



STATEMENT OF PERFORMANCE EXPECTATIONS

For the Year Ending 30 June 2020

CONTENTS

INTRODUCTION.....	3
RNZ - WHO WE ARE.....	3
OUR CHARTER AND OPERATING PRINCIPLES	4
CONTRIBUTION TO PUBLIC MEDIA OBJECTIVES	7
2019-2020 OUTPUTS AND PERFORMANCE	8
SCHEDULE OF PERFORMANCE TARGETS 2019 – 2020	9
RNZ MĀORI STRATEGIC ACTION PLAN	15
FINANCIAL PLANNING AND PROSPECTIVE FINANCIAL STATEMENTS	17
PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES.....	20

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INTRODUCTION

The Statement of Performance Expectations reflects our proposed activities, performance targets and forecast financial information for the year ending 30 June 2020. It is produced in accordance with the Crown Entities Act 2004, s149E.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the RNZ Board of Governors in accordance with its role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.

For and on behalf of the Board of Radio New Zealand - 27 September 2019



.....
Dr Jim Mather
Chair



.....
Melissa Clark-Reynolds
Deputy Chair

RNZ - WHO WE ARE

Radio New Zealand (RNZ) is a Crown owned entity and its function and operations are primarily governed by the Radio New Zealand Act 1995 and the Radio New Zealand Amendment Act which has applied since April 2016. The Act includes the Radio New Zealand Charter which sets out Radio New Zealand's purpose, function and operating principles.

RNZ is mostly government funded with a small proportion of its income generated from third party revenue. RNZ is funded through NZ on Air and the Ministry for Culture and Heritage to deliver Public Broadcasting Services (M8) in accordance with the Estimates and Appropriations for the Government of New Zealand.

Consistent with the appropriations, RNZ provides high quality, diverse, comprehensive and independent radio and online content for New Zealand and Pacific audiences.

OUR CHARTER AND OPERATING PRINCIPLES

The key element of the Radio New Zealand Act is the Charter, Section 8¹ which sets out RNZ's purpose, function and operating principles as follows:

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.

¹ The Radio New Zealand Amendment Act 2016 received Royal Assent on 1 April 2016.

8A PRINCIPLES OF OPERATION

- (1) The public radio company must, in fulfilling its Charter, exhibit a sense of social responsibility by—
 - (a) having regard to the interests of the community in which it operates; and
 - (b) endeavouring to accommodate or encourage those interests when able to do so.

- (2) The public radio company must, in fulfilling its Charter, ensure that it is not influenced by the commercial interests of other parties.

- (3) The public radio company must, in fulfilling its Charter, ensure that it operates in a financially responsible manner and, for this purpose, that it—
 - (a) prudently manages its assets and liabilities; and
 - (b) endeavours to ensure—
 - (i) its long-term financial viability; and
 - (ii) that it acts as a successful going concern.

OUR STRATEGIC PRIORITIES



TE REO
IRIRANGI
O AOTEAROA

PURPOSE

A connected and informed Aotearoa

MISSION



HOW WE WILL SUCCEED

- Understanding the people of Aotearoa.
- Using those insights to provide a growing range of relevant and accessible services.
- Creating high-quality, trusted and independent news, information and entertainment.
- Collaborating and sharing to grow value to the public.
- Identifying, developing and retaining diverse talent that reflects the community.

VALUES

- Place the audience at the heart of everything we do
- Collaborative
- Creative
- Sustainable
- Accountable

GOAL

By 2023 we will reach and be valued for our service by
1 IN 2 NEW ZEALANDERS A WEEK



CONTRIBUTION TO PUBLIC MEDIA OBJECTIVES

There are six public media objectives for the broadcasting portfolio, and RNZ contributes to the achievement of these as follows:

- 1) Supporting quality NZ content in all genres across a variety of platforms**
 - RNZ's core purpose is the creation and distribution of diverse high-quality New Zealand news, current affairs and information.
 - That content is now more widely available on all platforms and through partnerships with other outlets.

- 2) Better catering to Māori, Pacific and other underserved audiences**
 - The new Innovation Fund has created new content specifically for underserved audiences.
 - RNZ Pacific is connecting with more Pacific People living in New Zealand while maintaining its core Pacific-wide service
 - RNZ's Māori strategy is building capability in Te Reo and tikanga Māori throughout RNZ

- 3) Enhancing national identity**
 - RNZ's purpose is a connected and informed Aotearoa.
 - Coverage of arts and culture, music, and regional New Zealand is growing.

- 4) Supporting the provision of news and current affairs across New Zealand**
 - RNZ news audiences are growing on all platforms
 - RNZ content sharing supports a range of websites, newspapers and broadcasters.
 - RNZ works collaboratively with other media to support a sustainable news industry.

- 5) Promoting an informed democracy**
 - RNZ is renowned for its trusted and impartial news and current affairs on matters of public interest.
 - RNZ has increased its focus on investigative journalism.

- 6) Safeguarding the media's independence**
 - Editorial independence is RNZ's raison d'être
 - RNZ works with other media to champion the vital importance of a free press.

2019-2020 OUTPUTS AND PERFORMANCE

RNZ has one reportable class of output which is the delivery of Public Broadcasting Services (M8²), which is funded through two votes in the appropriations, one via NZ On Air for RNZ (\$42.36 million) and one via the Ministry for Culture and Heritage for the RNZ Pacific service (\$1.9 million). The purpose of the broadcasting output is as defined in the Charter.

RNZ also receives other Government funding relating to third party contracts.

There are five key elements of success which RNZ sees as integral to achieving its statutory objectives, responding to the environmental challenges, and delivering on its strategic intent.

These are:

KEY OBJECTIVES	HOW PERFORMANCE WILL BE ASSESSED
<p>1</p> <p><u>ATTRACT AND RETAIN DIVERSE AUDIENCES</u></p> <ul style="list-style-type: none"> • DEVELOP LIFELONG RELATIONSHIPS WITH ALL THE PEOPLE OF NEW ZEALAND • REFLECT CHANGING ETHNIC MIX, GEOGRAPHIC SPREAD AND MEDIA CONSUMPTION HABITS OF POPULATION • FOCUS ON AUDIENCE SECTORS UNDER-SERVED BY COMMERCIAL MEDIA 	<p>REGULAR SURVEYS AND ANALYSIS OF AUDIENCES</p>
<p>2</p> <p><u>PROVIDE A MULTI-MEDIA PUBLIC BROADCASTING SERVICE THAT IS IMPORTANT TO, AND VALUED BY, NEW ZEALANDERS</u></p> <ul style="list-style-type: none"> • CONTRIBUTE TO AN INFORMED DEMOCRACY • PROVIDE AN INDEPENDENT TRUSTED MEDIA SOURCE • NEW ZEALANDERS BELIEVE RNZ PROVIDES A VALUABLE SERVICE 	<p>VALUES INDICES SURVEY MEASURING ATTITUDES OF ALL NEW ZEALANDERS TOWARDS RNZ, PUBLIC BROADCASTING, TRUST IN MEDIA.</p>
<p>3</p> <p><u>PRODUCE, PUBLISH AND BROADCAST A DIVERSE AND UNIQUE RANGE OF SERVICES</u></p> <ul style="list-style-type: none"> • REMAIN STRONG IN RADIO • BE AS STRONG IN DIGITAL AS RADIO • DIVERSE RANGE OF SERVICES • MEET CHARTER REQUIREMENTS 	<p>THE PROGRAMMES PROVIDED BY RNZ VIA ITS VARIOUS RADIO STATIONS, WEBSITES, APPS AND THIRD PARTY CONTENT SHARING ARRANGEMENTS.</p>
<p>4</p> <p><u>MAKE OUR SERVICES AVAILABLE WHERE, WHEN AND HOW AUDIENCES WANT</u></p> <ul style="list-style-type: none"> • USE MOST EFFECTIVE MEANS OF ACCESS • RANGE OF DELIVERY CHOICES • RESILIENCE • AVAILABLE IN TIMES OF EMERGENCY 	<p>THE RANGE OF ALTERNATIVE ACCESS POINTS AND DEVICES THAT AUDIENCES CAN USE TO LISTEN, READ AND WATCH RNZ'S PROGRAMMES, EITHER VIA LIVE BROADCAST OR ON DEMAND.</p>

² M8 refers to the indicator for The Estimates and Appropriations for the Government of New Zealand (Maori, Other Populations and Cultural Sector Vote). Crown Entities Act, S136 (1) defines output classes "that is directly funded (in whole or in part) by the Crown in accordance with the appropriations...."

SCHEDULE OF PERFORMANCE TARGETS 2019 – 2020

These four areas of focus form the basis of RNZ's performance assessment framework, with outputs and targets as follows:

Objective 1

ATTRACTING AND RETAINING DIVERSE AUDIENCES

To remain relevant and meet its statutory and strategic objectives, RNZ must ensure that the programming its services appeal to a diverse range of audiences.

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

To respond to this, RNZ must continue to provide a range of diverse services that meets the needs of both traditional radio listeners and new audiences seeking new multi-media content.

To contribute to reaching new audiences with new content, during the 2018/19 year RNZ and NZ on Air have been commissioning new types of programme content from the \$6 million Innovation Fund established for that year. This funding has been allocated to three categories of project:

- a) Signature projects – major productions of national significance, scale and interest to a broad audience.
- b) Growth Audiences – content for four target audiences – Pasifika, Māori, Regional, and Younger New Zealanders.
- c) Diverse Journalism – News, current affairs & factual content and related supporting activities and initiatives.

The funding for these projects was managed via NZ on Air and not RNZ, and although not planned to be repeated in the 2019/20 year, RNZ will have the benefit of the programmes produced via this fund in the previous year.

RNZ is a part of a radio industry ratings survey which assesses live listening in the New Zealand market. This is a collaborative survey involving commercial radio stations and RNZ. It is run by the respected research company GfK which manages Australian radio industry research. RNZ also has access to a range of data tools that report on the online activity of its audiences.

The audience measures that RNZ will use to assess its success in achieving this objective are detailed in the schedule of performance targets for 2019-20.

TARGETS – Objective 1

ATTRACTING AND RETAINING AUDIENCES

OBJECTIVE	MEASURE	TARGET 2019/20	TARGET 2018/19
Maintain our traditional live radio listeners	Combined RNZ National and RNZ Concert weekly cumulative audience	650,000	600,000
Build our online audiences	Average monthly users of RNZ's websites	2.4 million	2.1 million
Maintain our current Pacific Island radio audience	Number of Pacific Island radio stations taking the RNZ service	17 stations	17 stations
Grow RNZ Pacific's online audience	Pageviews of RNZ Pacific section of website	4.0 million	4.0 million

Grow the total number of people who use our services	Combined weekly number who engage with any RNZ service from any source	1.0 million ³	895,000 using previous methodology
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Objective 2

PROVIDING A PUBLIC BROADCASTING SERVICE THAT IS IMPORTANT TO, AND VALUED BY, NEW ZEALANDERS

As a Crown owned and funded organisation, how the New Zealanders view and value the services we provide is a critical measure of success. It is also very important in determining how we shape the content we deliver and the means of its delivery.

RNZ will undertake research during the year to assess its success in achieving this objective and this is detailed in the schedule of performance targets for 2019-20.

RNZ is a designated Civil Defence Lifeline Utility in accordance with the Civil Defence Emergency Management Act 2002. This places extra social and legislative responsibilities on RNZ in the event of a Civil Defence emergency.

In addition RNZ Pacific provides a reliable source of information to the Pacific region in the event of natural disasters or a breakdown of local communication services.

RNZ will assess its performance in this area by the extent to which it is able to maintain essential services that keep the public informed when/if a civil emergency event occurs.

TARGETS – Objective 2

PROVIDING A PUBLIC BROADCASTING SERVICE THAT IS IMPORTANT TO, AND VALUED BY, NEW ZEALANDERS

OBJECTIVE	TARGET 2019/20	FORECAST 2018/19
A majority of New Zealanders agree that RNZ provides a valuable service to New Zealand.	At least 7 out of 10 New Zealanders agree that RNZ provides a valuable service to New Zealand.	At least 7 out of 10 New Zealanders agree that RNZ provides a valuable service to New Zealand
A majority of New Zealanders agree that it is important for New Zealand to have a public broadcaster.	At least 7 out of 10 New Zealanders agree that it is important for New Zealand to have a public broadcaster.	At least 7 out of 10 New Zealanders agree that it is important for New Zealand to have a public broadcaster.

³ This measure is intended to reflect the total unduplicated audience reach of RNZ across all its services. It was previously assessed by combining traditional radio survey results, online metrics, and information from third parties. Given the different methodologies being used, and the need for a number of assumptions and estimates the reported result can only be an approximation. A new methodology for deriving this measure will be considered during the year.

Objective 3

PRODUCING AND BROADCASTING A DIVERSE AND UNIQUE RANGE OF SERVICES

To respond to the increasing competition for audience attention and to optimise its Charter performance, RNZ must deliver its own range of unique and exclusive content. To achieve this, RNZ offers six main services each with their own unique content range and with different audiences in mind. The individual services that currently make up RNZ's portfolio are:

A. RNZ NATIONAL	B. RNZ CONCERT	C. RNZ PACIFIC
<p>RNZ National is a nationwide radio network providing a diverse range of live content comprising news, current affairs, feature documentaries and entertainment programmes.</p> <p>This includes music programmes featuring both New Zealand and international artists. Many of the quality programmes featured on RNZ National are not available on commercial radio because they are not</p> <p>Notable programme elements include:</p>	<p>RNZ Concert brings fine music in stereo to all New Zealanders, through a network of FM transmitters and digital satellite. Musical, dramatic and performing arts comprise the core of RNZ Concert's broadcasts, with a repertoire featuring mainly classical music but also including jazz and special interest music.</p> <p>Notable programme elements include:</p>	<p>RNZ Pacific broadcasts innovative, comprehensive and independent news and programming of interest to the Pacific region via shortwave radio, and online. This service is also available via satellite for relay and use by broadcasters within the Pacific and beyond. It provides an essential source of information in the event of natural disasters or breakdowns in local communication services</p> <p>Notable programme elements include:</p>
<ul style="list-style-type: none"> ▪ 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 – delivering comprehensive news bulletins, business news, rural news, sports news, long-range weather forecasts and Worldwatch. ▪ Afternoons – an interactive audience show to stimulate, enlighten and entertain the listener. ▪ Nine to Noon – provides in-depth debate on topical national and international news, with feature interview profiles to stimulate new ideas. ▪ 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 livestreamed ▪ 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 – thought-provoking range of interviews, documentaries and music, including Mediawatch and Insight. ▪ Country Life – takes you down country roads to meet ordinary people achieving their dreams. We live in a beautiful country ▪ Te Ahi Kaa – a weekly programme focusing on Maori lives, voices and perspectives ▪ Tagata o te Moana - Pacific Island news, issues and current affairs. 	<ul style="list-style-type: none"> ▪ Classical Chart - The top 10 most popular classical albums for the week. ▪ Music Alive – RNZ-recorded concerts featuring local and international artists, and a selection of top performances from our international partners. ▪ Upbeat – Music, arts and culture news in interviews with New Zealand and international musicians, composers, choreographers, dancers, actors, directors and artists. ▪ New Horizons – a selection of rock, pop, country and folk music contextualised by William Dart. ▪ Global Sounds – leading world music artists including studio recordings, live concerts and exclusive recordings from events like WOMAD. ▪ Inside Out - classic recordings and modern masterpieces from the world of jazz. ▪ The Sunday Feature – RNZ and internationally-produced features about music and culture. E.g. NZSO turns 50, Somme Parade, The Fall and Rise of Harpsichord 6. ▪ Specialist series – Art, Life, Music; A history of jazz, Scottish Variations, Frank Zappa – The Radio is Broken, ▪ Sound Lounge - contemporary, early 20th Century, Avant garde music and atmospheric soundscapes, a touch of art pop, with an emphasis on new New Zealand composition. ▪ Hymns on Sunday – traditional and modern hymns. ▪ Opera on Sunday – Selection includes the annual season from the Metropolitan Opera House, New York as well as new recordings from the world of opera. ▪ Vintage Years - Performances by great artists from the mono era, including the latest remastered recordings. ▪ Classic Morning – music with a focus on melody, with news and weather on the hour to keep you in touch. ▪ Weekday Classics - a selection of beautiful classics and lesser known gems. ▪ Classic Afternoons - music from the renaissance to the romantic and beyond. 	<ul style="list-style-type: none"> ▪ <i>Dateline Pacific</i> - A daily current affairs programme covering the major Pacific stories of the week, with background and reaction from the people making the news. This is also broadcast by the BBC Pacific Service. ▪ 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 regional correspondents discuss political and social issues in their Pacific countries. ▪ Tagata o te Moana - A weekly Pacific magazine programme features 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 reaction, 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 Maori issues) Insights, Midday Report, Hymns on Sunday. <p>The RNZ Pacific service has been recognised internationally, named International Radio Station of the year (2007) by the Association for International Broadcasting, the Most Innovative Partnership category for the way it works with local media, and the Commonwealth Broadcasting Association's Rolls-Royce award for excellence.</p>

D. RNZ PARLIAMENTARY RADIO AND PROCEEDINGS	E. RNZ ONLINE	F. RNZ NEWS AGENCY AND CONTENT SHARING
<p>Follow Parliament live, when the House is sitting, through the AM Network or audio live stream online.</p> <p>This coverage is also televised live on Freeview, with audio provided by RNZ.</p>	<p>Via its website, rnz.co.nz, and a range of mobile apps, RNZ provides a portal to all of its content, allowing users access to live streaming services for RNZ National, RNZ Concert and RNZ International, up to the minute news and analysis, as well as on-demand access to RNZ's vast collection of current and back catalogue of programming.</p> <p>Users can search the following:</p>	<p>RNZ is the trusted backbone of collaborative journalism in New Zealand. RNZ content is made available to other media partners ranging from small independently-owned regional newspapers and websites through to most of New Zealand's major commercial media businesses. Without RNZ support via the sharing of written, audio and visual material, many of these smaller outlets would not survive to keep telling the stories that are important to their communities.</p>
<p>Additional RNZ coverage of Parliament can be found at rnz.co.nz, through:</p> <ul style="list-style-type: none"> ▪ Podcasts: choose the day and listen to Question Time. ▪ Podcasts: listen to programmes about Parliament presented by long-standing parliamentary reporters. ▪ Access On-Demand radio content from the RNZ 'In Parliament' web page. 	<p>Service</p> <ul style="list-style-type: none"> ▪ News ▪ RNZ National ▪ RNZ Concert ▪ Pacific <p>About RNZ</p> <ul style="list-style-type: none"> ▪ RNZ's history ▪ Frequencies and how to listen ▪ Corporate publications ▪ Media releases ▪ Audience research ▪ Board of Governors <p>Content Category</p> <ul style="list-style-type: none"> ▪ News and Current Affairs ▪ Arts and Culture ▪ Maori and Pacific ▪ Music ▪ Science and Factual ▪ Society and People <p>News Category</p> <ul style="list-style-type: none"> ▪ National ▪ Regional ▪ Political ▪ Te Manu Korihi ▪ Sport ▪ World ▪ Analysis ▪ Business ▪ Rural ▪ Pacific ▪ Weather 	<ul style="list-style-type: none"> • RNZ content is made available to more than 30 other print, radio, television and online media services. • This service improves the accessibility to RNZ content for all New Zealand and overseas audiences while also providing a valuable source of unique local New Zealand content for other media. • Regional Partners include: Otago Daily Times, Communities: Star – Dunedin, Southland Express – Invercargill, Gore Ensign – Gore, Southern Rural Life, The News – Alexandra, Mountain Scene – Queenstown, Timaru Courier – Timaru, Courier Country – Central Rural, Ashburton Courier – Ashburton, News North Canterbury – North Canterbury, Oamaru Mail – Oamaru, Cromwell Bulletin – Cromwell, Greymouth Evening Star Company Ltd – its publications and websites, Greymouth Evening Star, Hokitika Guardian, Community: West Coast Messenger, Gisborne Herald, Whakatane Beacon, Westport News, TV: Channel 39 – Dunedin and Invercargill, Wairarapa Times Age • Other media partners include: TVNZ, NZME, STUFF, Indian Newslink, Scoop, Access Radio Taranaki, Sunlive, KVH Media Group (London-based) Pacific Media Centre (part of the AUT School of Communication Studies), PMC Online, Pacific Media Watch and Asia Pacific Report, Oceania Media, New Zealand Doctor magazine, Bauer Media, National Geographic, MSN, Iwi Radio, Spinoff, Australian Associated Press, Spasifik, Tagata Pasifika, The Indian News, ICG Media: (StopPress, Idealog)

RNZ looks to achieve its diversity by providing this mix of services and the variety of programmes within each service.

RNZ's assessment of its success in achieving this objective will be based on the amount of content made available from each of the services that appeal to their respective target audiences.

These measures are detailed in the schedule of performance targets for 2019-20.

NB: Although each of these services has an established format and an existing audience, changes in technology, audience preferences and New Zealand's evolving demographics mean RNZ will continually refresh, adapt and change its content across all its services to ensure they best meet the needs of the audience and optimises our Charter performance.

TARGETS - Objective 3
PRODUCING AND BROADCASTING A DIVERSE AND UNIQUE RANGE OF SERVICES

SERVICE	OBJECTIVE	TARGET 2019/20	FORECAST 2018/19
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
RNZ CONCERT	Broadcast fine music in stereo with a repertoire featuring mainly classical music but also including jazz, world, spiritual and special interest music, and current affairs coverage of music, dramatic and performing arts and culture.	8,760 broadcast hours of RNZ Concert content	8,760 broadcast hours of RNZ Concert content
RNZ PACIFIC	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;	8,520 broadcast hours of RNZ Pacific content. 99% Transmission and Service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network.	8,520 broadcast hours of RNZ Pacific content. 99% Transmission and Service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network.
Parliamentary Radio and Proceedings	Live audio broadcast of Parliament, when the House is sitting.	Coverage of 90 Parliamentary sitting days	Coverage of 90 Parliamentary sitting days
Rnz.co.nz	Provide a comprehensive portal to RNZ's <i>News</i> , <i>National</i> , <i>Concert</i> and <i>Pacific</i> content, allowing users access to live streaming services for RNZ National, RNZ Concert and RNZ International. In addition to this users have access to comprehensive up to the minute news coverage access to a large library of on-demand audio items from RNZ's vast online collection of back catalogue programming and web only collections.	48,000 hours (310,000 items) of audio content for RNZ's services available online at any time.	48,000 hours (310,000 items) of audio content for RNZ's services available online at any time.
RNZ News Agency & Content Sharing	RNZ is the trusted backbone of collaborative journalism in New Zealand. RNZ content is made available to more than 30 other media partners ranging from small independently-owned regional newspapers and websites through to most of New Zealand's major commercial media businesses. Without RNZ support via the sharing of written, audio and visual material, many of these smaller outlets would not survive to keep telling the stories that are important to their communities.	Share RNZ content with at least 30 other media services	New measure

Objective 4

MAKING OUR SERVICES AVAILABLE AND ACCESSIBLE WHEN, WHERE AND HOW NEW ZEALANDERS WANT

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

With the impact of new technologies and changing audience habits, the number and variety of platforms that audiences can use to access RNZ programming is growing rapidly and this expansion is expected to continue for many years to come. Different sectors of the audience also have differences in their media consumption habits and preferences, which must be taken into account when developing programme strategies for each sector.

It is expected that the diversity of access points will be added to over the course of the next five years, especially through new online services and partnerships with other content providers designed to increase our audience reach.

The challenge for RNZ is to determine which combination of delivery platforms provides the optimal outcome across a range of key criteria including audience availability and preferences, consumer device penetration, population coverage, infrastructure requirements, and capital and operating costs.

The migration of audiences to new technologies will, over time, result in a decline in audiences relying solely on traditional radio equipment. As we introduce new options for audiences to access our programming, the efficiency and effectiveness of existing delivery platforms will also need to be reviewed to ensure we allocate our budgets to the optimal mix of services.

Providing a range of delivery methods to make our content accessible will form the basis for measuring our success in achieving this objective. These are detailed in the schedule of performance targets for 2019-20.

TARGETS - Objective 4

MAKING OUR SERVICES AVAILABLE AND ACCESSIBLE WHERE AND WHEN NEW ZEALANDERS WANT

Distribute the RNZ services as per the following:

	AM radio (NZ)	FM radio (NZ)	Digital shortwave DRM (Pacific)	Freeview terrestrial (NZ)	Freeview satellite (NZ)	Sky satellite (NZ)	Mobile phone streaming and on demand (NZ)	Internet streaming and on demand (NZ + Worldwide)	Third party distribution of RNZ content (NZ + Worldwide)
RNZ National	✓	✓	✓	✓	✓	✓	✓	✓	✓
RNZ Concert		✓		✓	✓	✓	✓	✓	✓
RNZ Pacific			✓				✓	✓	✓
Parliament	✓				✓	✓	✓	✓	
RNZ Online							✓	✓	✓

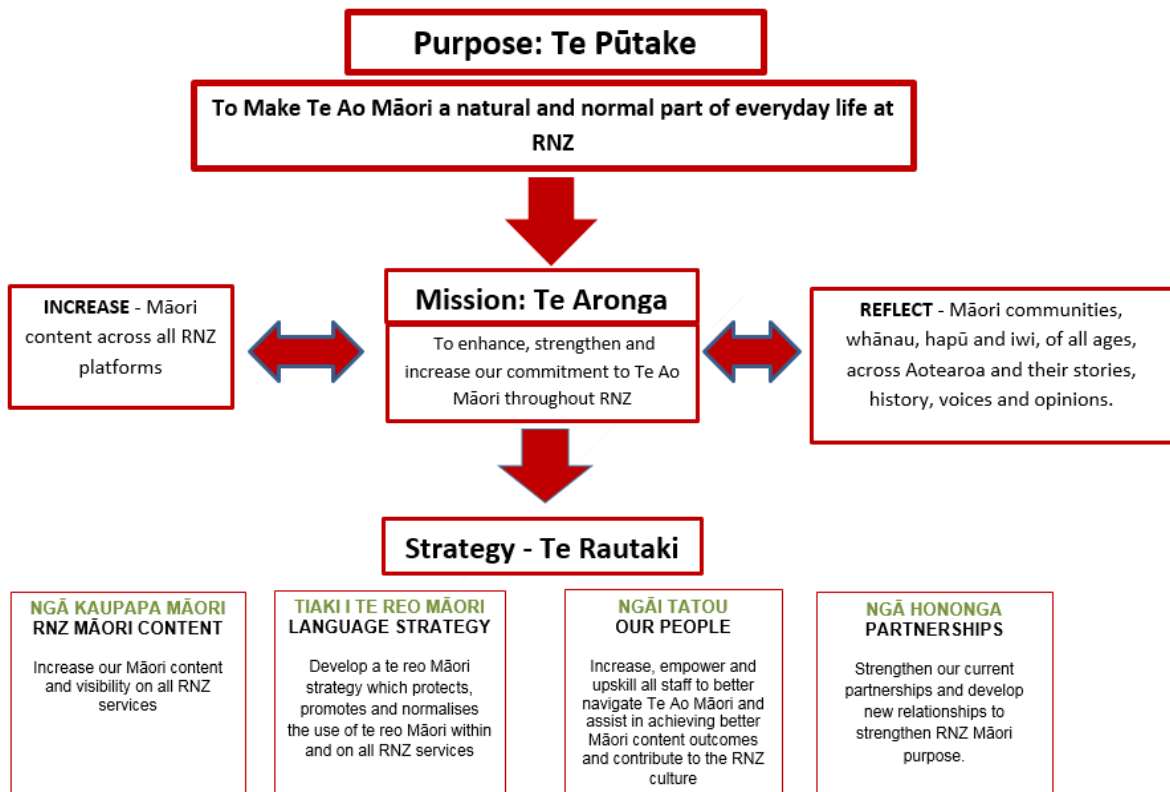
RNZ MĀORI STRATEGIC ACTION PLAN

Two years ago RNZ developed a new, long-term strategy that represented a commitment to creating high-quality Māori content, supporting Te Reo Māori and fostering Māori journalism.

From this initial strategic initiative, RNZ is now ready to implement the first steps of a more specific action plan in the 2019/20 financial year with the aim of enhancing, strengthening and increasing our commitment to Te Ao Māori throughout RNZ.

The RNZ Māori strategic action plan identifies four areas where this can be achieved.

- ❖ Our People (Ngāi Tangata)
- ❖ Our Content (Ngā kaupapa)
- ❖ Our Partnerships (Ngā Hononga)
- ❖ Our language (Te Reo Māori)



Some of the Māori-specific broadcast and online initiatives include:

MEASURE	TARGET 2019/20	TARGET 2018/19
Māori Language and Culture programming (radio broadcast hours) ⁴	80 hrs	80 hrs
Māori Language and Culture (number of items uploaded to website) ^{5 and 6}	1,000	1,000
Māori Language and Culture (online pageviews – Google Analytics) ^{6 and 7}	1.1 million	1.1 million

NB: These initiatives are only those that are more readily-measured outputs but should not be taken as the full extent or focus of RNZ's Māori strategy. The key objective for the strategy is to have Māori language, culture, stories and perspectives to occur naturally as part of the fabric of RNZ's services, rather than be confined to specialised and separate outputs.

This will be achieved by a range of initiatives that are not so easily measured, including frequent use of te reo Māori throughout all key programming, Māori stories and perspectives featuring in general news bulletins, podcasts featuring topics of interest to or about Māori and more Māori staff in news and content roles and throughout the organisation.

⁴ 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.

⁵ The number of story-telling items that are published on the rnz.co.nz website during the year which relate to the Māori world.

⁶ Both the measures are focused on material (audio, written, visual) which appear 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 will not include material which turns up in other broader-interest programmes and shows, as it is too difficult to track at this time.

⁷ The number of times a piece of story-telling relating to the Māori world is viewed on the website.

FINANCIAL PLANNING AND PROSPECTIVE FINANCIAL STATEMENTS

RADIO NEW ZEALAND PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

GROUP	30 JUNE 2019 \$000 Forecast	30 JUNE 2020 \$000 BUDGET
<u>INCOME</u>		
Revenue from the Crown	43,309	46,013
Other revenue	2,098	2,470
Interest income	156	159
	45,564	48,642
<u>EXPENDITURE</u>		
Personnel costs	27,578	29,937
Depreciation & amortisation	2,914	3,007
Other	15,573	15,681
	46,065	48,625
OPERATING SURPLUS / (DEFICIT)	(501)	17
Corporate taxation	0	0
TOTAL COMPREHENSIVE REVENUE & EXPENSES	(501)	17

Key Assumptions and Notes

1. These financial projections incorporate the new funding arrangements announced in Budget 2019, consisting of:
 - i. An increase in baseline operating funding of \$7.25M for the 2019/20 and 2020/21 years.
 - ii. The tagged contingency of \$4.5M received for the 2018/19 year will not continue.
 - iii. Capital funding of \$3M over the next three years - \$1.8M FY20, \$1.05M FY21 and \$0.65M FY22
 - iv. The Innovation Fund operated jointly by RNZ and NZ on Air during 2018/19 will not continue. (NB: this fund is not received directly by RNZ, but is used to fund programmes produced for RNZ)

2. Capital Funding (see Note 1(iii) above) has been recognised in the year of entitlement. This funding will be used for additional capital expenditure and therefore will not have an immediate impact on the Statement of Revenue and Expenditure, until the associated depreciation costs are recognised in subsequent years.

**RADIO NEW ZEALAND
PROSPECTIVE STATEMENT OF FINANCIAL POSITION**

GROUP	30 JUNE 2019 \$000 Forecast	30 JUNE 2020 \$000 BUDGET
<u>EQUITY</u>		
Share capital	16,693	18,493
Asset Revaluation Reserve	39,900	39,900
plus Total Comprehensive Revenue & Expenditure	957	974
Total Equity	\$57,549	\$59,366
CURRENT LIABILITIES		
Accounts payable & accruals	3,679	3,725
Employee entitlements	2,342	2,342
Preference shares	0	0
Total Current Liabilities	6,022	6,067
Non-Current Liabilities	79	79
TOTAL LIABILITIES AND EQUITY	63,650	65,512
CURRENT ASSETS		
Cash & cash equivalents	2,912	3,643
Investments (Term Deposits)	2,000	2,000
Receivables	176	234
Prepayments and Other Receivables	406	406
Total Current Assets	5,494	6,283
NON CURRENT ASSETS		
Property, plant & equipment	56,956	57,452
Intangible assets	1,200	1,777
	58,156	59,229
NET ASSETS	63,650	65,512

**RADIO NEW ZEALAND
PROSPECTIVE STATEMENT OF CASHFLOWS**

	30 JUNE 2019 \$000 Forecast	30 JUNE 2020 \$000 Forecast
GROUP		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash will be provided from:		
NZOA, the Crown, and other income	45,407	48,425
Interest received	156	159
Cash will be disbursed to:		
Payments to employees & suppliers	(41,124)	(45,572)
Interest expense	0	0
Net Cash from operating activities	<u>4,440</u>	<u>3,011</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash will be provided from:		
Proceeds from the sale of assets	0	0
Cash will be disbursed to:		
Purchase of non current assets	(4,892)	(4,080)
Net Cash from investing activities	<u>(4,892)</u>	<u>(4,080)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash will be provided from:		
New shares issued	0	1,800
Sale of Assets	0	
Cash will be disbursed to:		
Returns to Shareholders	0	0
Investments & Shareholders	0	0
Net Cash from financing activities	<u>0</u>	<u>1,800</u>
NET INCREASE/(DECREASE) IN CASH	(452)	731
plus Opening cash as at 1 July	3,363	2,912
CASH & CASH EQUIVALENTS AT YEAR END	<u><u>2,912</u></u>	<u><u>3,643</u></u>

PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES

for the year ending 30 June 2020

A Reporting Entity
<p>Radio New Zealand Limited is a Crown entity in terms of the Crown Entities Act 2004. The company is wholly owned on behalf of the Crown by the two Shareholding Ministers, the Minister Responsible for RNZ and the Minister of Finance.</p> <p>Radio New Zealand Limited is a company registered under the Companies Act 1993.</p> <p>The group consists of the consolidated activities of Radio New Zealand Limited and its subsidiary Sound Archives/Ngā Taonga Kōrero Limited which is 100% owned. Sound Archives/Ngā Taonga Kōrero Limited was incorporated on August 1998 and has operated the archive since 1 October 1998 but in the current forecasts is not operating.</p> <p>RNZ is a Public Benefit Entity (PBE) and as such the potential conflict between the pursuit of core public service broadcaster objectives set out in RNZ's Charter and more commercial company objectives is minimised.</p> <p>Government and Shareholding Ministers have confirmed and strengthened RNZ's role as a public service broadcaster and in that context have removed commercial and profit-making imperatives while still insisting on sound financial management.</p>
B Basis of Preparation
<p>These forecast financial statements have been prepared in accordance with New Zealand generally accepted account practice. They have been prepared in accordance with Tier 1 PBE Standards including PBE FRS 42 prospective Financial Statements. These prospective financial statements have been prepared to comply with the Crown Entities Act 2004 and may not be appropriate for purposes other than complying with the requirements of this Act.</p> <p>The purpose for which these prospective financial statements of Radio New Zealand Limited have been prepared is for their inclusion in the RNZ Statement of Performance Expectations for the year ending 30 June 2019.</p>
C Statement of Accounting Policies
<p>The financial statements are presented in New Zealand dollars and the functional currency of RNZ is New Zealand dollars.</p>
<p><i>I Basis of Consolidation – Purchase Method</i></p> <p>The consolidated financial statements include the holding company and its subsidiary. The subsidiary is accounted for using the purchase method.</p>
<p><i>II Goods and Services Tax (GST)</i></p> <p>All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.</p>
<p><i>III Taxation</i></p> <p>Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.</p>
<p><i>IV Accounts Receivable</i></p> <p>Accounts receivable are stated at expected fair value and measured at amortised cost less any provision for impairment.</p>
<p><i>V Cash and Cash Equivalents</i></p> <p>Cash and cash equivalents in the balance sheet comprises cash at bank, in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.</p>
<p><i>VI Non-Current Assets</i></p> <p>Property, plant and equipment are stated at fair value, including library and archival collections. Land and Buildings have been revalued in the prospective financial statements. A formal valuation of Land and Buildings was completed in the year ended 30 June 2014.</p> <p>Library collections are reviewed to fair value at least every five years.</p> <p>The results of revaluing library and archival collections are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Position. To the extent that a revaluation gain reverses a loss previously charged to the Comprehensive Statement of Revenue and Expense, the gain is credited to the Comprehensive Statement of Revenue and Expense.</p>

Other non-current assets such as prepayments are recorded in RNZ's Statement of Financial Position. These are payments received for services in one period but are recognised in the Statement of Financial Position in future periods.

Impairment of assets

At each balance sheet date, RNZ assesses whether there is any objective evidence that any group of non-current assets is impaired. Any impairment losses are recognised in the Comprehensive Statement of Revenue and Expense.

VII Depreciation and Amortisation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than freehold land, at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The useful lives of major classes of assets have been estimated as follows:

Buildings	20 to 40 years
Leasehold improvements	Term of lease
Plant and equipment	5 to 20 years
Motor vehicles	5 years
Computer hardware equipment	3 to 5 years
Furniture, fittings and other	5 to 10 years
Library books and music collection	10 to 15 years

Capital work in progress is not depreciated. The total cost of a project is transferred to the relevant fixed asset account when it is completed and begins its productive life. It is then depreciated over its estimated economic life.

VIII Intangible Assets

Software, both acquired and developed, is included under intangible assets. Also under this category are capital contribution payments made to suppliers for co-siting rights which relate to future periods in accordance with the contractual terms.

Archival collections are reviewed to fair value at least every five years

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The sound archive collection will not be amortised as it is categorised as a heritage asset and as such is not normally amortised.

The useful lives of major classes of assets have been estimated as follows:

Computer software	2 to 5 years
Capital contributions	Term of contract
Sound archive collection	Infinite

IX Associates

RNZ is a party to the formation of Freeview Limited, a joint venture company formed to provide free to air digital broadcasting in New Zealand. The investment is accounted for using the equity method of accounting.

Redeemable Preference Shares

Redeemable preference shares held by the Government in RNZ are to be repayable at the option of the holder and are classified as a liability in the statement of financial position.

X Employee Entitlements

Provision is made for the company's liability for annual and long service leave. Annual leave is calculated on an actual entitlement basis at average current rates of pay over the past year in accordance with the Holidays Act 2003, whilst the long service leave provision is calculated on an actuarial basis. A provision for sick leave is not provided for as RNZ does not carry forward sick leave into future periods.

XI Provisions

RNZ recognises a provision 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, and it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

XII Superannuation schemes

Obligations for contributions to KiwiSaver and the National Provident Fund are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Income Statement as incurred.

XIII Leases

Finance Leases

RNZ has no finance leases.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they are incurred. RNZ leases its motor vehicles and the majority of its premises.

XIV Financial Instruments

RNZ is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the Income Statement. All financial instruments are shown at their fair value.

XV Cash Flow Statement

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

Operating activities are those activities relating to the purchase and supply of goods and services.
Investing activities are those activities relating to the acquisition and disposal of non-current assets.
Financing activities comprise those activities that change the equity and debt capital structure of the company.

XVI Foreign Currency Transactions

Foreign currency transactions are converted into New Zealand dollars at the spot rate at the date of the transaction. These transactions are settled immediately; consequently no exchange gain or loss is recognised. RNZ also enters into foreign exchange contracts (FECs) to cover significant overseas purchases. These are defined as financial derivatives under PBE standards and the fair value of FECs are determined on the basis of quoted market rates.

XVII Borrowing Costs

RNZ has a credit facility arrangement with its banker. Costs relating to the drawdown of this facility are recognised in the Income Statement. No costs are attributed to the acquisition, construction or production of property, plant and equipment or other qualifying assets.

XVIII Revenue (Crown and Other Revenue)

RNZ Limited derives revenue from the Government through NZ On Air and from the Ministry for Culture and Heritage for specific purposes as outlined in its Charter and Statement of Intent. Other revenue is derived from generating activities and interest from bank deposits. All revenue is measured at the fair value of the consideration receivable. A small portion of funding from NZ On Air may be classified as non-exchange revenue.

D Changes in Accounting Policies

NZIFRS applied in 2014 and have been replaced by PBE standards for the year ending 30 June 2015.

E Significant Assumptions

The following significant assumptions underpin the prospective financial statements:

- Government will continue to fund RNZ's core activities in the prospective year and for the following two planning years at least to the levels indicated in the statement. It is therefore expected that the nature of the operations of RNZ will not change significantly;
 - Shareholding Ministers will not require RNZ to pay a dividend on their shareholding in the company;
 - there will be no withdrawal of capital by Shareholding Ministers;
 - the prospective financial statements are based on estimates and forecasts, the effect of which may result in the actual financials varying from the information presented, and these variations may be material; and
 - the statements have been prepared on a going-concern basis.
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