongoing assistance and encouragement from both Treasury officials and the management at the Ministry for Culture and Heritage.

We look forward with considerable anticipation to now engaging with a new Government and a different political environment.



**Richard Griffin**  
Chair, Radio New Zealand

## CHIEF EXECUTIVE'S REPORT

### IT IS MY PLEASURE TO REPORT ON AN OUTSTANDING YEAR FOR RNZ – A YEAR OF TRANSFORMATION AND GROWTH.

In 2016/2017 we increased on-air and online audiences to record levels, turned the finances around and made huge strides as a multimedia organisation that provides compelling news, current affairs and entertainment whenever and wherever people want them.

RNZ also secured an ongoing funding increase of \$2.84m a year along with growing public recognition of our vital role. Together these achievements have put the organisation in a strong position to flourish in a fast-changing media sector. We remain intensely focused on the future and on fully realising RNZ's potential as an essential public service for New Zealand and the Pacific.

Other highlights for 2016/2017 include:

- 687,100 people now listen to RNZ radio stations each week – a 14.4% growth in live radio audiences;
- 467,000 people tune in to Morning Report and 283,400 listen to the Checkpoint programme each week;
- online, the total number of website users of rnz.co.nz is up 46% to 15 million, averaging 1.7 million users per month by June 2017;
- an operating surplus of \$36,000, reflecting the organisation's significant financial turnaround since it recorded a \$4.6m loss last year;
- a significant strengthening and improvement in the RNZ balance sheet.

RNZ's role is to provide credible and independent news, current affairs and entertainment. Under our Charter, we play a major role in ensuring that New Zealand is a

connected and informed nation. We champion New Zealand's arts and culture. There is a public hunger for rich, quality content and RNZ is committed to satisfying that need. We certainly appreciate the local and international media awards that have recognised the quality of the RNZ performance in the past 12 months.

It was a year dominated by big news at home and overseas. Time and again RNZ rose to the challenge of informing listeners about, and explaining these significant events and providing context and understanding. At a time when public confidence in the media was low, RNZ reinforced the importance of trusted journalism.

This was most evident after the Kaikōura earthquake on 14 November, 2016. From the moment the quake struck just after midnight, RNZ provided the public with an uninterrupted flow of essential information at a time of great need. In the following days record numbers of New Zealanders came to us on-air and online. The quake response was RNZ at its best – live, accurate, comprehensive and immediately available when and how people needed it.

The crisis underscored the important role that public broadcasting continues to play in the nation's life. It was also a reminder of the need to ensure that RNZ is robust and able to withstand future shocks. This has become a major theme of our strategic planning – to create a resilient organisation that provides a valued service in good times and bad.

The role of public service media is likely to grow as commercial media outlets continue to face the major challenge of maintaining their investment in New Zealand



Time and again,  
RNZ rose to the  
challenge of  
informing and  
explaining

There is a  
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content

content. New Zealand, as a small, successful democracy at the bottom of the world, will in future require a new media ecosystem that includes commercial outlets, reinvigorated public service media and innovative, experimental ventures.

The new ecosystem should be a broad church that encourages and nourishes a range of views and analysis. It should be flexible enough to support professional, verified journalism while fostering new story-telling and innovation. It has to be financially resilient in order to be an effective check on government, executive and commercial power. In short, it should ensure, New Zealanders are able to exercise choice as they make sense of their world.

RNZ is well equipped to play an influential role in that emerging ecosystem. Our strategy is working and our staff have the talent and expertise required to continue to improve RNZ's performance. We aspire to be relevant to New Zealanders from all walks of life, age groups, regions and ethnicities. Growing the diversity of audiences, and the quality of their engagement with RNZ, will be our major focus for the next few years.

As our transformation progresses we will remain committed to four core values:

1. We are independent. Our sole agenda is to inform, educate and entertain - and we do so impartially. We are not beholden to commercial, political or ideological interests.
2. Our services are widely accessible and freely available and we connect with people however and whenever they choose.
3. We reflect the diversity of all New Zealanders. We are there for the many, not the few, and our services are inclusive and are relevant and appealing to people of all backgrounds and walks of life.
4. Our services are distinctive and provide voices and perspectives that would not otherwise be seen or heard.

We look to the future with confidence.

Finally, I wish to express my personal thanks to chair Richard Griffin and the RNZ Board for their guidance and support during the year, and to my RNZ colleagues for their outstanding work.



**Paul Thompson**  
CEO and Editor in Chief



**RNZ**

TE REO  
IRIRANGI  
O AOTEAROA

# RADIO NEW ZEALAND FINANCIAL PERFORMANCE 2016/2017

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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 (RNZ) 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 six directors appointed as at 30 June 2017.

The Board is responsible under the company's constitution to direct and supervise the company's business and affairs in accordance with the Radio New Zealand Charter set out in Section 8 of The Radio New Zealand Amendment Act 2016. In practice, the day-to-day management of the company is delegated to the Chief Executive/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 that 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

Sheena Henderson completed her term during the current year. She was replaced by Michael O'Donnell, who took up his position in September 2017.

### 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 (Paul Thompson). The subsidiary's operations were transferred to the New Zealand Film Archive on 1 October 2012 and there was no trading activity during the year.

### BOARD COMMITTEE

The Board has formally constituted an Audit Committee to focus on audit and risk management issues. This committee met on five occasions during the year. As at year end, members of the Board on the Audit Committee are Jane Taylor (Chair), Rodger Finlay and Bill Francis. Sheena Henderson completed her term during the year.

### BOARD MEETINGS

The Board met on 10 scheduled occasions this year.

TABLE OF ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2017	BOARD MEETINGS	AUDIT COMMITTEE
<b>Richard Griffin</b> – Chair	10	n/a
<b>Jane Taylor</b> – Audit Chair and Deputy Chair	8	5
<b>Melissa Clark-Reynolds</b>	9	n/a
<b>Rodger Finlay</b> (from 1 January 2016)	9	5
<b>Bill Francis</b> (from 1 May 2016)	9	1
<b>Graham Pryor</b> (from 1 July 2016)	9	n/a
<b>Sheena Henderson</b> (term expired 28 April 2017)	8	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 day-to-day management of the company, its organisational structures, developing and recommending initiatives to the Board, implementing Board decisions and policies, achieving objectives, ensuring that the company is properly equipped with skilled personnel, and 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.

**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 for ensuring that 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 legislative compliance issues and ensure that applicable staff are aware of relevant legislative requirements.

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**STATEMENT OF RESPONSIBILITY**

We are responsible for the preparation of Radio New Zealand Limited's financial statements and statement of performance, and the judgements made in them.

We are responsible for any end-of-year performance information provided by Radio New Zealand under section 19A of the Public Finance Act 1989.


We have the responsibility for establishing and maintaining a system of internal control designed to provide a reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Radio New Zealand for the year ended 30 June 2017.

Signed on behalf of the Board:



**Richard Griffin**  
Chair  
31 October 2017



**Jane Taylor**  
Audit Committee Chair  
and Board member  
31 October 2017



**Paul Thompson**  
Chief Executive  
and Editor-in-Chief  
31 October 2017

## INDEPENDENT AUDITOR'S REPORT

### To the readers of Radio New Zealand Limited's group financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of Radio New Zealand Limited group (the Group). The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, of the Group on his behalf.

#### Opinion

We have audited:

- the financial statements of the Group on pages 20 to 38, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Group on pages 40 to 47.

In our opinion:

- the financial statements of the Group on pages 20 to 38:
  - › present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the year then ended; and
  - › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information on pages 40 to 47:
  - › presents fairly, in all material respects, the Group's performance for the year ended 30 June 2017, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
  - › complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board for the financial statements and the performance information

The Board are responsible on behalf of the Group for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Group, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004, Radio New Zealand Act 1995, and the Companies Act 1993.

#### Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance

with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Group's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board are responsible for the other information. The other information comprises the information included on pages 16 to 17 (not including the Statement of Responsibility) and 48 to 50, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Independence**

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Group.



**Kelly Rushton**

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

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Group Actual 2017 \$000	Group Budget 2017 \$000	Group Actual 2016 \$000
Government funding and fees	2	35,905	35,409	35,410
Other revenue	2	3,112	2,750	3,066
<b>Total revenue</b>		<b>39,017</b>	<b>38,159</b>	<b>38,476</b>
Personnel expenses	3	23,858	23,294	26,134
Operating expenses	4	12,775	12,458	14,448
Depreciation and amortisation expenses	8,9	2,348	2,405	2,554
<b>Total expenditure</b>		<b>38,981</b>	<b>38,157</b>	<b>43,136</b>
<b>Net operating surplus/(deficit) before taxation</b>		<b>36</b>	<b>2</b>	<b>(4,660)</b>
Income tax expense/(benefit)	11	(256)	0	(389)
<b>Net surplus/(deficit) after taxation</b>		<b>292</b>	<b>2</b>	<b>(4,271)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
Revaluation of property (net)		14,476	0	0
Tax on revaluations	8	(256)	0	225
Music library adjustment	11	0	0	(810)
<b>Total other comprehensive revenue and expense</b>		<b>14,220</b>	<b>0</b>	<b>(585)</b>
<b>Total comprehensive revenue and expense</b>		<b>14,512</b>	<b>2</b>	<b>(4,856)</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Group Actual 2017 \$000	Group Budget 2017 \$000	Group Actual 2016 \$000
<b>Balance at 1 July</b>		<b>47,537</b>	<b>48,593</b>	<b>52,393</b>
<b>Total comprehensive revenue and expense</b>		<b>14,512</b>	<b>2</b>	<b>(4,856)</b>
Dividend paid to Government	17	(2,880)	0	0
<b>Balance at 30 June</b>		<b>59,169</b>	<b>48,595</b>	<b>47,537</b>

Explanation of major variances against budget is provided in note 21.

The accompanying notes and accounting policies form an integral part of the financial statements.



## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Group Actual 2017 \$000	Group Budget 2017 \$000	Group Actual 2016 \$000
<b>EQUITY</b>				
Share capital	17	16,692	16,692	16,692
Revaluation reserve	17	40,700	29,872	28,417
Retained earnings	17	1,777	2,031	2,428
<b>Total equity</b>		<b>59,169</b>	<b>48,595</b>	<b>47,537</b>
<b>CURRENT LIABILITIES</b>				
Creditors and other payables	10	1,552	2,154	2,416
Provisions	14	0	286	0
Employee entitlements	13	2,002	2,140	1,586
Revenue received in advance		47	0	0
Preference shares	16	0	4,120	4,120
<b>Total current liabilities</b>		<b>3,601</b>	<b>8,700</b>	<b>8,122</b>
<b>NON-CURRENT LIABILITIES</b>				
Employee entitlements	13	79	100	79
Provisions	14	1,042	1,557	1,042
<b>Total non-current liabilities</b>		<b>1,121</b>	<b>1,657</b>	<b>1,121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,891</b>	<b>58,952</b>	<b>56,780</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	5	2,396	4,050	3,735
Investment	7	4,050	4,000	3,000
Receivables and prepayments	6	417	319	275
Other receivables		320	0	355
<b>Total current assets</b>		<b>7,183</b>	<b>8,369</b>	<b>7,365</b>
<b>NON-CURRENT ASSETS</b>				
Intangibles	9	1,508	5,030	1,451
Property, plant and equipment	8	55,200	45,553	47,964
<b>Total non-current assets</b>		<b>56,708</b>	<b>50,583</b>	<b>49,415</b>
<b>TOTAL ASSETS</b>		<b>63,891</b>	<b>58,952</b>	<b>56,780</b>

Explanations of major variances against budget are provided in note 21.

The accompanying notes and accounting policies form an integral part of the financial statements.

For and on behalf of the Board:



**Richard Griffin**  
Chair  
31 October 2017



**Jane Taylor**  
Audit Committee Chair and Board member  
31 October 2017

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

Note	Group Actual 2017 \$000	Group Budget 2017 \$000	Group Actual 2016 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Receipts from customers	2,875	2,680	2,942
Government funding and fees	35,905	35,409	35,410
Interest earned	180	253	287
	<b>38,960</b>	<b>38,342</b>	<b>38,639</b>
<b>Cash was applied to:</b>			
Payments to employees	23,444	23,249	24,605
Payments to suppliers	13,848	12,338	15,826
Tax	0	0	0
GST (net)	(199)	100	(31)
	<b>37,093</b>	<b>35,687</b>	<b>40,400</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,867</b>	<b>2,655</b>	<b>(1,761)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Receipts from investments	1,150	0	4,000
Proceeds from sale of property, plant and equipment	7,135	0	0
	<b>8,285</b>	<b>0</b>	<b>4,000</b>
<b>Cash was applied to:</b>			
Acquisition of term investments	2,200	0	0
Purchase of intangible assets	325	700	465
Purchase of property, plant and equipment	1,966	1,849	1,979
	<b>4,491</b>	<b>2,549</b>	<b>2,444</b>
<b>Net cash inflow/(outflow) from investing activities</b>	<b>3,794</b>	<b>(2,549)</b>	<b>1,556</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Increase in capital	0	0	0
Increase in loans	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash was applied to:</b>			
Repayment of preference shares	4,120	0	0
Payment of dividends	2,880	0	0
	<b>7,000</b>	<b>0</b>	<b>0</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(7,000)</b>	<b>0</b>	<b>0</b>
Net increase/(decrease) in cash and equivalents	(1,339)	106	(205)
Add – Opening bank balance at 1 July	3,735	3,944	3,940
<b>Cash and cash equivalents at year end</b>	<b>2,396</b>	<b>4,050</b>	<b>3,735</b>
<b>Comprising:</b>			
Cash and cash equivalents	2,396	4,050	3,735
<b>Closing cash and cash equivalents</b>	<b>2,396</b>	<b>4,050</b>	<b>3,735</b>

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

Explanations of major variances against budget are provided in note 21.

The accompanying notes and accounting policies form an integral part of the financial statements.

## RECONCILIATION OF NET DEFICIT WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	Group Actual 2017 \$000	Group Actual 2016 \$000
<b>NET SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>36</b>	<b>(4,660)</b>
<b>Add/(less) non-cash items:</b>		
Depreciation and amortised expenses	2,348	2,555
Bad debts written off	3	6
Change in provision for impaired debts	25	(8)
Impaired property, plant and equipment	23	538
Financing costs – make-good provision for leases	0	0
Donated assets income	(2)	(9)
Capitalised labour	(34)	(45)
Non-current – long service leave movement	0	5
Other	310	283
	<b>2,673</b>	<b>3,325</b>
<b>Add/(less) items classified as investing activities:</b>		
Net gain on sale of fixed assets	(334)	(647)
<b>Add/(less) movements in working capital items:</b>		
Decrease/(increase) in receivables	(142)	(364)
Decrease/(increase) in tax refundable	0	0
Decrease/(increase) in prepayments and other receivables	35	530
Increase/(decrease) in creditors/accruals	(864)	376
Increase/(decrease) in provisions	0	0
Increase/(decrease) in current employment entitlements	416	(319)
Increase/(decrease) in provision for tax	0	0
Increase/(decrease) in revenue received in advance	47	(2)
<b>Working capital movement - net</b>	<b>(508)</b>	<b>221</b>
<b>Net cash flow from operating activities</b>	<b>1,867</b>	<b>(1,761)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATEMENT OF ACCOUNTING POLICIES

#### Reporting entity

Radio New Zealand Limited (RNZ) is a Crown entity in terms of the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing RNZ's operations includes the Radio New Zealand Act 1995, the Crown Entities Act 2004 and the Companies Act 1993. RNZ's ultimate parent is the New Zealand Crown.

RNZ's primary objective is to provide broadcasting services to the New Zealand public, as outlined in the Charter that forms part of the Radio New Zealand Act 1995.

The Group consists of Radio New Zealand Limited and its subsidiary Sound Archives/Ngā Taonga Kōrero Limited which is 100% owned.

During the 2016/2017 year RNZ reached agreement with the Shareholding Ministers that it would use the proceeds from the sale of a building in Auckland to pay a special dividend and repay the preference shares in return for an increase in baseline funding (See note 17).

RNZ has been designated a Public Benefit Entity (PBE) for financial reporting purposes, as it operates for the benefit of the public good as prescribed in its Charter, is independent of political influences, is funded through NZ On Air and receives no advertising revenue.

#### Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the year. There have been no changes in the year.

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

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE accounting standards.

#### Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to specific notes are outlined below.

#### Income tax

Income tax expense or benefit 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 amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Current tax and deferred tax are charged or credited to the statement of financial performance, except when they relate to items charged or credited directly to equity, in which case the tax is dealt with in equity.

#### Budget figures

The budget figures are derived from the statement of performance expectations as approved by the Board and Shareholding Ministers at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the currency of RNZ. They are presented and rounded to the nearest thousand dollars.

### Cost allocation

In previous years RNZ reported four output classes where direct costs were charged directly to outputs and indirect costs assigned to services based on direct staff costs and rental costs. With the convergence of media platforms, the increased sharing of content and resources between services, and changes in RNZ's operations, it considers itself now only providing one output, namely the production and distribution of content that meets our purpose and optimises our Charter performance. Consequently there are no cost allocations required between different classes of output.

### Critical accounting estimates and assumptions

In preparing these financial statements, RNZ has made estimates and assumptions concerning the future. The estimates and assumptions may differ from the subsequent actual results. 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 as follows:

#### 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 8.

#### Estimating useful lives and residual values of property, plant, and equipment

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 each asset, the expected period of use of the asset by RNZ, and the 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.

#### Long service leave

Note 13 provides an analysis of the exposure in relation to estimates and uncertainties surrounding long service leave liabilities.

## 2. REVENUE

The specific accounting policies for significant revenue items are explained below:

<b>FUNDING FROM THE CROWN</b>	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
NZ On Air	32,716	32,016
Ministry for Culture and Heritage	1,900	1,900
Office of the Clerk	1,289	1,494
<b>TOTAL</b>	<b>35,905</b>	<b>35,410</b>

RNZ is primarily funded from the Crown, for the specific purposes as set out in its Charter in the Radio New Zealand Act 1995 (and 2016 Amendment Act) and the Crown Entities Act 2004. Government revenue is recognised as revenue at the point of entitlement.

<b>OTHER REVENUE</b>	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Rental revenue from property leases	528	620
Co-siting revenue	1,397	1,196
Gain on sale of property, plant and equipment	334	0
Donations	2	9
Interest	178	287
Other	673	954
<b>TOTAL</b>	<b>3,112</b>	<b>3,066</b>

**Interest revenue**

Interest revenue is recognised using the effective interest method.

**Rental revenue**

Lease receipts are recognised in accordance with the lease contracts.

**Provision of services**

Services provided to third parties on commercial terms are exchange contracts. Revenue from these services is recognised in proportion to the stage of completion at balance date.

**3. PERSONNEL EXPENSES**

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Salaries and wages	22,448	23,422
Superannuation	754	788
Redundancy costs and other payments on cessation of employment	262	1,653
Other employee costs	389	266
Increase/(decrease) – employee entitlements	5	5
<b>TOTAL</b>	<b>23,858</b>	<b>26,134</b>

**Employee remuneration**

Details of remuneration range for employees whose remuneration for the year ended 30 June 2017 was in excess of \$100,000 are:

Remuneration range for Employees	Number of Employees <b>2017</b>	Number of Employees <b>2016</b>
\$100,000 – 109,999	11	10
\$110,000 – 119,999	7	8
\$120,000 – 129,999	11	7
\$130,000 – 139,999	1	2
\$150,000 – 159,999	1	0
\$160,000 – 169,999	1	1
\$170,000 – 179,999	1	2
\$180,000 – 189,999	0	1
\$190,000 – 199,999	3	3
\$200,000 – 209,999	1	0
\$250,000 – 259,999	0	1
\$260,000 – 269,999	1	1
\$270,000 – 279,999	1	0
\$400,000 – 409,999	0	1
\$430,000 – 439,999	1	0
<b>Total number of employees in these ranges</b>	<b>40</b>	<b>37</b>

During the year ended 30 June 2017, five employees received compensation and other benefits in relation to cessation totalling \$262,000 (2016: \$1,657,000).



**Key management personnel**

<b>DIRECTORS</b>	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Remuneration	186	174
Full-time-equivalent current members	0.14	0.14
<b>KEY SENIOR LEADERSHIP PERSONNEL COMPENSATION</b>		
Remuneration	1,661	1,618
Full-time-equivalent current members	9	8

**Superannuation schemes**

## DEFINED CONTRIBUTION SCHEMES

Employer 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

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

**Board member remuneration**

The total value of remuneration paid or payable to each Board member during the year was:

	<b>2017</b> \$000	<b>2016</b> \$000
Richard Griffin – Chair	46	43
Jane Taylor – Deputy Chair	29	22
Melissa Clark-Reynolds	23	22
Rodger Finlay	23	11
Bill Francis	23	4
Graham Pryor (from 1 July 2016)	23	0
Sheena Henderson (to 28 April 2017)	19	22
Josh Easby – Deputy Chair (to 30 April 2016)	0	22
Gary Monk – Chairman Audit Committee (to 31 October 2015)	0	10
Tiwana Tibble (to 30 April 2016)	0	17
<b>TOTAL</b>	<b>186</b>	<b>173</b>

RNZ has provided a deed of indemnity to directors for certain activities undertaken in the performance of RNZ functions.

RNZ has taken out directors' and officers' liability and professional indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

#### 4. OTHER OPERATING EXPENSES

<b>BREAKDOWN OF OTHER EXPENSES</b>	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Audit fees for audit of financial statements	103	106
Operating lease expenses	1,470	1,455
Property	858	876
Travel	574	618
Transmission	4,020	4,401
Programming	2,726	3,277
Advertising and publicity	129	541
Insurance	230	245
Impairment property, plant and equipment	22	537
Legal expenses	141	153
Restructuring costs	0	4
Consultancy fees	275	201
Other	2,227	2,034
<b>TOTAL</b>	<b>12,775</b>	<b>14,448</b>

##### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised in the surplus or deficit as a reduction of rental expense over the lease term. With the sale of 171 Hobson Street, Auckland RNZ became a lease tenant and the increase from 2016 to 2017 largely reflects the change from property owner to lessee.

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Not later than one year	1,452	1,208
Later than one year and less than five years	3,911	2,834
Later than five years	1,341	399
<b>TOTAL</b>	<b>6,704</b>	<b>4,441</b>

#### 5. CASH AND CASH EQUIVALENTS

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

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Cash and call deposits		
Term deposits with maturities less than 3 months	2,396	3,735

## 6. RECEIVABLES

Short-term receivables are recorded at their face value, less any provision for impairment. A receivable is considered impaired when there is evidence that RNZ will not be able to collect the full amount due. All current receivables have been classified as non-exchange transactions.

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Receivables	450	283
Provision for impairment	(33)	(8)
<b>TOTAL</b>	<b>417</b>	<b>275</b>

As at 30 June 2017, all overdue receivables have been assessed for impairment and appropriate provision applied as follows:

	<b>2017</b>			<b>2016</b>		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	335	0	335	176	0	176
Past due 1 – 30 days	82	0	82	94	0	94
Past due 31 – 60 days	0	0	0	3	0	3
Past due 61 – 90 days	0	0	0	2	0	2
Past due > 91 days	33	(33)	0	8	(8)	0
<b>TOTAL</b>	<b>450</b>	<b>(33)</b>	<b>417</b>	<b>283</b>	<b>(8)</b>	<b>275</b>

## 7. INVESTMENTS

### Bank term deposits

Bank term deposits are initially measured at the amount invested.

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Current	4,050	3,000
Non-current	0	0
<b>TOTAL TERM DEPOSITS</b>	<b>4,050</b>	<b>3,000</b>

### Investments

RNZ 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.

## 8. PROPERTY, PLANT AND EQUIPMENT

### Accounting policy

Assets are recorded in the accounts as follows:

Land - at fair value, buildings - at fair value less accumulated depreciation, leasehold improvements - at cost less accumulated depreciation and impairment losses, plant and equipment - at cost less accumulated depreciation and impairment losses, libraries - at cost less accumulated depreciation and impairment losses, furniture and office equipment - at cost less accumulated depreciation and impairment losses.

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

### Revaluations

The net revaluation results are credited or debited to other comprehensive revenue and expense and are 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 revenue and expense 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 is recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

The most recent valuation of land and buildings was performed by an independent registered valuer, AbsoluteValue New Zealand, effective 30 June 2017.

The basis of valuation is fair value in an open market or, when not assessed, on depreciated replacement cost. Fair value is the estimated amount between a willing buyer and a willing seller in an arm's-length transaction.

For any revaluation surplus, any distribution is restricted to meeting normal agreements and conditions for paying a dividend, and satisfying the required solvency tests.

### Additions

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 RNZ and the cost of the item can be measured reliably.

### Work in progress

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

### Capital commitments

The amount of contractual commitments for the acquisition of property, plant and equipment is \$63,500 (2016: \$117,000)

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

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets.

Gains and losses on disposals are reported net in retained earnings.

When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the retained earnings.

### 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 costs (or valuations) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Buildings (including components)	– 5 to 50 years (20% to 2%)
Leasehold improvements	– Term of lease
Plant and equipment	– 5 to 20 years (20% to 5%)
Furniture and office equipment	– 5 to 10 years (20% to 10%)
Motor vehicles	– 5 years (20%)
Computer hardware	– 3 to 5 years (33% to 20%)
Library	– 10 to 15 years (10% to 6.7%)

RNZ has not made significant changes to past assumptions concerning useful lives.

### Impairments

Property, plant and equipment assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount written down to the recoverable amount. The loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

**Property, plant and equipment**

Movements for each class of property, plant and equipment are as follows:

	Land \$000	Buildings \$000	Leasehold Improvements \$000	Plant and Equipment \$000	Libraries \$000	Computer Hardware \$000	Furniture and Fittings \$000	Total \$000
<b>COST OR VALUATION</b>								
<b>Balance at 1 July 2015</b>	<b>31,015</b>	<b>7,914</b>	<b>5,706</b>	<b>26,533</b>	<b>3,354</b>	<b>7,602</b>	<b>4,674</b>	<b>86,798</b>
Additions	0	0	98	1,199	13	1,455	144	2,909
Revaluation movement	0	0	0	0	(2,665)	0	0	(2,665)
Disposals	0	0	0	(405)	0	0	(49)	(454)
Adjustments	0	0	0	0	0	(32)	(700)	(732)
Impairment	0	0	0	(448)	0	0	0	(448)
Work in progress transfer	0	0	19	564	(2)	(1,122)	76	(465)
<b>Balance at 30 June 2016</b>	<b>31,015</b>	<b>7,914</b>	<b>5,823</b>	<b>27,443</b>	<b>700</b>	<b>7,903</b>	<b>4,145</b>	<b>84,943</b>
Balance at 1 July 2016	31,015	7,914	5,823	27,443	700	7,903	4,145	84,943
Additions	0	0	245	401	0	1,108	60	1,814
Revaluation movement	13,560	483	0	0	0	0	0	14,043
Disposals	(4,350)	(2,401)	(29)	(473)	0	(189)	(271)	(7,713)
Transfers	(0)	(1,782)	1,778	(8)	(1)	0	427	414
Impairment	0	0	0	0	0	0	0	0
Work in progress transfer	0	0	5	(9)	0	(379)	59	(324)
<b>Balance at 30 June 2017</b>	<b>40,225</b>	<b>4,214</b>	<b>7,822</b>	<b>27,354</b>	<b>699</b>	<b>8,443</b>	<b>4,420</b>	<b>93,177</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>								
<b>Balance at 1 July 2015</b>	<b>0</b>	<b>689</b>	<b>5,429</b>	<b>19,669</b>	<b>2,282</b>	<b>5,470</b>	<b>4,064</b>	<b>37,603</b>
Depreciation expense	0	268	124	971	199	510	197	2,269
Eliminate on disposal	0	0	0	(118)	0	0	(46)	(164)
Adjustments	0	0	0	4	0	0	(649)	(645)
Music library write down	0	0	0	0	(1,859)	0	0	(1,859)
Impairment losses	0	0	0	(225)	0	0	0	(225)
<b>Balance at 30 June 2016</b>	<b>0</b>	<b>957</b>	<b>5,553</b>	<b>20,301</b>	<b>622</b>	<b>5,980</b>	<b>3,566</b>	<b>36,979</b>
Balance at 1 July 2016	0	957	5,553	20,301	622	5,980	3,566	36,979
Depreciation expense	0	238	96	1,015	28	531	179	2,087
Eliminate on disposal	0	(275)	(29)	(332)	(9)	(189)	(218)	(1,052)
Adjustments	0	13	6	(17)	0	0	394	396
Eliminate on revaluation	0	(433)	0	0	0	0	0	(433)
Impairment losses	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2017</b>		<b>500</b>	<b>5,626</b>	<b>20,967</b>	<b>641</b>	<b>6,322</b>	<b>3,921</b>	<b>37,977</b>
<b>CARRYING AMOUNTS</b>								
At 30 June 2016	31,015	6,957	270	7,142	78	1,923	579	47,964
<b>At 30 June 2017</b>	<b>40,225</b>	<b>3,714</b>	<b>2,196</b>	<b>6,387</b>	<b>58</b>	<b>2,121</b>	<b>499</b>	<b>55,200</b>

The total amount of property, plant and equipment in the course of construction is \$1,855,925 (2016: \$1,925,258).

### Valuation

RNZ has significant library and property, plant and equipment. Values are reflected in the statement of financial position at their fair value. Land and buildings were valued in 30 June 2017 by AbsoluteValue New Zealand Limited, a registered valuer.

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 Nga Taonga Korero Limited as at 30 June 2017, and as no impairment was assessed it has been left unchanged from the last valuation effective 30 June 2013.

Amortisation has not been charged on the archival assets collection in 2016/2017.

## 9. INTANGIBLE ASSETS

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Software	708	651
Sound archives collection/other	800	800
<b>TOTAL</b>	<b>1,508</b>	<b>1,451</b>

### Accounting policy

Software acquisition and development costs that are directly associated with the development of software, including RNZ's website, are recognised as an intangible asset.

Costs associated with the maintenance of RNZ's website are expensed when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line-basis over its useful life. The charge for each financial year is expensed in the surplus or deficit.

The useful lives are estimated as follows:

- Computer software 2 to 5 years (50% to 20%);

The sound archive is treated as a heritage asset and has not been amortised during the year.

Movements for each class of intangible asset are as follows:

	Software <b>2017</b>	Software <b>2016</b>	Other <b>2017</b>	Other <b>2016</b>
<b>COST</b>				
Balance at 1 July	4,450	3,981	800	804
Additions	325	469	0	0
Disposals	(1)	0	0	(4)
<b>Balance at 30 June</b>	<b>4,774</b>	<b>4,450</b>	<b>800</b>	<b>800</b>
<b>ACCUMULATED AMORTISATION</b>				
Balance at 1 July	3,799	3,514	0	4
Amortisation expense	267	285	0	0
Disposals/impairment losses	0	0	0	(4)
<b>Balance at 30 June</b>	<b>4,066</b>	<b>3,799</b>	<b>0</b>	<b>0</b>
<b>Carrying amounts at 30 June</b>	<b>708</b>	<b>651</b>	<b>800</b>	<b>800</b>



## 10. PAYABLES

### Accounting policy

Short-term payables are recorded at the amounts payable or face value. All payables are classified as non-exchange transactions.

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Creditors	1,115	1,118
Accrued expenses	437	1,298
<b>TOTAL</b>	<b>1,552</b>	<b>2,416</b>

## 11. TAXATION

Relationship between tax and accounting profit:

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Net surplus/(deficit) before tax	36	(4,660)
Tax at 28%	10	(1,305)
Plus/(less) the effect of:		
Non-deductible expenditure	6	6
Unrecognised temporary differences	0	0
Non-taxable revenue	(1)	(2)
Prior-year adjustments	0	0
Unrecognised tax losses	0	0
Deferred tax adjustment	(271)	912
<b>Tax expense/(benefit)</b>	<b>(256)</b>	<b>(389)</b>

Components of tax expense

Current tax expense	0	0
Deferred tax	(256)	(389)

Group deferred tax asset/(liability):

	Property, Plant and Equipment	Other Provisions	Tax Losses	Total
Balance at 1 July 2015	(1,811)	731	466	(614)
Charged to revenue	(466)	(61)	916	389
Charged to comprehensive revenue	225	0	0	225
<b>Balance at 30 June 2016</b>	<b>(2,052)</b>	<b>670</b>	<b>1,382</b>	<b>0</b>
Charged to revenue	616	40	(400)	256
Charged to comprehensive revenue	(256)	0	0	(256)
<b>Balance at 30 June 2017</b>	<b>(1,692)</b>	<b>710</b>	<b>982</b>	<b>0</b>

A deferred tax asset has not been recognised in relation to tax losses of \$3,948,170 (2016: \$3,233,683).

### Imputation credit account

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Imputation credits available for use in subsequent periods	0	1,285

Imputation credits to the value of \$1,285,000 were attached to the dividends paid to the Shareholding Ministers during the year.

## 12. BORROWINGS

### Accounting policy

Borrowings on normal commercial terms are recognised at the amounts borrowed and classified as current liabilities.

Borrowings are classified as current liabilities unless RNZ has an unconditional right to defer settlement of the liabilities for at least 12 months after balance date.

RNZ has a loan credit facility with the limit of \$3.5 million and an overdraft facility of \$250,000. There have been no drawings on these facilities in the current reporting period. In addition RNZ has a credit card facility limit of \$400,000.

### Leases

Operating leases – an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lease.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Finance leases – RNZ has no finance leases.

## 13. EMPLOYEE ENTITLEMENTS

### Accounting policy

#### Short-term employee entitlements – current liabilities

Employee benefits that are due to be settled within 12 months after the end of the period in which the employees render related services are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for performance-based entitlements where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

#### Long-term employee entitlements – non-current liabilities

Employee benefits that are due to be settled beyond 12 months after the end of period in which the employees render related services, such as long service leave, are 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.

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Current	2,001	1,586
Non-current	79	79
<b>TOTAL</b>	<b>2,080</b>	<b>1,665</b>
This is represented by:		
Annual leave and other leave entitlements	1,709	1,423
Accrued salaries	270	141
Long service leave	101	101
<b>TOTAL</b>	<b>2,080</b>	<b>1,665</b>

## 14. PROVISIONS

### Accounting policy

A provision is made 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 expenditure 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.

Represented by:

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Current	0	0
Non-current – lease make-good	1,042	1,042

With respect to three of its leased premises, at the expiry of the lease terms RNZ is required to make good any damage caused from installed fixtures and fittings and to remove any fixtures or fittings installed.

## 15. CONTINGENCIES

RNZ has disclosed \$50,000 for contingent liabilities (2016: nil) in relation to two possible defamation actions.

There are no quantifiable contingent assets (2016: nil).

## 16. REDEEMABLE PREFERENCE SHARES

Preference shares are classified as a current liability as they are legally redeemable on 30 days' notice.

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Redeemable preference shares	0	4,120

The 4,119,680 shares valued at \$1 per share held in equal portions by the Minister for Arts, Culture and Heritage and the Minister of Finance were repaid during the year at the request of the shareholders.

## 17. EQUITY

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

### Share capital

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Share capital - ordinary \$1 shares		
Balance at 1 July	16,692	16,692
Issue of ordinary shares	0	0
<b>Balance at 30 June</b>	<b>16,692</b>	<b>16,692</b>

Ordinary shares have the following rights:

- (a) Normal voting rights.
- (b) No fixed dividend rights.

### Revaluation reserve

Movements:	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Balance at 1 July	28,417	29,872
Revaluation - land	13,560	0
Revaluation - buildings	914	0
Transfer to retained earnings	(1,937)	(1,455)
Deferred tax adjustment sale of building	(256)	0
Other	2	0
<b>Balance at 30 June</b>	<b>40,700</b>	<b>28,417</b>

Made up of:

Revaluation - land	37,855	25,944
Revaluation - buildings	2,007	1,635
Music library	0	0
Sound archive collection	800	800
Reference library	38	38
<b>Balance at 30 June</b>	<b>40,700</b>	<b>28,417</b>

### Retained earnings

Movements:	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
Balance at 1 July	2,428	5,829
Net surplus (deficit) after tax	292	(4,856)
Dividends paid	(2,880)	0
Transfer from revaluation reserve	1,937	1,455
<b>Balance at 30 June</b>	<b>1,777</b>	<b>2,428</b>

Shareholding Ministers required RNZ to pay a dividend on their shareholding in the company. This was confirmed by the two Shareholding Ministers for the 2016/2017 income year.

## 18. RELATED PARTY TRANSACTIONS

RNZ is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favorable than those that it is reasonable to expect RNZ would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies are not disclosed as related party transactions when they are on terms and conditions consistent with the normal operating arrangements between government agencies.

### Significant transactions with government-related entities requiring disclosure

RNZ received funding of \$32.516 million (2016: \$31.816 million) from NZ On Air for the year ended 30 June 2017. The contract between the two parties prescribes what RNZ is expected to provide in relation to its delivery of services and principles of operation as outlined in the RNZ Charter.

In a separate agreement for the year ended 30 June 2017, \$200,000 (2016: \$200,000) funding was received from NZ On Air for The Wireless, an RNZ digital programme on the web for "Fresh Voices" that explores contributions from new talent.

RNZ International, a division of RNZ Limited, received funding of \$1.9 million (2016: \$1.9 million) from the Ministry for Culture and Heritage for the year ended 30 June 2017. This was to provide an international service to South Pacific nations.

### Key management and directors

There have been no material transactions between directors and senior management and RNZ in any capacity other than that for which they are employed.

The Chief Executive, Paul Thompson, is a director of Sound Archives/Ngā Taonga Kōrero Limited, a 100%-owned subsidiary company of RNZ.

The Head of Business Transformation and Strategy, Alan Withrington, is a director of Freeview Limited. RNZ has 5% of the shares in the company.

During the year, RNZ paid Freeview Limited \$48,949 for its 5% share of operational funding (2016: \$34,070).

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

## 19. FINANCIAL INSTRUMENTS

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

### Market risk

RNZ has no significant equity investments exposed to price risk as at 30 June 2017.

### Fair value interest rate risk

RNZ's exposure to fair value interest rate risk is limited to its bank deposits that are held at fixed rates of interest. RNZ does not actively manage its exposure to fair value interest rate risk.

### Cash flow interest rate risk

Investments and borrowings issued at variable interest rates could expose RNZ to cash flow interest rate risk.

RNZ currently has no variable-interest-rate investments.

### Currency risk

Currency risk is the risk that the fair value will fluctuate due to changes in foreign exchange rates.

RNZ's policy is to manage foreign currency risks arising from significant contractual commitments and liabilities by entering into foreign exchange forward contracts.

RNZ purchases goods and services overseas that require it to enter into transactions denominated in foreign currencies.

As at 30 June 2017 RNZ has no foreign exchange forward contracts.

**Credit risk**

Credit risk is the risk that a third party will default on its obligation to RNZ, causing it to incur a loss. Due to the timing of its cash inflows and outflows, RNZ invests surplus cash with registered banks. In the normal course of business, RNZ is exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is represented by the carrying amount in the statement of financial position.

RNZ invests funds only with registered banks that have Standard & Poor's credit ratings of at least A2 for short-term and A- for long-term investments. RNZ has experienced no defaults of interest or principal payments for term deposits.

**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 & Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Group Actual <b>2017</b> \$000	Group Actual <b>2016</b> \$000
<b>Counterparties with credit ratings</b>		
Cash at bank and term deposits (AA- rating)	6,446	6,735

**Liquidity risk**

Liquidity risk is the risk that RNZ 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. RNZ has no borrowings or loans; preference shares were re-paid to the Government during the year.

RNZ mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

**20. EVENTS AFTER BALANCE DATE**

There have been no significant events since the balance date.

**21. EXPLANATIONS OF SIGNIFICANT VARIANCES AGAINST BUDGET**

The most significant variances against budget were due to the transactions associated with the sale of the Auckland building. These were not provided for in the budgets for the year and resulted in an extra \$7 million of asset sales, which was returned to the Crown in the form of a special dividend of \$2.8 million and repayment of the preference shares of \$4.12 million.

In return for this distribution RNZ's Government funding was also increased by \$700,000 although this will be partly offset by RNZ now paying rent for our tenancy in Auckland.

Other more minor differences were:

**Statement of comprehensive revenue and expense**

The financial result for the year was an operational surplus of \$36,000 against a budgeted surplus of \$2,000.

The sale of 171 Hobson Street, Auckland and other minor asset sales have provided an unbudgeted surplus of \$334,000.

Unbudgeted costs of approximately \$152,000 were incurred as a result of the Kaikōura earthquake requiring additional expenditure to provide coverage of the event, and also some additional resilience plans that were put in place in Auckland as cover for our Wellington operations.

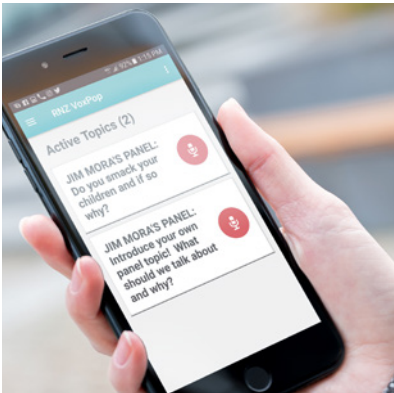
The desired changes from the previous year's restructuring have been achieved with the ongoing cost structure allowing RNZ to budget for a return to a break-even result in 2016/2017 financial year.

**Statement of financial position**

The working capital ratio has improved as a result of the repayment of preference shares, as these were previously classified as a current liability due to their redemption clause.

RNZ-owned properties were revalued at year end, resulting in an increase in the revaluation reserve of \$14,476,000, and property, plant and equipment also increased, offset by the sale of 171 Hobson Street, Auckland.





RNZ must make content available to audiences in ways that suit their needs and preferences

Services and programmes must appeal to a diverse range of audiences



# RADIO NEW ZEALAND LIMITED

## STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2017

The Radio New Zealand Act 1995 was updated on 1 April 2016 to incorporate the Radio New Zealand Amendment Act 2016. The changes included an updated Charter, and a new reporting requirement set out in the following clause:

### Extract from the Radio New Zealand Act 1995 8D Reporting

- (1) The public radio company must include in its annual report required by section 150 of the Crown Entities Act 2004, an assessment of the extent to which its performance fulfils its Charter.
- (2) In making the assessment, the public radio company must take into account—
  - (a) research relating to a representative selection of members of the public (including persons who are not members of its current audience); and
  - (b) the measures, if any, it has taken as a result of the research.
- (3) For the purposes of subsection (2)(a), the public radio company must undertake or obtain the research on a regular basis, but at least once a year.

Optimising its Charter performance underpins all Radio New Zealand's planning and our reporting framework has been designed with this in mind and has formed the basis of Radio New Zealand's Statement of Performance Expectations.

This statement reports on Radio New Zealand's Charter performance against the measures set out in the Statement of Performance Expectations for the year ended 30 June 2017.

There are five key elements that Radio New Zealand sees as integral to achieving its statutory and strategic objectives, and these are:

- 1 Producing and broadcasting a diverse and unique range of services;
- 2 Making our services available and accessible where and when New Zealanders want;
- 3 Providing a public broadcasting service that is important to, and valued by, New Zealanders;
- 4 Attracting and retaining audiences; and
- 5 Being financially viable.

These five **OBJECTIVES** form the basis of Radio New Zealand's performance assessment framework, with outputs and targets as follows...

**OBJECTIVE 1****Producing and broadcasting a diverse and unique range of services**

Radio New Zealand delivers its unique and exclusive content via six main services, each with different audiences and different aspects of the Charter in mind. The individual services that currently make up Radio New Zealand's portfolio are:

**A. RNZ NATIONAL**

RNZ National is a nationwide network that aims to inform, entertain and enlighten audiences through reliable independent and freely accessible news and information.

Its core programming consists of comprehensive regional, national and international news and current affairs, and other programming intended to inform, entertain and enlighten audiences.

This also includes programming such as feature documentaries and entertainment programmes, stories from Te Ao Māori, and music featuring both New Zealand and international artists.

Examples of key programming:

**Morning Report** – authoritative and comprehensive coverage of local and world events.

**Summer Report** – authoritative and comprehensive coverage of local and world events during the New Zealand summer holiday period.

**Midday Report** – 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** – in-depth debate on topical national and international news, with feature interview profiles to stimulate new ideas.

**Comprehensive hourly news bulletins**

**Music 101** – showcasing the best of music for New Zealanders.

**Te Manu Korihi** – agenda-setting Māori news and current affairs.

**Checkpoint** – hard-hitting daily news-focused multimedia programme, broadcast on radio and TV and live streamed

**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.

**Standing Room Only** – celebrating 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** – a thought-provoking range of interviews, documentaries and music, including Mediawatch and Insight.

**Te Ahi Kaa** – a weekly programme focusing on Māori lives, voices and perspectives.

**Tagata o te Moana** – Pacific Island news, issues and current affairs.

**B. RNZ CONCERT**

RNZ Concert brings fine music in stereo to all New Zealanders. Musical, dramatic and performing arts comprise the core of RNZ Concert's broadcasts, with a repertoire featuring mainly classical music but a varied range of other music genres.

Examples of key programming:

**Weekday Classics** – The Works, recently released recordings and home-grown music and performers during Made in New Zealand.

**Classic Afternoons** – music from the renaissance to the romantic and beyond.

**Day's End** – a selection of classical music to unwind at the end of the day.

**Grace Notes** – a reflective, calming, classical selection.

**Hymns on Sunday** – traditional and modern hymns.

**Music Alive** – live concerts featuring local and international artists.

**Music through the Night** – music to keep you company from midnight to 6.00am.

**New Horizons** – a selection of rock, pop, country and folk music.

**Opera on Sunday** – the selection includes the annual season from the Metropolitan Opera House, New York as well as new recordings from the world of opera.

**Sanctuary** – uplifting music for the spirit and soul.

**Sound Lounge** – a collection of avant garde, atmospheric soundscapes, up-to-the-minute contemporary, early 20th century and a touch of art pop.

**The Sunday Feature** – something different from the wide world of music features.

**Upbeat** – from the concert hall to the cinema, we talk to musicians, composers, choreographers, dancers, actors, directors and artists.

**Vintage Years** - performances by great artists from the mono era, including the latest remastered recordings.

**Your Choice** – audience request programme from RNZ Concert’s vast CD collection and our own recordings.

**Specialist series** – a history of jazz, concerts from the Frick, Sunday Concert.

### C. RNZ PACIFIC (formerly International)

RNZ Pacific (formerly International) is an international radio service to the Pacific consisting of innovative, comprehensive and independent news and programming of interest to the Pacific region.

Its objective is to encourage an awareness and understanding of New Zealand on regional issues of concern, foreign relations, development assistance, immigration, human rights, economic development, the environment and trade opportunities. It also provides a reliable source of information in the event of natural disasters or breakdowns in local communication.

Examples of key programming:

**Dateline Pacific** - a daily current affairs programme covering the major Pacific stories of the week, with background and reaction from the people making the news.

**News about New Zealand** - a review of the week’s events in New Zealand.

**News in Pacific Languages** - news bulletins read in Pacific languages (Niuean, Samoan, Tongan and French).

**Pacific Correspondent** - a weekly programme in which RNZI regional correspondents discuss political and social issues in their Pacific countries.

**Tagata o te Moana** - a weekly Pacific magazine programme featuring New Zealand and regional Pacific news, issues, information and music. This programme is also simulcast domestically on RNZ National.

**The World in Sport** - highlights of the world’s sporting week, with emphasis on New Zealand and Pacific interviews, reviews and reactions, plus previews of upcoming games.

**Tradewinds** - reviews the week’s top business stories from the Pacific region.

**World and Pacific News** - a bulletin of Pacific news and a sports report.

**Rebroadcasts of RNZ programming** – including Morning Report, Checkpoint, Focus on Politics, News, Te Manu Korihi (news on Māori issues) Insights, Spectrum, Midday Report, Sounds Historical, Hymns on Sunday and Asian Report.

### D. RNZ PARLIAMENTARY RADIO AND PROCEEDINGS

Radio New Zealand through its AM network and audio live-stream online service, provides live coverage of Parliament, when the House is sitting.

Additional RNZ coverage of Parliament can be found at [rnz.co.nz](http://rnz.co.nz), through:

**Podcasts** - choose the day and listen to Question Time;

**Podcasts** - listen to programmes about Parliament presented by long-standing parliamentary reporters; and

**Access On-Demand radio content** from the RNZ ‘In Parliament’ web page.

### E. RNZ.CO.NZ

The website [rnz.co.nz](http://rnz.co.nz) provides a comprehensive portal to all RNZ content.

This allows users to access live-streaming services for RNZ National, RNZ Concert and RNZ Pacific.

In addition users have on-demand access to comprehensive up-to-the-minute news, analysis and special interest topics, as well as access to more than 230,000 on-demand audio items (over 37,000 hours) from RNZ’s vast online collection of back-catalogue programming and web-only collections.

#### STREAMED SERVICES

RNZ National, RNZ Concert, RNZ Pacific (International).

#### CONTENT CATEGORIES

News, Radio, Series & Podcasts, Topics, Pacific.

#### NEWS CATEGORIES

New Zealand, World, Politics, Pacific, Te Ao Māori, Sport, Business, Country, Comment & Analysis, Weather.

#### CATEGORIES

Music, Science & Environment, Plays & Stories, Books & Authors, Life & Society, Food & Recipes, Arts & Culture, Movies, Business & Economy, Politics, Sport, Comment & Analysis, Media & Technology, Country, Pacific, Te Ao Māori, Collections, Current Affairs.

### F. THE WIRELESS

The Wireless is a youth-targeted website that aims to produce inspiring, insightful and entertaining stories for New Zealanders who have grown up in the digital age.

The site provides multi-format content (text, audio and video) and encourages user interaction through sharing content across other social media outlets and through commentary on articles posted.

The broad categories covered are: News, Society, Culture, Life, Comment, Video.



## 2016/2017 PERFORMANCE

### PRODUCING AND BROADCASTING A DIVERSE AND UNIQUE RANGE OF SERVICES

Service	Objective	Actual 2016/2017	Target 2016/2017	Actual 2015/2016
RNZ National	Broadcast a nationwide network providing news, current affairs, feature documentaries and entertainment programmes, including music programmes featuring both New Zealand and international artists.	8,760 broadcast hours of RNZ National content	8,760 broadcast hours of RNZ National content	New target not previously reported
RNZ Concert	Broadcast fine music in stereo consisting primarily of dramatic and performing arts with a repertoire featuring mainly classical music but also including jazz and special interest music.	8,760 broadcast hours of RNZ Concert content	8,760 broadcast hours of RNZ Concert content	New target not previously reported
RNZ Pacific (formerly RNZI, Radio New Zealand International)	Provide an international radio service to the Pacific consisting of innovative, comprehensive and independent news and programming of interest to the Pacific region to encourage an awareness and understanding of New Zealand, and providing a reliable source of information in the event of natural disasters or breakdowns in local communication services.	8,693 broadcast hours of RNZ Pacific content. <sup>1</sup> 99.23% transmission and service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network	8,472 broadcast hours of RNZ Pacific content. <sup>1</sup> 99% transmission and service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network	New target not previously reported
Parliamentary Radio and Proceedings	Live audio broadcast of Parliament live, when the House is sitting.	Coverage of 86 Parliamentary sitting days	Coverage of 90 Parliamentary sitting days	New target not previously reported
rnz.co.nz	Provide a comprehensive portal to its News, National, Concert and Pacific content, allowing users access to live streaming services for RNZ National, RNZ Concert and RNZ Pacific. In addition to this users have access to comprehensive, up-to-the-minute news coverage as well as access to in excess of 230,000 on-demand audio items (over 37,000 hours) from RNZ's vast online collection of back-catalogue programming and web-only collections.	47,371 hours (299,589 items) of audio content for RNZ's services available online at any time	38,000 hours (248,000 items) of audio content for RNZ's services available online at any time	40,490 hours (256,075 items) of audio content for RNZ's services available online at any time
thewireless.co.nz	The Wireless is a youth-targeted website that is upfront, in-depth and in tune, aiming to produce inspiring, insightful and entertaining stories for New Zealanders who have grown up in the digital age. The site is updated with new content every weekday. The site provides multi-format content (text, audio and video) and encourages user interaction through sharing content across other social media outlets and through public commentary on articles posted.	658 new items of content uploaded each year	400 new items of content uploaded each year	New target not previously reported

<sup>1</sup> The target number of transmission hours is reduced as RNZ International (Pacific) has turned off its 27-year-old analogue transmitter. This measure records hours of transmission not the volume of content produced. There is no reduction in the target number of hours of content produced.

Many of the quality programmes featured on Radio New Zealand are not available on commercial radio because they are not considered commercially viable.

**OBJECTIVE 2****Making our services available and accessible where and when New Zealanders want**

Not only must Radio New Zealand produce compelling programme content, it must also make that content available to audiences in ways that suit their needs and preferences.

It is not possible for every Radio New Zealand service to be on every available platform, nor can it continue to rely on just one or two platforms. The challenge for Radio New Zealand is to determine which combination of delivery platforms provides the most effective outcome

across a range of key criteria, including audience availability and preferences, population coverage, infrastructure requirements, capital and operating costs, consumer device penetration, and costs.

The range of delivery methods that Radio New Zealand uses to make its content accessible will form the basis for measuring our success in achieving this objective, and these are detailed in the Statement of Performance Expectations targets for 2016/2017.

**2016/2017 PERFORMANCE****MAKING OUR SERVICES AVAILABLE AND ACCESSIBLE WHERE AND WHEN NEW ZEALANDERS WANT**

During the 2016/2017 year Radio New Zealand services were distributed on the following platforms:

	AM Radio (NZ)	FM Radio (NZ)	Digital & Analogue Shortwave DRM (Pacific)	Freeview (NZ) Terrestrial Television	Freeview (NZ) Satellite	Sky (NZ) Satellite	Mobile Phone Streaming and On Demand (NZ)	Internet Streaming and On Demand (Worldwide)	Third Party Distribution of RNZ Content (Worldwide)
RNZ National	✓	✓		✓	✓	✓	✓	✓	✓
RNZ Concert		✓		✓	✓	✓	✓	✓	✓
RNZ Pacific			✓			✓	✓	✓	✓
Parliament	✓				✓	✓			
radionz.co.nz							✓	✓	✓
thewireless.co.nz							✓	✓	✓

The distribution of Radio New Zealand services across different platforms was similar to the previous year.

New third-party partners in the 2016/2017 year included Fairfax for stuff.co.nz, NZME for NZ Herald and Spotify.

Third-party radio partners added this year included the Pacific Media Network and Te Whakaruruhau iwi stations.

Radio New Zealand also has a video presence on Facebook and YouTube.



**OBJECTIVE 3****Providing a public broadcasting service that is important to, and valued by, New Zealand****2016/2017 PERFORMANCE**

## PROVIDING A SERVICE THAT NEW ZEALAND VALUES

Objective	Actual 2016/2017 (change in method, not comparable)	Target 2016/2017	Actual 2015/2016 (change in method, not comparable)
A majority of New Zealanders agree that RNZ provides a valuable service to New Zealanders.	6 out of 10	At least 7 out of 10	At least 7 out of 10
A majority of New Zealanders agree that it is important for New Zealand to have a public service broadcaster.	7 out of 10	At least 7 out of 10	At least 7 out of 10

Please note that the research methodology used in 2017 was different from previous years and the results are not comparable to previous years'.

Objective	Actual 2016/2017	Target 2016/2017 (new)
In our capacity as a Lifeline Utility Radio New Zealand will ensure that it is prepared to respond and carry out its duties in the event of a declared civil defence emergency.	Radio New Zealand's role as Lifeline Utility was tested in the November 2016 Kaikōura earthquakes. Civil Defence declared an official state of emergency for the Kaikōura earthquakes. Radio New Zealand maintained all of its broadcast services during this time (ie. 100% performance) and provided regular civil defence updates during the Kaikōura earthquakes.	Service delivery 24/7 across broadcast and online platforms. Maintenance of the infrastructure to deliver our Lifeline Utility role, with system uptime across platforms achieving more than 99%.

**OBJECTIVE 4****Attracting and retaining audiences**

To remain relevant and meet its statutory and strategic objectives, Radio New Zealand services and programmes must appeal to a diverse range of audiences.

This is especially important in the current environment in which audiences have so much more choice, not just on the type of content, but also on where, when, and how they consume that content.

To respond to this, Radio New Zealand aims to provide a range of diverse services that meet the needs of both traditional radio listeners and new audiences.

The audience measures that Radio New Zealand has used to assess its success in achieving this objective are detailed in the Statement of Performance Expectations' targets for 2016/2017.

**2016/2017 PERFORMANCE**

## ATTRACTING AND RETAINING AUDIENCES

Objective	Measure	Actual 2016/2017	Target 2016/2017	Actual 2015/2016
Maintain our traditional radio listeners.	Combined RNZ National and RNZ Concert weekly cumulative audience. (Source*)	687,100	500,000	600,200
Build our online audiences.	Average monthly users of RNZ's websites. (Source**)	1,756,460	1.2 million	1,204,684
Increase online consumption of audio content.	Average monthly downloads of RNZ content. (Source**)	1,698,919	1.4 million	1,348,674
Maintain our current Pacific Island radio audience.	Number of Pacific Island radio stations taking the RNZ service. (Source***)	17 stations	17 stations	17 stations
Grow RNZ Pacific's online audience.	Pageviews of RNZ Pacific section of website. (Source**)	4,791,715	3.8 million	4,632,208
Grow the total number of people who use our services.	Combined weekly unique radio and online people who use any of our services. (Source****)	840,279	705,000	682,757

\* GfK radio survey.

\*\* Google Analytics.

\*\*\* RNZ internal data.

\*\*\*\* This is a hybrid calculation developed by RNZ to estimate the total number of unique (unduplicated) people engaging with any RNZ service or platform. The calculation uses the audience data from both the GfK radio surveys and the website user data provided by Google Analytics. To amalgamate the results from these two different sources, estimates have been made to convert online user results for each website into individual people, and further estimates to eliminate the double counting of people who access RNZ services from a range of different access points and whose usage may turn up in more than one result. Some of the assumptions used may vary from year to year as better data comes to hand or to reflect changing audience behaviour, so the results are not necessarily comparable with those of previous years. Content accessed using some other sources (eg. Facebook, YouTube, Spotify, Face TV, Freeview) is not included in this calculation because we do not receive the necessary audience or user data on a regular basis and/or there is insufficient data on which to make reasonable estimates for the above conversion factors. As such, this measure is not intended to be a precise calculation but an approximation only, and an indicator as to the overall growth (or decline) in RNZ's total audience.

**OBJECTIVE 5****Being financially viable**

Radio New Zealand relies primarily on direct Crown funding of \$35m to fund its activities, and under its Charter is expected to remain commercial-free in delivering its core services.

Radio New Zealand embarked on a significant programme of change during the 2015/2016 financial year. As well as needing to reduce the overall level of costs to return operations to a break-even position, changes to the structure of the organisation were required to adapt to the multimedia environment and to give effect to our transformational strategy. Central to this strategy is an investment in modern technology to deliver new capabilities and efficiencies.

The time and cost of introducing these changes exceeded the 2015/2016 budget but by the start of the new 2016/2017 financial year we expected to have successfully achieved our goal to reduce the overall cost structure by more than \$2 million per annum, which will allow us to increase funding for new digital initiatives.

The financial measures that Radio New Zealand has used to assess its success in achieving these objectives are detailed in the Statement of Performance Expectations targets for 2016-17.

**2016/2017 PERFORMANCE**

## BEING FINANCIALLY VIABLE

Objective	Actual 2016/2017	Target 2016/2017	Actual 2015/2016
Return to break-even in 2016/2017 after deficits for 2014/15 and 2015/2016 years.	\$292,000 net surplus after tax	Achieve a break-even surplus/(deficit) result for the 2016/2017 year	\$4.2m net deficit after tax
To retain funds to re-invest in asset upgrade and modernisation programme.	\$2.2m EBITDA*	Achieve an EBITDA* in excess of \$2m for the 2016/2017 year	-\$183,000 EBITDA*

\* Earnings Before Interest, Tax, Depreciation and Amortisation.

**Charter performance assessment – use of research**

Radio New Zealand uses a range of ongoing research streams throughout the year, and in the 2016/2017 financial year this included the following:

**GfK radio survey** – this is an industry-wide radio survey of live radio listening. It surveys all New Zealanders, including RNZ and non-RNZ listeners. 40 weeks of surveys, reported quarterly.

**Google Analytics** for online analytics on [rnz.co.nz](http://rnz.co.nz).

**Nielsen** for website audiences of all the major websites, not just RNZ's. Monthly reporting.

**Nielsen** for listening to RNZ via Freeview channel 50. Monthly.

**Third parties** also report to RNZ on the audience usage of RNZ content via their media. Monthly reporting.

**Colmar Brunton** Values Indices survey attitudes to RNZ from the total New Zealand population, not just RNZ audiences. Annual reporting.

Results from these research streams provide Radio New Zealand with information to assess the size and demographic make-up of its audience, to understand

audience preferences and attitudes across different programmes, time zones and platforms, to see how RNZ compares to other media, to see how the wider New Zealand population views RNZ, and to measure Radio New Zealand's performance against various strategic and statutory objectives.

These results are used to continually monitor performance throughout the year and make informed decisions on an ongoing basis. Unless a need for significant or immediate change is indicated, responses tend to be subtle and gradual throughout the course of the year.

From time to time, where a particular area of interest is identified, more specific and detailed research projects are also initiated to provide more in-depth information about a particular aspect of RNZ. During the year 2015/2016 and 2016/2017 years this included audience segmentation studies for RNZ News & Current Affairs and RNZ Music.

Results from these research projects provide a range of insights that help the respective areas to reshape their outputs to better meet the preferences of their target audiences.

# FOCUS PROJECT

## RADIO NEW ZEALAND

### MĀORI STRATEGY

In the 2016/2017 year Radio New Zealand developed a new, long-term strategy that represents an increased commitment to creating high-quality Māori content, supporting Te Reo Māori and fostering Māori journalism.

This strategy had six key objectives:

#### OBJECTIVE 1

Radio New Zealand is committed to preserving Te Reo Māori by developing a language plan for key executives, presenters and journalists.

**PROGRESS:** Māori language workshops were held for on-air staff in February and March 2017. News staff now use Te Reo sign-offs in reports.

Financial support for staff seeking external te reo training was approved and underway.

Te Reo training for executive staff and managers will take place in the next reporting year.

#### OBJECTIVE 2

Radio New Zealand believes in the growth of Māori journalism and this year Radio New Zealand will introduce a Māori Journalism Internship. The internship will be awarded annually and will provide an opportunity for a promising individual to work at Radio New Zealand and receive training and support.

**PROGRESS:** The Henare Te Ua Internship was launched in February 2017, named after a prominent Māori broadcaster. Our inaugural intern, Te Aniwa Hurihanganui, started work at Radio New Zealand in May 2017.

#### OBJECTIVE 3

Radio New Zealand will also offer a new training partnership (Te Kākano) between itself and the iwi radio network.

**PROGRESS:** A memorandum of understanding was signed with Te Whakaruruhau (the Iwi Radio Network) in August 2016.

Discussions are underway to feature three te reo news bulletins daily from Radio Waatea on RNZ.

Radio New Zealand will invite Te Whakaruruhau staff for work experience with the RNZ Digital team in the next reporting year.

#### OBJECTIVE 4

Radio New Zealand is committed to employing outstanding Māori staff who are leaders in their field and who play an influential role in the organisation.

**PROGRESS:** RNZ News is currently employing three prominent senior Māori journalists.

Māori issues correspondent Mihingarangi Forbes co-presented Waitangi Day and Anzac Day specials. A new programme hosted by Forbes and featuring RNZ's best weekly Māori content will launch in the next reporting year.

#### OBJECTIVE 5

Radio New Zealand's website provides a significant platform for us to diversify and promote a range of Māori language, culture and stories. The audience for this content is growing rapidly and we expect this growth to continue as we improve the content further.

**PROGRESS:** The July 2017 website relaunch introduced a Te Ao Māori category, providing greater audience access to all RNZ Māori content.

Archival RNZ Māori content is to be identified and curated by Ngā Taonga and promoted on the Radio New Zealand website.

We are using website statistics to help prioritise the production of content for the Te Ahi Kaa programme.

#### OBJECTIVE 6

Form a partnership with Ngā Taonga Sound & Vision to provide online access to selected content from RNZ's Māori archive (in both English and Te Reo).

**PROGRESS:** RNZ is continuing its relationship with Ngā Taonga. Te Pūtaketanga o Ngā Taonga Kōrero the first of four online exhibitions to showcase Ngā Taonga Kōrero collection – the archive of RNZ's Māori radio programmes – was launched on 11 September 2017.



An increased  
commitment to  
creating high-quality  
Māori content



The following new performance reporting measures from 1 July 2016 were also added to track progress in implementing the Radio New Zealand Māori strategy in respect of broadcast and online content:

OBJECTIVE	Actual 2016/2017	Target 2016/2017	Actual 2015/2016
Māori Language and Culture programming (radio broadcast hours) <sup>1</sup>	84 hours	80 hours	Not previously measured.
Māori Language and Culture (number of items uploaded to website) <sup>2,3</sup>	1,051	1,000	Not previously measured.
Māori Language and Culture (online pageviews – Google Analytics) <sup>3,4</sup>	1,059,714	1 million	Not previously measured.

<sup>1</sup> This measure relates solely to stand-alone, scheduled on-air programmes broadcast on RNZ National that focus exclusively on Māori content, and excludes Māori language and culture content that is broadcast as part of other programming content.

<sup>2</sup> The number of story-telling items that are published on the rnz.co.nz website during the year that relate to the Māori world.

<sup>3</sup> Both the measures are focused on material (audio, written, visual) that appears in the Te Manu Korihi and Te Ahi Kaa sections of the website. This is where the bulk of Māori-related story-telling is published. It does not include material that turns up in other broader-interest programmes and shows, as this is too difficult to track at this time.

<sup>4</sup> The number of times a piece of story-telling relating to the Māori world is viewed on the website.

## GOOD EMPLOYER REPORT 2017

RNZ continues to be a good employer with a significant ongoing focus on equal opportunities, health, wellbeing and dignity at work. We continue to review and improve our programmes and policies to help ensure fair treatment of all staff.

Data gathered during the year shows that, across the whole organisation, RNZ's female median remuneration is 6% less than the male median remuneration. The only material difference occurs in the higher-level positions, due to fewer women being in those roles. A working group has met throughout this year and its research and recommendations were submitted in September for consideration.

RNZ offers flexible working hours where practical for certain roles, and approximately 26% of female employees and 10% of male employees have part-time working arrangements.

We also aim to provide good and safe working conditions, with employees having access to health and safety professional services, individual worksite assessments, flu shots and hearing tests.

49%

FEMALE EMPLOYEES



51%

MALE EMPLOYEES



6%

GENDER PAY GAP









TE REO  
IRIRANGI  
O AOTEAROA

Radio New Zealand is funded by

