

TRUST is a **TAONGA**

RADIO NEW ZEALAND ANNUAL REPORT 2018/2019



RNZ

TE REO
IRIRANGI
O AOTEAROA

E ora pai ai, otirā, e whai mōhio ai tētahi manapori,
me pakari rawa, me motuhake rawa, ā, me wātea
rawa ki te marea he pāpāho tūmatanui, e whai take
ana tāna whakaū i te noho haepapa o ngā mana o
te wā, nōna hoki e taunaki nei i ngā tautohetohe
ā-motu e whai kiko ana.

A healthy informed democracy demands strong,
independent, and freely accessible public media
that can effectively hold power to account while
supporting robust national debate.

Dr Jim Mather / Tākuta Jim Mather
Chairman / Heamana, RNZ

05	THE YEAR IN REVIEW
12	OUR CHARTER
14	RNZ LEADERSHIP TEAM
15	RNZ BOARD OF GOVERNORS
16	CHAIR'S REPORT
18	CEO'S REPORT
21	FINANCIAL PERFORMANCE
46	SERVICE PERFORMANCE
55	RNZ MĀORI STRATEGY
56	GOOD EMPLOYER REPORT





**RNZ has the highest level
of trust of any New Zealand
media organisation**

COLMAR BRUNTON VALUE INDICES RESEARCH 2019



Guyon Espiner receiving the Special Commendation award for championing te reo Māori on RNZ.

Photo: The Māori Language Commission



Musician Emily Browning in RNZ's Christchurch studio.

Photo: RNZ Alex Harmer

HIGHLIGHTS of the YEAR

VALUE INDICES RESEARCH

RNZ has the **highest level of trust** of any New Zealand media organisation

Most New Zealanders agree that **it is important to have a public service broadcaster**

More than half of all New Zealanders believe **RNZ provides a valuable service**

Three-quarters of all New Zealanders have consumed RNZ content in the last year

73%

of New Zealanders agree it's important to have a public service broadcaster

57%

of New Zealanders agree RNZ provides a valuable service to New Zealanders

77%

of New Zealanders are aware of either RNZ National or RNZ Concert – this compares to 66% last year

75%

of New Zealanders have consumed RNZ content in the last year

COLMAR BRUNTON VALUE INDICES RESEARCH 2019

COLLABORATIVE PARTNERSHIPS

60%

of New Zealanders have consumed RNZ content on third party platforms in the last year

Collaborative partnerships with more than 40 other major media organisations, including Stuff, NZME, MSN, TVNZ and Bauer, continue to extend the reach for RNZ content

stuff

THE SPINOFF

YouTube

tvnz

sky

'Scoop'
INDEPENDENT NEWS

10 TV
PACIFIC TELEVISION NETWORK

NZME.

freeview

Spotify

PACIFIC MEDIA GROUP

NATIONAL GEOGRAPHIC

msn

ALLIED PRESS

RAIPIE MEDIA CENTRE

TIKILOUNGE PRODUCTIONS

nr

Te Whānau Whakamārama
Māori Whakamārama

104.4 FM
RADIO

BAUER MEDIA GROUP

New Zealand Doctor

iHeart

PACIFIC MEDIA NETWORK

tveyes

KIWI MEDIA GROUP

Wairarapa Times-Age

SPASIFIKmag.com

KVHI

OCEANIA MEDIA

Indian newslink

TOTAL AUDIENCE

Our on-air audiences remain strong and online audiences – for both the website and on-demand audio – continue to strengthen and grow. Nationwide GfK radio industry survey data covering the period June 2018 – June 2019 reflects another strong 12-month performance for RNZ's live radio programming with audience increases year-on-year for key weekday programmes and there was significant growth across digital channels.



Morning Report with host Susie Ferguson
in Christchurch, Friday 22 March 2019



RNZ'S TOTAL **WEEKLY**
AUDIENCE IN JUNE 2019
WAS ESTIMATED AT:

1,017,393

ACROSS ALL PLATFORMS
(UNDUPLICATED). THIS IS
UP 20% ON LAST YEAR



Left: RNZ journalist Logan Church (Best New
Broadcaster – Journalist, at the 2019 NZ Radio Awards)

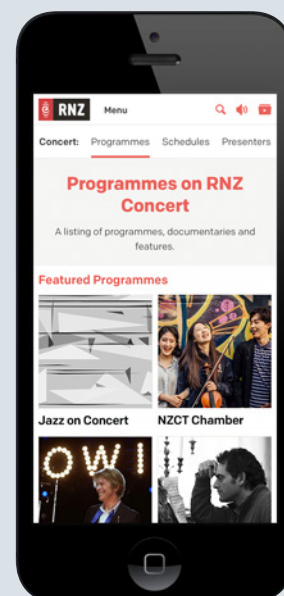
HIGHLIGHTS of the YEAR

ON-AIR

694,700 Number of people who listened live to RNZ National and Concert **each week**

RNZ Concert has a weekly cumulative audience of **172,600** people, with the typical listener tuning in for eight and a half hours each week

SOURCE: GfK RADIO AUDIENCE MEASUREMENT, ALL RADIO STATIONS, 12MN – 12MN MON – SUN TOTAL NEW ZEALAND 10+ RNZ – S2 2019



RNZ NATIONAL

459,500

Number of people who listened each week to **MORNING REPORT** with Susie Ferguson and Guyon Espiner
MON – FRI / 0600 – 0900

328,900

Number of people who listened each week to **NINE TO NOON** with Kathryn Ryan
MON – FRI / 0900 – 1200

276,900

Number of people who listened each week to **CHECKPOINT** with Lisa Owen
MON – FRI / 1700 – 1830

280,800

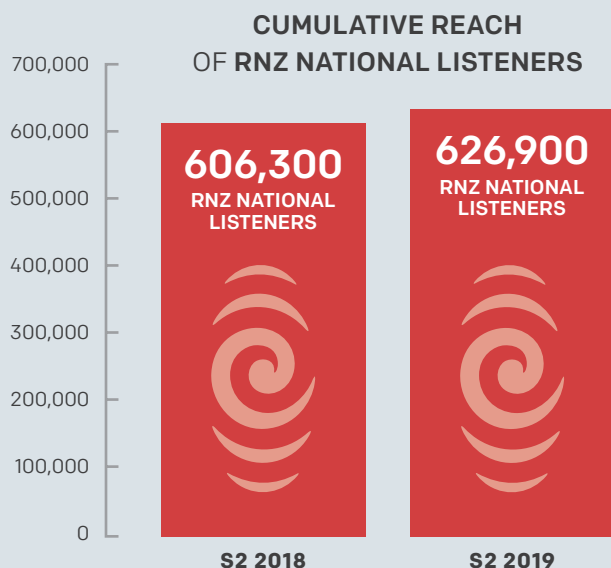
Number of people who listened each week to **AFTERNOONS** with Jesse Mulligan
MON – FRI / 1300 – 1600

275,000

Number of people who listened each week to **SATURDAY MORNING** with Kim Hill
SAT / 0800 – 1200

288,000

Number of people who listened each week to **SUNDAY MORNING** with Wallace Chapman
SUN / 0700 – 1200



Among all radio listening in New Zealand, RNZ National has a **market share** of:



SOURCE: GfK RADIO AUDIENCE MEASUREMENT, ALL RADIO STATIONS, 12MN – 12MN MON – SUN TOTAL NEW ZEALAND 10+ RNZ – S2 2019

HIGHLIGHTS of the YEAR

DIGITAL AND WEBSITE

RNZ offers a range of archived audio, podcasts and series, all free for download



Maimoa Music crew member
PERE – performing on
Afternoons with Jesse Mulligan

PARLIAMENT COVERAGE

Broadcast coverage of 92 sitting days

SOURCE: RNZ USER METRICS: GOOGLE ANALYTICS,
AVERAGE WEEKLY USERS ON RNZ WEBSITE WEEKS
1 TO 26, 2018 VS WEEKS 1 TO 26, 2019. RNZ AUDIO
DOWNLOAD FIGURES: INTERNAL REPORTING,
AVERAGE MONTHLY FIGURES, JANUARY TO
MAY, 2018 VS JANUARY TO MAY, 2019.

SIGNIFICANT GROWTH ACROSS RNZ'S DIGITAL CHANNELS / rnz.co.nz

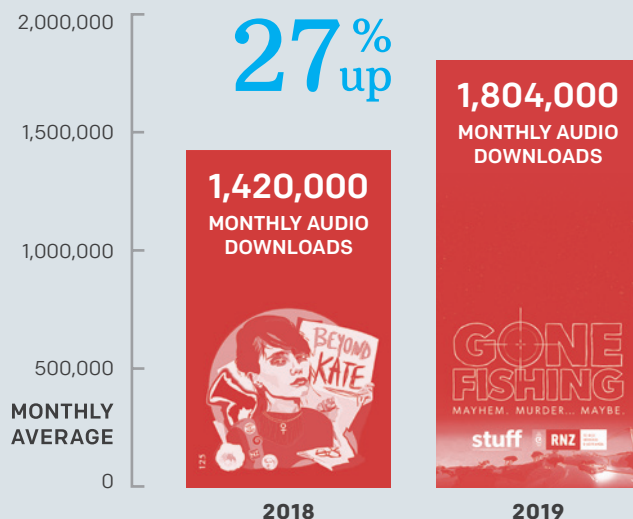
By June 2019 more than

793,000

users were accessing
rnz.co.nz WEEKLY

**32%
up**

Year-on-year



PACIFIC PROGRAMMING

RNZ Pacific provides comprehensive coverage with the very latest Pacific stories and an extensive online news archive

7,990,370

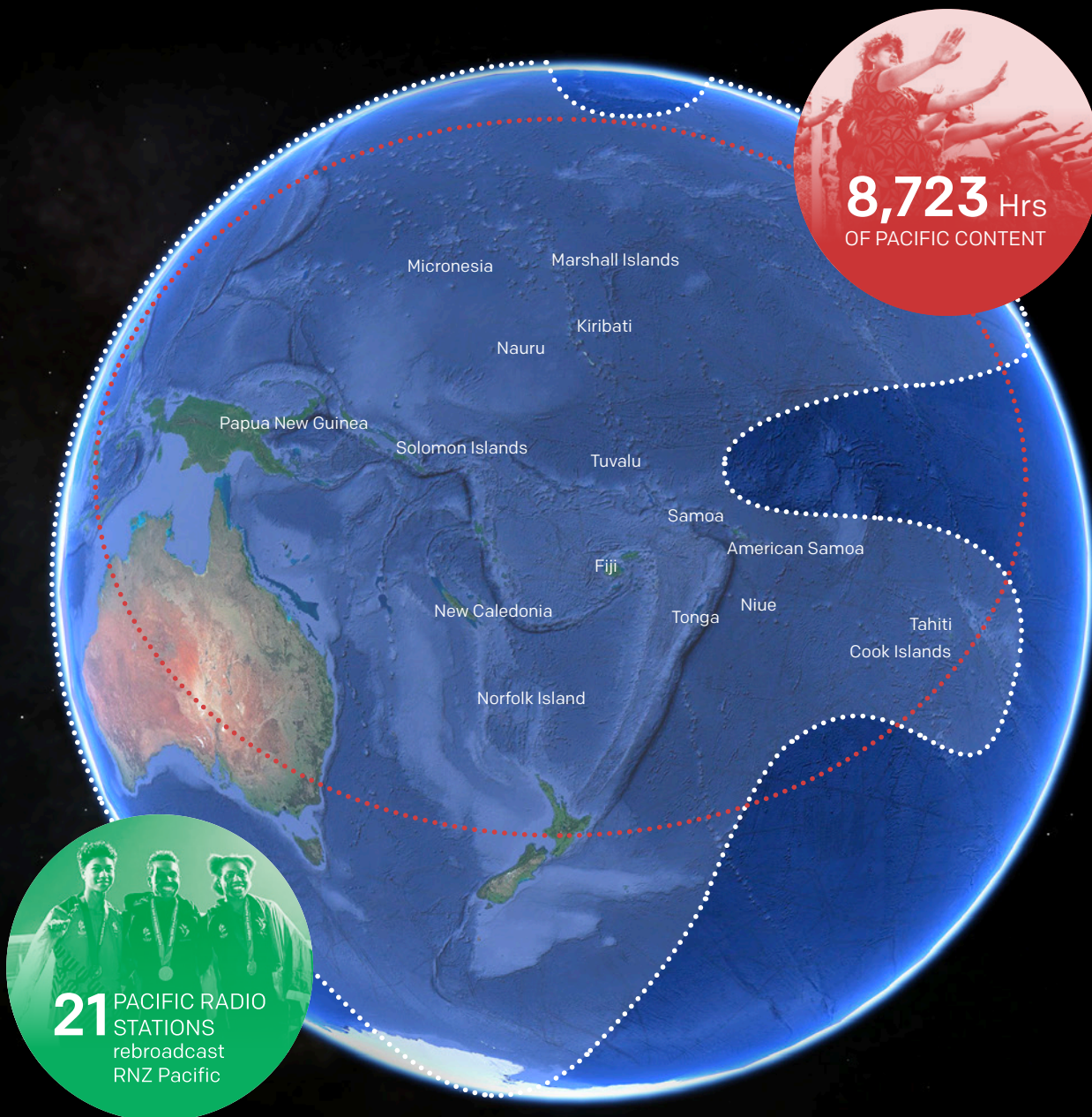
RNZ Pacific website pageviews

24.2% up

ON THE SAME PERIOD LAST YEAR

8,723 Hrs

OF PACIFIC CONTENT



..... RNZ satellite coverage
 RNZ shortwave coverage

Susan Murray (*Country Life*) with her Agricultural Communicator of the Year award and Bryan Inch from Ravensdown.

Photo: NZ Guild of Agricultural Journalists & Communicators

Agricultural Communicator of the Year

Celebrating the
roles of our industry



Canon

voyager. | Media Awards 2019

Excellence in
New Zealand
JOURNALISM



Left to right: Megan Whelan, Sara Vui-Talitu, Mackenzie Smith, Moera Tuilaepa-Taylor and Indira Stewart in front

AWARDS and RECOGNITION

2018 ASSOCIATION FOR INTERNATIONAL BROADCASTING (AIB) AWARDS

RNZ's *Insight* programme *Climate Change – Politics and Actions* was the winner of the inaugural AIB radio award recognising the best coverage of sustainability issues in the Asia-Pacific region. The judges noted the depth of investigation and incisive story-telling in this episode that focused on the Hawaiian archipelago.

AIB BROADCASTING SUSTAINABILITY AWARD

RNZ *Insight: Climate Change – Politics and Actions*

2019 VOYAGER MEDIA AWARDS

The Voyager Media Awards are one of the most prestigious and highly regarded events on the New Zealand media calendar, recognising quality journalism across all media platforms.

REPORTER OF THE YEAR

Phil Pennington / RNZ

BEST JUNIOR REPORTER

Mackenzie Smith / RNZ

BEST NEWS VIDEO SINGLE VIDEOGRAPHER

Dan Cook / RNZ

NIB HEALTH JOURNALISM SCHOLARSHIP

Catherine Hutton / RNZ

RUNNER UP FOR BEST NEWS WEBSITE OR APP

rnz.co.nz

2019 NEW YORK FESTIVALS AWARDS

With entries from over 30 countries, the New York Festivals Radio Awards recognise the very best in the world of radio, celebrating programming of the highest quality that is at the forefront of audio innovation.

GOLD RADIO WINNERS

Beyond Kate

Sonia Sly

Gone Fishing

RNZ / STUFF

Music Alive

Adrian Hollay and Paddy Hill

SILVER AWARD WINNERS

BANG!

Melody Thomas

Best Talk Show Host

Wallace Chapman

BRONZE AWARD WINNERS

RNZ *Insight: NZ's role in the Malaysian plastics dumping ground*
Nita Blake-Persen, Philippa Tolley and Phil Benge

2019 NEW ZEALAND RADIO AWARDS

The New Zealand Radio Awards celebrate the very best of New Zealand radio, honouring personalities, programming, news and sports reporting, production and creativity within the industry. They are open to all commercial and non-commercial stations.

BEST PODCAST

Gone Fishing / RNZ and STUFF

BEST NEW BROADCASTER – JOURNALIST

Logan Church / RNZ

BEST NEWS STORY – TEAM COVERAGE

RNZ *Checkpoint:*

Dodgy EQC Repairs

BEST DAILY OR WEEKLY FEATURE – FACTUAL

RNZ *Insight*

Philippa Tolley

BEST DOCUMENTARY OR FACTUAL TALK FEATURE

RNZ *Insight: Imprisoned by Meth*

Teresa Cowie

2018 NEW ZEALAND GUILD OF AGRICULTURAL JOURNALISM AWARDS

AGRICULTURAL COMMUNICATOR OF THE YEAR

Susan Murray / RNZ

FEDERATED FARMERS BROADCAST JOURNALISM AWARD

Carol Stiles / RNZ *Country Life*

RURAL WOMEN NZ JOURNALISM AWARD

RNZ *Country Life*

MPI RONGO AWARD – EQUAL RUNNERS UP

Carol Stiles and Susan Murray / RNZ *Country Life*

2018 TE PUTANGA TOI ARTS ACCESS AWARDS

CREATIVE NEW ZEALAND MEDIA AWARD

Lynn Freeman / RNZ

2018 MĀORI LANGUAGE COMMISSION AWARDS

TE TOHU KAIRANGI

Guyon Espiner / RNZ

2018 NEW ZEALAND SPORTS JOURNALISM AWARDS

RADIO SPORTS JOURNALISM AWARD

Ravinder Hunia / RNZ



Philippa Tolley at the AIB Awards

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 rongo 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 kouniga 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 tūhinga, 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 rongo 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.

RNZ LEADERSHIP TEAM



Paul Thompson
CEO and Editor-in-Chief



Glen Scanlon
Head of News and Digital
(until April 2019)



Megan Whelan
Head of News and Digital
(from May 2019)



Alan Withrington
Head of Business
Transformation and Strategy



Stephen Smith
Head of Audience Strategy



David Allan
Head of Radio and Music



Alma Hong
Chief Technology and
Operations Officer



Susannah McKinsty
Acting People and
Development Manager

RNZ **BOARD** of **GOVERNORS**



Dr Jim Mather
Chair
LEADERSHIP and CULTURE
Member



Jane Taylor
Deputy Chair (until 30 April 2019)
AUDIT COMMITTEE
Chair



Melissa Clark-Reynolds
Deputy Chair (current)
LEADERSHIP and CULTURE
Chair



Rodger Finlay
AUDIT COMMITTEE
Member and Chair
(1 May to 31 August 2019)



Bill Francis
AUDIT COMMITTEE
Member



Mike O'Donnell
Member



Graham Pryor
Member
(until 30 April 2019)

RNZ's long-term strategy is founded on co-operative, constructive strategic planning between the governing board and a talented management team. The board and senior management remain convinced that the delivery of intelligent, high-quality news, information and entertainment to an increasingly discriminating audience **remains our competitive advantage and is critical to the continuing success of RNZ.** Dr Jim Mather

CHAIR'S REPORT

Te Pūrongo a te Heamana

THERE REMAINS A
STRONG DESIRE FOR
AN INDEPENDENT
PUBLIC SERVICE
MEDIA ORGANISATION
THAT IS COMMITTED
TO JOURNALISTIC
INTEGRITY AND THE
ASSOCIATED TRUST
THAT IT ENGENDERS

A **CONNECTED
AND INFORMED
AOTEAROA**

E rau rangatira mā, tēnā rā koutou katoa.

On behalf of the Board and wider whānau of Te Reo Irirangi o Aotearoa, I am pleased to present the RNZ Annual Report for 2018/2019.

New Zealand as a society is rapidly changing and RNZ embraces that evolution and strives to understand and fulfil the needs of its diverse audiences in Aotearoa and more broadly across the Pacific region. We remain totally committed to our purpose of "a connected and informed Aotearoa".

We are also proud that for the second year running independent research has shown that RNZ has the highest level of public trust of any media organisation in this country.* A healthy, informed democracy demands strong, independent and freely accessible public media that can effectively hold power to account while supporting robust national debate. It is, therefore, extremely reassuring to note that there remains a strong desire for an independent public service media organisation that is committed to journalistic integrity and the associated trust that it engenders.

RNZ is an organisation undergoing transformational change; however, it will continue to place audience engagement at the forefront of its activities while recognising that we need to continuously adapt to ensure we remain relevant to all New Zealanders. This will require innovation to be a core requirement of how we produce, commission and make available a much more diverse range of content and services for our existing as well as new audiences. We also acknowledge the support received through increased government funding to enable RNZ to invest in people, technology and equipment to continue to evolve within a disrupted media environment.

A baseline funding increase for RNZ of \$2.84m from Budget 2017 began to flow through in the 2018/2019 financial year and has enabled the development of some important new initiatives. The baseline funding has been supported by a \$4.5m one-off increase in the current financial year. In addition, projects supported by the \$6m RNZ / NZ On Air Joint Innovation Fund are beginning to generate compelling new content and programming appealing to a range of diverse audiences across RNZ's multiple platforms.

For the full year ended 30 June 2019, RNZ recorded a modest deficit. The financial result includes significant costs related to coverage of events following the tragic March 2019 Christchurch mosque attacks. Despite the unexpected nature of that deficit, prudent financial management continues to be a feature of the organisational culture of RNZ.

As RNZ Chair I am fortunate in being supported by a skilled and diverse group of governors. I want to thank my fellow directors Jane Taylor, Melissa Clark-Reynolds, Bill Francis, Rodger Finlay, Graham Pryor and Mike O'Donnell for sharing their sound advice, knowledge and experience on matters of governance. RNZ Board terms for both Jane Taylor and Graham Pryor ended on 30 April 2019 and we acknowledge their significant contribution to RNZ and its development during their respective terms on the board. No new board appointments were made within the period covered by this report.

Finally, on behalf of the board, I would like to thank the CEO, Paul Thompson, and his leadership team, together with all the dedicated, multi-talented staff at RNZ. It is a tribute to their passion and ongoing commitment to the principles of public service media and journalism that RNZ continues to be the most trusted media organisation in this country.

We look forward with great confidence to the future.

Nōku e noho nei hei māngai mō te Poari me te whānau whānui o Te Reo Irirangi o Aotearoa, e rewā ana te ngākau i tēnei te Pūrongo ā-Tau a RNZ mō te tau 2018/2019.

E tere panoni ana te porihanga o Aotearoa, me te aha, e tautoko atu ana a RNZ i tēnei whanaketanga ka tahi, ka rua, e whai nei kia mārama ai ki ngā matea, otirā, kia whakatutukihia anō ngā matea o ana apataki kanorau ki Aotearoa, ā, huri whānui atu anō i Te Moana-nui-a-Kiwa. E ū pau te kaha tonu nei mātou ki tō mātou pūtake, arā, kia noho "ko Aotearoa hei manapori whai hononga, whai mōhio anō hoki".

E poho kūkupa ana anō mātou, koinei te tau karapipiti tuarua kua kitea ai e tētahi rangahau motuhake, o ngā whakahaere pāpāho katoa i tēnei whenua, ko RNZ te mea e kaha whakawhirinakitia ana.* E ora pai ai, otirā, e whai mōhio ai tētahi manapori, me pakari rawa, me motuhake rawa, ā, me wātea rawa ki te marea he pāpāho tūmatanui, e whai take ana tāna whakaū i te noho haepapa o ngā mana o te wā, nōna hoki e taunaki nei i ngā tautohetohe ā-motu e whai kiko ana. Nā konei, he whakatītina nui te mōhio, he nui tonu te hiahia ki tētahi whakahaere pāpāho, he ratonga tūmatanui, he motuhake anō, e ū nei ki te ngākau tapatahitanga e tika ana mō te ao kawē kōrero, ā, me te whakawhirinakitanga ka hua i tēnei tūāhua.

He whakahaere a RNZ e panonihia ana, heoi anō rā, ka noho tonu ko te whakapoapoa i a ngāi apataki ki te toi o ngā whakaaro, ka mutu, e mārama pū ana mātou, me urutau tonu mātou e whai take tonu ai ki ngā uri katoa o Aotearoa. E pēnei ai, me auaha rawa tā mātou waihanga, tā mātou tono, tā mātou whakarato hoki i ētahi kaupapa, i ētahi ratonga kanorau anō hei whai mā ngāi apataki o te wā, ā, tae atu hoki ki ētahi apataki hōu. E mihi ana anō mātou i te taunaki kua rangona i te pikinga ki te tahua pūtea kāwanatanga e tukuna mai ana, nā konei kua taea tā mātou whakangao pūtea ki ngā tāngata, ki ngā hangarau, ā, ki ngā taputapu e tika ana e whanake tonu ai mātou, hāunga te taiao pāpāho tīkokikoki o te wā.

Nō te tau ā-pūtea 2018/2019 ka tīmata te whiwhi ki tētahi pikinga utu tūāpapa ki a RNZ i te Tahua 2017, he \$2.84m te nui. Nā konei i taea ai te whanaketanga mai o ētahi kaupapa whai take hōu. Kua whai huruhuru anō te utu tūāpapa i tētahi pikinga utu tūtahi, he \$4.5m te nui, i tēnei tau ā-pūtea. Hei āpiti atu, nā ngā kaupapa kua whai huruhuru i te Tahua Auaha Hourua e \$6m te nui a Irirangi Te Motu me RNZ i tīmata ai te waihangatanga mai o ētahi kaupapa me ētahi hōtaka pārekareka hōu e hiahia ana e ētahi apataki kanorau, huri i ngā pae pāpāho a RNZ.

Mō te taha ki te tau i tōna katoa i kapi i te 30 o ngā rā o Pipiri 2019, he tarepa iti te hua ki a RNZ. Kapi ana i tēnei hua ā-pūtea ko ngā nama nui e hāngai ana ki te pūrongorongo i ngā kaupapa i hua i ngā patunga mōrikarika i ngā Whare Kōrana o Ōtautahi i te marama o Poutūterangi 2019. Hāunga te ohore o taua tarepa, e kitea tonutia ana ki te ahurea whakahaere o RNZ te āta whakahaeretia o te pūtea i runga i te ngākau tūpato.

Nōku e noho nei hei Heamana mō RNZ, e waimarie ana au i te taunaki a tētahi kāhui kāwana pūkenga nui, kanorau anō. E rere nei aku mihi ki aku hoa ringatohu, ki a Jane Taylor rātou ko Melissa Clark-Reynolds, ko Bill Francis, ko Rodger Finlay, ko Graham Pryor, ko Mike O'Donnell hoki i tā rātou tuku mai i ā rātou kupu āwhina, i ō rātou mātauranga, i ō rātou wheako whai take anō mō te taha ki ngā mahi kāwana. I tō te rā ki ngā wā noho Poari mō RNZ ki a Jane Taylor rāua ko Graham Pryor i te 30 o ngā rā o Paengawhāwhā 2019, ā, e tika ana kia whakanuia ā rāua takoha nui ki RNZ me tōna whakawhanaketanga nō rāua e noho ana ki te poari. Kāore he kopoutanga hōu ki te poari i te wā e kapia ana e tēnei pūrongo.

Hei whakakapinga ake, nōku e noho nei hei māngai mō te poari, ka rere ngā mihi ki te Kaiwhakahaere Matua, ki a Paul Thompson, rātou ko tana kāhui amorangi, ā, tae pū atu hoki ki ngā kaimahi manawanui, pūkenga rau anō o RNZ. Nā tō rātou kaingākau nui, nā tā rātou ū mauroa anō ki ngā mātāpono o te pāpāho me te kawē pūrongo hei ratonga tūmatanui, e noho tonu nei ko RNZ te whakahaere pāpāho e kaha whakawhirinakitia ana i tēnei whenua.

E māia pai nei tā mātou anganui atu ki anamata.

Nāku iti nei, nā

* Colmar Brunton Value Indices Research 2019



Dr Jim Mather / Tākuta Jim Mather

Chairman / Heamana, Radio New Zealand

CEO'S REPORT

Te Pūrongo a te Kawhaka- haere Matua

THE TRANSFORMATION
WE EMBARKED ON FIVE
YEARS AGO IS WORKING.
AUDIENCES HAVE
DOUBLED AND WE NOW
CREATE, BROADCAST,
PUBLISH AND SHARE A
RICH STREAM OF NEWS,
CURRENT AFFAIRS,
INFORMATION AND
ENTERTAINMENT ON MANY
DIFFERENT PLATFORMS

TRUST
is a
TAONGA

It is my pleasure to report on another successful year at RNZ.

Audiences continued to grow, RNZ produced a wider range of relevant content and New Zealanders trust and value the work we do as Aotearoa's public service multimedia broadcaster.

The transformation we embarked on five years ago is working. Audiences have doubled and we now create, broadcast, publish and share a rich stream of news, current affairs, information and entertainment on many different platforms.

And our audiences have responded positively. RNZ leads the way in terms of public trust with our journalism and current affairs providing vital information at crucial and testing moments, as was evident throughout our exemplary coverage of the March 15 terror attacks in Christchurch.

People no longer simply listen to RNZ (though undoubtedly audio remains a strength). They also avidly watch, read and share our material. On-demand delivery is now as important as on-air.

There are still big challenges ahead, however, not only for RNZ but also for the entire New Zealand media sector.

Audience preferences, expectations and needs continue to change, as do the demographics of Aotearoa. Meanwhile, formidably resourced global platforms and brands provide a growing array of services and options that compete for our time and attention.

This is a critical period for RNZ and all New Zealand media. Keeping pace with rapid change and increased competition – and continuing to connect with all our communities – would be difficult for our media organisations even in the best of times.

Yet the pressures on commercial media continue to increase, leading to a hollowing out of local resources and questions about the viability of some outlets.

This is an issue of national sovereignty. New Zealand's future as a successful, independent and cohesive democracy must be underpinned by a vibrant and robust fourth estate.

RNZ, as an organisation that exists to serve the public interest, has a major and growing role to play in filling the large gaps that are emerging and to ensure we remain a connected and informed nation.

This opportunity and obligation to create a more comprehensive RNZ informs the organisation's future strategy.

Our mission is to "form lifelong relationships with the people of Aotearoa". This compels us to continue to innovate and create new services and content for the audiences we do not reach at present. RNZ's strengthened Māori strategy – with a focus on building te reo skills across the organisation and developing our talented Māori staff – is a crucial element of this plan.

The one-off \$6m RNZ / NZ On Air Joint Innovation Fund is another source of new content and has supported the commissioning of rich material from the independent production sector.

The new strategy also underpins our commitment to collaborating with other media organisations through content sharing and initiatives such as the Local Democracy Reporting Service. We call this "radical sharing" and it is helping RNZ connect with larger and more diverse audiences while also providing a helping hand to commercial and community media organisations at a time of significant business disruption.

The year ahead will be an exciting one as RNZ continues to modernise, collaborate and help create a sustainable, audience- and future-focused public media system. With this in mind, we welcome the Government's intention to develop new policy and funding strategies that strengthen the public media sector. This is a once-in-a-generation opportunity to create the blueprint for a public media service that will be relevant for all New Zealanders. RNZ will take a lead role in this discussion.

I am sincerely grateful to all those who have contributed to RNZ's success and achievements in the past year, particularly our highly professional, committed and talented staff. I also thank the RNZ Chairman, Jim Mather, and the Board of Governors for their support, wise counsel and shared ambition for this organisation to excel.

E koa ana te ngākau ki te tuku pūrongo mō tētahi anō tau whai hua ki RNZ.

I tupu tonu a ngāi apataki, i puta i a RNZ ētahi momo hōtaka whānui ake e whai pānga ana, ka mutu, e whakawhirinakitia ana, e wāriutia ana anō ā mātou mahi hei pou pāpāho, he pae pāpāho-rau, he ratonga tūmatanui anō mō Aotearoa.

E whai hua ana ngā panonitanga i tīmataria e mātou e rima tau ki muri. Kua pūruatia a ngāi apataki, ā, i āianei nā e waihanga ana, e pāpāho ana, e tā ana, e toha ana anō mātou i ētahi tini tukuhanga whai kiko, he rongo o te wā, he rongo mohoa, he pārongo, he kaupapa ngahau hoki, ki ētahi tini pae pāpāho.

E rata mai ana hoki ā mātou apataki. Ko RNZ kei runga mō te taha ki tā tūmatanui whakawhirinaki mai, i tā ā mātou ratonga kawē pūrongo, rongo mohoa hoki, tuku pārongo mātuatua i ngā wā e matea nuitia ana, otirā, i ngā wā o te taimaha, pēnei i te momo i kitea i ā mātou pūrongo taiea mō ngā patunga whakatumatuma ki Ōtautahi i te 15 o ngā rā o Poutūterangi.

Kāore te tangata e whakarongo noa ki RNZ i āianei nā (heoi anō, e kore e kore he kura nui tonu ngā rongo ā-taringa). Ka kaha hoki te iwi ki te mātaki, ki te pānui, otirā, ki te toha i ā mātou tukuhanga kōrero. He taurite hoki te mana o ngā tukuhanga kōrero ā-tono ki tērā o ngā tukuhanga ā-irirangi.

He nui tonu ngā taero a Kupe kei te aroaro, kaua noa ki te aroaro o RNZ, engari hoki ki te aroaro o te rāngai pāpāho whānui o Aotearoa.

Ko ngā manakohanga, ko ngā kawata, ko ngā matea anō o ngāi apataki e huri tonu ana, pēnei tonu i ngā tatauranga taupori o Aotearoa. I tēnei wā anō, arā hoki he pae pāpāho, he parani hoki ā-ao e whai rawa nui ana, ā, e puta ana i a rātou ētahi tini tukuhanga ratonga, kōwhiringa anō, e whakapoapoa nei i a tātou kia aro atu.

He wā hira nui tēnei ki a RNZ, otirā, ki te rāngai pāpāho whānui o Aotearoa. Ko te ū tonu ki ngā panonitanga hohoro, ki te nui haere anō o ngāi hoariri - ka mutu, ko te whai hononga tonu ki ō tātou hapori katoa - he mahi taimaha tonu mā ā tātou whakahaere pāpāho katoa, tae pū atu tonu ki ngā wā o te pai.

Heoi anō rā, ka nui haere tonu ngā taimahatanga e pēhi nei i ngā whakahaere pāpāho arumoni, me te aha, kua torutoru haere ngā rawa o te takiwā, ā, e pātaihia ana mēnā ka ora tonu ētahi whakahaere ā tōna wā.

He take tēnei e hāngai pū ana ki te mana ā-motu. Ko te āpōpō o Aotearoa hei manapori angitu e tū motuhake ana, otirā, e noho honohono ana, me titi rawa ki tētahi rāngai kawē pūrongo ngangahau e whai kiko ana.

He mahi matua, otirā, he mahi e nui haere ana hei pīkau mā RNZ i tana tū hei whakahaere, ko tāna he mahi mō tūmatanui te painga, e whakakīkīhia ai ngā whāruarua e putaputa mai ana, e mātua noho tonu ai tātou hei iwi whai hononga, hei iwi whai mōhio.

Ko tēnei ara ka tūpono whai hua, ko tēnei kawenga anō kia waihangatia ake he RNZ matawhānui ake e ārahi nei i tā te whakahaere rautaki mō anamata.

Ko tō mātou whāinga matua he "whakawhanake i ētahi whanaungatanga motukore ki ngā uri o Aotearoa". Koinei e āki ana i a mātou kia auaha tonu, otirā, kia waihanga tonu i ētahi ratonga hōu, i ētahi hōtaka hōu hei whai mā ngāi apataki kāore e torohia ana e mātou i tēnei wā. Ko te rautaki Māori a RNZ kua whakapakarihia ake - me te aha, e aro ana ki te whakawhanaketanga o ngā pūkenga reo Māori huri i te whakahaere, ā, me te whakawhanaketanga o ā mātou kaimahi Māori waingōhia - e noho nei hei wāhi mātuatua o tēnei mahere.

Kua noho ko te Tahua Auaha tūtahi e \$6m te nui a RNZ me Irirangi Te Motu hei puna hōtaka hōu, ā, nāna i taunaki te tonohanga mai o ētahi hōtaka whai kiko i te rāngai waihanga hōtaka motuhake.

Ko te rautaki hōu hoki hei tūāpapa mō tā mātou ū ki te mahi tahi ki whakahaere pāpāho kē atu mā roto mai i te whakahoahoa hōtaka, ā, me ngā kaupapa pēnei i te Ratonga Pūrongorongo Manapori ā-Takiwā. E kīia ana tēnei e mātou ko te "whakahoahoa whakawhana", ā, nā konei e taunakitia ana tā RNZ whai hononga ki ētahi kāhui apataki nui ake, kanorau ake anō, i te wā e āwhinatia ana anō ētahi whakahaere pāpāho arumoni, ā-hapori hoki, i tētahi wā e raru nui nei te taha ki ngā mahi pakihi.

He tau whakaihiihi e haere ake nei i a RNZ ka whai tonu ki te whakahōu i a ia anō, otirā ki te mahi tahi ki kāhui kē, ā, ki te whai wāhi ki te waihangatanga mai o tētahi pūnaha pāpāho tūmatanui e toitū ana, ka mutu, ko ngāi apataki, ko anamata anō e aronuitia ana. Nā runga i tēnei, e mihi nei mātou ki te whakaaro o te Kāwanatanga kia whakawhanaketia he rautaki kaupapa here hōu, he rautaki toha pūtea hōu anō, e whakapakari ana i te rāngai pāpāho tūmatanui. Me he kōtuku rerenga tahi tēnei ara ka tūpono whai hua e whakaritea mai ai he mahere mō tētahi ratonga pāpāho tūmatanui e whai take ana ki ngā tāngata katoa o Aotearoa. Ka tū ake a RNZ hei pou ki waenga i ēnei wānanga.

E kore e pau aku mihi ki ērā kua whai wāhi mai ki te angitu o RNZ, otirā, ki ngā tutukihanga kua oti i a RNZ i te tau kua hori, tae pū atu hoki ki ā mātou kaimahi, he waingōhia, he manawanui, otirā, he ngaio mārika. Ka rere hoki aku mihi ki te Heamana o RNZ, ki a Jim Mather, rātou ko te Poari Kāwana, i tā rātou tautoko, i ā rātou kupu āwhina mōhio, ā, i tā rātou awhero ngātahi kia eke tēnei whakahaere ki ngā taumata.



Paul Thompson

CEO and Editor-in-Chief

Kaiwhakahaere Matua, Kaiētita Matua



Our Changing World presenter/producer Alison Ballance
interviewing a conservation dog

Radio New Zealand Limited

FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2019

22	STATEMENT OF CORPORATE GOVERNANCE
23	STATEMENT OF RESPONSIBILITY
24	INDEPENDENT AUDITOR'S REPORT
26	STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
26	STATEMENT OF CHANGES IN EQUITY
27	STATEMENT OF FINANCIAL POSITION
28	STATEMENT OF CASH FLOWS
29	RECONCILIATION OF NET DEFICIT WITH NET CASH FLOWS FROM OPERATING ACTIVITIES
30	NOTES TO THE FINANCIAL STATEMENTS

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. The Board is made up of five directors at 30 June 2019 with two new appointments coming after 30 June 2019.

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, day-to-day management of the company is delegated to the Chief Executive Officer/Editor-in-Chief.

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

Board fees are set by the Shareholding Ministers each year.

Board changes

Audit Committee Chair Jane Taylor's term ended on 30 April 2019. Graham Pryor's term also ended on 30 April 2019. Two new appointments to the Board are to come after 30 June 2019.

Subsidiaries

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.

Kīnga Voxpop Limited was incorporated on 15 February 2018. Radio New Zealand owned half of the shares in Kīnga Voxpop Limited at 30 June 2019.

Board committees

The Board has formally constituted an Audit Committee to focus on audit and risk management issues. This committee met on four occasions during the year. Members of the Board on the Audit Committee are Rodger Finlay (Chair), Bill Francis and Jane Taylor (Chair up to 30 April 2019).

A Leadership and Culture Committee was formed and began meeting from December 2018. This committee is chaired by Melissa Clark-Reynolds with Dr Jim Mather as a member. Mike O'Donnell was a member and attended the inaugural meeting in December 2018. The committee met three times in the year to 30 June 2019.

Board meetings

The Board met on eight scheduled occasions this year.

ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2019	BOARD MEETINGS	AUDIT COMMITTEE	LEADERSHIP AND CULTURE
Dr Jim Mather – Chair	8	N/A	3
Jane Taylor – Chair Audit Committee and Deputy Chair to 30 April 2019	8	3	N/A
Melissa Clark-Reynolds	6	N/A	3
Rodger Finlay	7	1	N/A
Bill Francis	7	3	N/A
Graham Pryor to 30 April 2019	8	N/A	N/A
Mike O'Donnell	7	N/A	1

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 the company is properly equipped with skilled personnel, and for various interfaces between the company, its stakeholders and the public. The Chief Executive has a dual role as Editor-in-Chief. In that role he is responsible to the Board for Radio New Zealand's editorial matters.

Auditor

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

Legislative compliance

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

Compliance with the Crown Entities Act 2004

In April 2019 RNZ prepared a draft Statement of Performance for the 2019/2020 financial year, and submitted this to the responsible Minister in accordance with the requirements of the Crown Entities Act. This was prepared before the outcome of Budget 2019 was known, and subsequently, in May 2019, once it was announced that RNZ was to receive an increase in funding, an updated version was required. There were some aspects of the increased funding that required further clarification and consequently RNZ did not meet the requirement of the Crown Entities Act to complete a Statement of Performance Expectations before 1 July each year. This was completed on 27 September 2019.

STATEMENT OF RESPONSIBILITY

We are responsible for the preparation of Radio New Zealand Limited 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 2019.

Signed on behalf of the Board:



Dr Jim Mather
Chairman
29 OCTOBER 2019



Melissa Clark-Reynolds
Deputy Chair
29 OCTOBER 2019



Paul Thompson
Chief Executive
and Editor-in-Chief
29 OCTOBER 2019

INDEPENDENT AUDITOR'S REPORT

To the readers of Radio New Zealand Limited and group's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of Radio New Zealand Limited and group (RNZ). 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 RNZ on his behalf.

Opinion

We have audited:

- the financial statements of RNZ on pages 26 to 44, that comprise the statement of financial position as at 30 June 2019, 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 RNZ on pages 46 to 54.

In our opinion:

- the financial statements of RNZ on pages 26 to 44:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; 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; and
- the performance information on pages 46 to 54:
 - presents fairly, in all material respects, RNZ's performance for the year ended 30 June 2019, 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 29 October 2019. 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 is responsible on behalf of RNZ for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is 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 is responsible on behalf of RNZ for assessing RNZ's ability to continue as a going concern. The Board is 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 RNZ, 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 RNZ'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 RNZ'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 RNZ'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 RNZ'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 RNZ 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 RNZ 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 RNZ 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 is responsible for the other information. The other information comprises the information included on pages 2 to 23 and 55 to 57, 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 RNZ 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 RNZ.

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 2019

	Note	Group Actual 2019 \$000	Group Budget 2019 \$000	Group Actual 2018 \$000
Government funding and fees	2	43,375	43,342	38,959
Other revenue	2	2,263	2,329	2,350
Total revenue		45,638	45,671	41,309
Personnel expenses	3	27,485	26,059	25,033
Operating expenses	4	15,709	16,803	14,155
Depreciation and amortisation expenses	8,9	2,909	2,792	2,473
Total expenditure		46,103	45,654	41,661
Net operating surplus/(deficit) before taxation		(465)	17	(352)
Income tax expense/(benefit)	11	0	0	0
Net surplus/(deficit) after taxation		(465)	17	(352)
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Total other comprehensive revenue and expense		0	0	0
Total comprehensive revenue and expense		(465)	17	(352)

Explanation of major variances against budget is provided in note 20.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Group Actual 2019 \$000	Group Budget 2019 \$000	Group Actual 2018 \$000
Balance at 1 July		58,817	58,843	59,169
Total comprehensive revenue and expense		(465)	17	(352)
Balance at 30 June		58,352	58,860	58,817

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	Group Actual 2019 \$000	Group Budget 2019 \$000	Group Actual 2018 \$000
EQUITY				
Share capital	16	16,692	16,692	16,692
Revaluation reserve	16	40,700	40,700	40,700
Retained earnings	16	960	1,468	1,425
Total equity		58,352	58,860	58,817
CURRENT LIABILITIES				
Creditors and other payables	10	2,468	1,289	2,309
Provisions	14	0	1,096	0
Employee entitlements	13	2,602	1,908	2,253
Revenue received in advance		141	1	1
Total current liabilities		5,211	4,294	4,563
NON-CURRENT LIABILITIES				
Employee entitlements	13	79	0	79
Provisions	14	1,042	1,041	1,042
Total non-current liabilities		1,121	1,041	1,121
TOTAL EQUITY AND LIABILITIES		64,684	64,195	64,501
CURRENT ASSETS				
Cash and cash equivalents	5	3,193	1,070	3,375
Investment	7	2,000	3,500	3,500
Receivables and prepayments	6	179	97	310
Other receivables		563	497	616
Total current assets		5,935	5,164	7,801
NON-CURRENT ASSETS				
Intangibles	9	1,866	6,766	1,919
Property, plant and equipment	8	56,883	52,265	54,781
Total non-current assets		58,749	59,031	56,700
TOTAL ASSETS		64,684	64,195	64,501

Explanations of major variances against budget are provided in note 20.
The accompanying notes and accounting policies form an integral part of the financial statements.

For and on behalf of the Board:



Dr Jim Mather
Chairman
29 OCTOBER 2019



Melissa Clark-Reynolds
Deputy Chair
29 OCTOBER 2019

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Group Actual 2019 \$000	Group Budget 2019 \$000	Group Actual 2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers	2,349	2,361	1,988
Government funding and fees	43,375	43,362	38,959
Interest earned	149	182	158
GST	52	0	0
	45,925	45,905	41,105
Cash was applied to:			
Payments to employees	27,093	26,055	24,781
Payments to suppliers	15,555	16,896	13,177
GST	0	100	251
	42,648	43,051	38,209
Net cash inflow/(outflow) from operating activities	3,277	2,854	2,896
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Receipts from investments	3,000	0	2,650
	3,000	0	2,650
Cash was applied to:			
Acquisition of term investments	1,500	0	2,100
Purchase of intangible assets	427	1,200	813
Purchase of property, plant and equipment	4,532	3,959	1,654
	6,459	5,159	4,567
Net cash inflow/(outflow) from investing activities	(3,459)	(5,159)	(1,917)
CASH FLOWS FROM FINANCING ACTIVITIES	0	0	0
Net increase/(decrease) in cash and equivalents	(182)	(2,305)	979
Add – opening bank balance at 1 July	3,375	3,375	2,396
Cash and cash equivalents at year end	3,193	1,070	3,375
CASH AND TERM DEPOSITS			
Cash and cash equivalents	3,193	1,070	3,375
Term deposits	2,000	3,500	3,500
Total cash and term deposits	5,193	4,570	6,875

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

FOR THE YEAR ENDED 30 JUNE 2019

	Group Actual 2019 \$000	Group Actual 2018 \$000
NET SURPLUS/(DEFICIT) BEFORE TAX	(465)	(352)
Add/(less) non-cash items:		
Depreciation and amortised expenses	2,909	2,473
Bad debts written off	3	1
Change in provision for impaired debts	(16)	(32)
Impaired property, plant and equipment	16	2
Other	(1)	31
	2,911	2,475
Add/(less) movements in working capital items:		
Decrease/(increase) in receivables	130	107
Decrease/(increase) in prepayments and other receivables	53	(296)
Increase/(decrease) in creditors and other payables	159	757
Increase/(decrease) in current employment entitlements	349	251
Increase/(decrease) in revenue received in advance	140	(46)
Working capital movement – net	831	773
Net cash flow from operating activities	3,277	2,896

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Radio New Zealand Limited (RNZ) is a New Zealand 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 which forms part of the Radio New Zealand Act.

The Group consists of Radio New Zealand Limited, its subsidiary Sound Archives Ngā Taonga Kōrero Limited (SANTK), which is 100% owned, and Kīnga Voxpop Limited, 50% owned by RNZ at 30 June 2019.

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 from RNZ platforms.

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 the 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 a specific note 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 amount 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 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.

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: RNZ produces one output, namely the production and distribution of content that meets our purpose and optimises our charter performance. This reflects the convergence of media platforms externally and the sharing of content and resources inside RNZ.

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 the asset, expected period of use of the asset by RNZ, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and 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.

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. RNZ has no finance leases.

Standards issued and not yet effective and not early adopted: Standards and amendments, issued but not yet effective, that have not been early adopted are:

AMENDMENT TO PBE IPSAS 2 STATEMENT OF CASH FLOWS

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. RNZ does not intend to early adopt the amendment.

PBE IPSAS 41 FINANCIAL INSTRUMENTS

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although RNZ has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 SERVICE PERFORMANCE REPORTING

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. RNZ has not yet determined how application of PBE FRS 48 will affect its statement of performance.

2. REVENUE

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

FUNDING AND REVENUE FROM THE CROWN	Group Actual 2019 \$000	Group Actual 2018 \$000
NZ On Air – operating funding	39,856	35,356
NZ On Air – contestable funding	116	200
Ministry for Culture and Heritage	1,900	1,900
Office of the Clerk	1,503	1,503
TOTAL	43,375	38,959

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.

OTHER REVENUE	Group Actual 2019 \$000	Group Actual 2018 \$000
Rental revenue from property leases	327	370
Co-siting revenue	1,407	1,377
Interest income	149	158
Other income	380	445
TOTAL	2,263	2,350

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 2019 \$000	Group Actual 2018 \$000
Salaries and wages	25,738	23,211
Superannuation	815	761
Redundancy costs and other payments on cessation of employment	43	392
Other employee costs	569	405
Increase/(decrease) – employee entitlements	320	264
TOTAL	27,485	25,033

Employee remuneration

Details of remuneration range for employees whose remuneration for the year ended 30 June 2019 was in excess of \$100,000 are:

Remuneration Range for Employees	Number of Employees 2019	Number of Employees 2018
\$100,000 – 109,999	21	8
\$110,000 – 119,999	7	6
\$120,000 – 129,999	9	11
\$130,000 – 139,999	4	1
\$140,000 – 149,999	2	1
\$150,000 – 159,999	2	2
\$160,000 – 169,999	2	0
\$170,000 – 179,999	1	1
\$180,000 – 189,999	1	1
\$190,000 – 199,999	1	1
\$200,000 – 209,999	2	1
\$210,000 – 219,999	0	0
\$220,000 – 229,999	0	0
\$230,000 – 239,999	1	0
\$240,000 – 249,999	0	0
\$250,000 – 259,999	0	1
\$260,000 – 269,999	0	1
\$270,000 – 279,999	0	0
\$280,000 – 289,999	0	0
\$290,000 – 299,999	1	1
\$430,000 – 439,999	0	0
\$440,000 – 449,999	0	1
\$450,000 – 459,999	0	0
\$500,000 – 509,999	1	0
Total number of employees in these ranges	55	37

During the year ended 30 June 2019, one employee received compensation and other benefits in relation to cessation totalling \$42,621 (2018: 11 received \$390,246).

Key management personnel

DIRECTORS	Group Actual 2019 \$000	Group Actual 2018 \$000
Remuneration	187	192
Full-time equivalent current members	0.19	0.22

2018 comparative figures for directors FTE have been corrected to include preparation time.

KEY SENIOR LEADERSHIP PERSONNEL COMPENSATION

Remuneration	2,187	1,720
Full-time equivalent current members	11	8

Superannuation schemes**DEFINED CONTRIBUTION SCHEMES**

Employer contributions to KiwiSaver and other superannuation schemes 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:

	Group Actual 2019 \$000	Group Actual 2018 \$000
Dr Jim Mather – Chair from May 2018	48	8
Richard Griffin – Chair to April 2018	0	39
Jane Taylor – Deputy Chair to 30 April 2019	24	29
Melissa Clark-Reynolds	24	24
Rodger Finlay	24	24
Bill Francis	24	24
Graham Pryor – to 30 April 2019	19	24
Mike O'Donnell – from 1 September 2017	24	20
TOTAL	187	192

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

BREAKDOWN OF OTHER EXPENSES	Group Actual 2019 \$000	Group Actual 2018 \$000
Audit fees for audit of financial statements	107	104
Operating lease expenses	2,063	1,847
Property	677	728
Travel	638	730
Distribution and transmission	4,121	4,053
Programming	3,012	2,763
Advertising and publicity	1,347	660
Insurance	315	222
Impairment property, plant and equipment	16	2
Legal expenses	278	322
Consultancy fees	533	457
Other	2,602	2,267
TOTAL	15,709	14,155

2018 comparative figures have been updated for the re-classification of Research costs to Advertising and Publicity.

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.

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

	Group Actual 2019 \$000	Group Actual 2018 \$000
Not later than one year	1,769	1,663
Later than one year and less than five years	3,449	4,416
Later than five years	562	772
TOTAL	5,780	6,851

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes 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 2019 \$000	Group Actual 2018 \$000
Cash and call deposits	3,193	3,375

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.

	Group Actual 2019 \$000	Group Actual 2018 \$000
Receivables	196	311
Provision for impairment	(17)	(1)
TOTAL	179	310

As at 30 June 2019, all overdue receivables have been assessed for impairment and appropriate provision applied as follows:

	2019 \$000			2018 \$000		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	103	0	103	247	0	247
Past due 1-30 days	43	0	43	57	0	57
Past due 31-60 days	11	0	11	6	0	6
Past due 61-90 days	16	0	16	0	0	0
Past due > 91 days	23	(17)	6	1	(1)	0
TOTAL	196	(17)	179	311	(1)	310

7. INVESTMENTS

Bank term deposits

Bank term deposits are initially measured at the amount invested.

	Group Actual 2019 \$000	Group Actual 2018 \$000
Current	2,000	3,500
Non-current	0	0
TOTAL TERM DEPOSITS	2,000	3,500

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.

RNZ owns 50% of the shares in Kīnga Voxpop Limited at 30 June 2019. The capital is unpaid.

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 and impairment losses; 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 will be 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, Absolute Value Limited, effective 30 June 2017. An assessment of fair value of significant properties was carried out at 30 June 2019.

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

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 at 30 June 2019 is \$1,231,823 (2018: \$797,642).

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefit 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 amount of the asset.

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 cost (or valuation) 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 amount may not be fully 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.

	Land \$000	Buildings \$000	Leasehold Improvements \$000	Plant and Equipment \$000	Libraries \$000	Computer Hardware \$000	Furniture and Fittings \$000	Total \$000
COST OR VALUATION								
Balance 1 July 2017	40,225	4,214	7,822	27,354	699	8,443	4,420	93,177
Additions	0	131	112	1,118	0	914	191	2,466
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	0	0	0	(785)	0	(10)	(103)	(898)
Adjustments	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Work in progress transfer	0	(131)	54	(145)	0	(604)	13	(813)
Balance 30 June 2018	40,225	4,214	7,988	27,542	699	8,743	4,521	93,932
Balance 1 July 2018	40,225	4,214	7,988	27,542	699	8,743	4,521	93,932
Additions	0	0	101	2,888	0	1,299	687	4,975
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	0	0	0	(56)	0	(2)	(37)	(95)
Adjustments	0	0	453	(18)	0	0	14	449
Impairment	0	0	0	0	0	0	0	0
Work in progress transfer	0	0	(37)	(11)	0	(397)	15	(430)
Balance 30 June 2019	40,225	4,214	8,505	30,345	699	9,643	5,200	98,831
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
Balance 1 July 2017	0	500	5,626	20,967	641	6,322	3,921	37,977
Depreciation expense	0	152	231	991	17	518	163	2,072
Eliminate on disposal	0	0	0	(785)	0	(10)	(103)	(898)
Adjustments	0	0	0	0	0	0	0	0
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
Balance 30 June 2018	0	652	5,857	21,173	658	6,830	3,981	39,151
Balance 1 July 2018	0	652	5,857	21,173	658	6,830	3,981	39,151
Depreciation expense	0	153	246	1,282	14	550	194	2,439
Eliminate on disposal	0	0	0	(55)	0	0	(36)	(91)
Adjustments	0	0	453	(7)	0	2	1	449
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
Balance 30 June 2019	0	805	6,556	22,393	672	7,382	4,140	41,948
CARRYING AMOUNTS								
At 30 June 2018	40,225	3,562	2,131	6,369	41	1,913	540	54,781
At 30 June 2019	40,225	3,409	1,949	7,952	27	2,261	1,060	56,883

The total amount of property, plant and equipment in the course of construction is \$5,117,178 (2018: \$2,199,576).

Valuation

RNZ has significant library and property, plant and equipment assets. Values are reflected in the statement of financial position at their fair value. Land and buildings were valued by Absolute Value Limited registered valuers in 2017. Absolute Value also performed an assessment of fair value on significant properties in the 2019 year that confirmed that the carrying value did not materially differ from the fair value.

The company's 100% owned subsidiary, Sound Archives Ngā Taonga Kōrero Limited, has a substantial archival collection of valuable radio recordings, which is valued at \$800,000. This valuation was reviewed by the Director of Sound Archives Ngā Taonga Kōrero Ltd as at 30 June 2019 and as no impairment was assessed has been left unchanged from last valuation effective 30 June 2013.

Amortisation has not been charged on the archival assets collection this year.

9. INTANGIBLE ASSETS

	Group Actual 2019 \$000	Group Actual 2018 \$000
Software	1,066	1,119
Sound archive collection/other	800	800
TOTAL INTANGIBLE ASSETS	1,866	1,919

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 2019 \$000	Software 2018 \$000	Other 2019 \$000	Other 2018 \$000
COST				
Balance at 1 July	5,569	4,774	800	800
Additions	430	813	0	0
Disposals	(199)	(18)	0	0
Balance at 30 June	5,800	5,569	800	800
ACCUMULATED AMORTISATION				
Balance at 1 July	4,450	4,066	0	0
Amortisation expense	470	401	0	0
Disposals/impairment losses	(186)	17	0	0
Balance at 30 June	4,734	4,450	0	0
Carrying amounts at 30 June	1,066	1,119	800	800

10. PAYABLES

Accounting policy

Short-term payables are recorded at the amount payable or face value.

	Group Actual 2019 \$000	Group Actual 2018 \$000
Creditors	1,790	1,528
Accrued expenses	1,078	781
TOTAL	2,868	2,309

11. TAXATION

Relationship between tax and accounting profit:

	Group Actual 2019 \$000	Group Actual 2018 \$000
Net surplus/(deficit) before tax	(465)	352
Tax @ 28%	(130)	(98)
Plus/(less) the effect of:		
Non-deductible expenditure	7	5
Deferred tax adjustment	123	93
Tax expense/(benefit)	0	0
Components of tax expense		
Current tax expense	0	0
Deferred tax	0	0

Group deferred tax asset/(liability):

	Property, Plant and Equipment	Other Provisions	Tax Losses	Total
Balance at 30 June 2017	(1,692)	710	982	0
Charged to surplus or deficit	(24)	74	(50)	0
Charged to comprehensive income	0	0	0	0
Balance at 30 June 2018	(1,716)	784	932	0
Charged to surplus or deficit	211	286	(497)	0
Charged to comprehensive income	0	0	0	0
Balance at 30 June 2019	(1,505)	1,070	435	0

A deferred tax asset has not been recognised in relation to \$5,609,511 of Radio New Zealand's tax losses available to carry forward.

Imputation credit account

\$166,000 imputation credits at 30 June 2019 (2018: \$166,000).

The 2018 comparative figure has been corrected.

12. BORROWINGS

Accounting policy

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

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

RNZ has a loan credit facility with the limit of \$3,500,000 and an overdraft facility of \$250,000. The overdraft was used twice in the current reporting period. In addition RNZ has a credit card facility limit of \$400,000.

13. EMPLOYEE ENTITLEMENTS

Accounting policy

Short-term employee entitlements – current liabilities

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

The calculations are based on:

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

	Group Actual 2019 \$000	Group Actual 2018 \$000
Current	2,602	2,253
Non-current	79	79
TOTAL	2,681	2,332
This is represented by:		
Annual leave and other leave entitlements	2,207	1,889
Accrued salaries	373	342
Long service leave	101	101
TOTAL	2,681	2,332

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 2019 \$000	Group Actual 2018 \$000
Current	0	0
Non-current – lease make-good	1,042	1,042

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

15. CONTINGENCIES

Contingent liabilities are \$30,000 at 30 June 2019 (2018: \$75,000), in relation to a possible employment action.

RNZ holds insurance cover for possible defamation.

There are no quantifiable contingent assets at 30 June 2019 (2018: nil).

16. 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 2019 \$000	Group Actual 2018 \$000
Share capital – ordinary \$1 shares		
Balance at 1 July	16,692	16,692
Issue of ordinary shares	0	0
Balance at 30 June	16,692	16,692

Ordinary shares have the following rights:

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

Revaluation reserve

	Group Actual 2019 \$000	Group Actual 2018 \$000
Movements:		
Balance at 1 July	40,700	40,700
Balance at 30 June	40,700	40,700
Made up of:		
Revaluation – land	37,855	37,855
Revaluation – buildings	2,007	2,007
Sound archive collection	800	800
Reference library	38	38
Balance at 30 June	40,700	40,700

Retained earnings

	Group Actual 2019 \$000	Group Actual 2018 \$000
Movements:		
Balance at 1 July	1,425	1,777
Net surplus (deficit) after tax	(465)	(352)
Balance at 30 June	960	1,425

17. 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 favourable 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 normal terms and conditions consistent with the normal operating arrangements between government agencies.

Significant transactions with government-related entities requiring disclosure

RNZ received funding of \$39.856 million (2018: \$35.356 million) from NZ On Air for the year ended 30 June 2019. 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, \$50,800 (2018: \$199,864) funding was received from NZ On Air for The Wireless, a RNZ website funded under Fresh Voices, content that explores contributions from new talent. The Wireless closed in November 2018, and past content is available on the rnz.co.nz website.

Key management and directors

There are 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 Radio New Zealand Limited. Paul Thompson is the president of the Public Media Alliance. RNZ is a member of the Public Media Alliance and paid \$13,307 (2018: \$14,358) to the organisation this year.

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

RNZ paid Freeview Limited \$18,466 for its 5% share of operational funding (2018: \$124,854) in the current year.

Any conflicts of interest are declared by managers. If a conflict exists, then the manager is removed from discussions with the related party.

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

18. FINANCIAL INSTRUMENTS

Market risk

RNZ has no significant equity investments exposed to price risk as at 30 June 2019.

Fair value interest rate risk

RNZ's exposure to fair value interest rate risk is limited to its bank deposits, which 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 which require it to enter into transactions denominated in foreign currencies.

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 a Standard & Poor's credit rating 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 or to historical information about counterparty default rates:

	Group Actual 2019 \$000	Group Actual 2018 \$000
Counterparties with credit ratings		
Cash at bank and term deposits (AA- rating)	5,187	6,869

2018 comparative figures have been corrected.

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.

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

19. EVENTS AFTER BALANCE DATE

The May 2019 Budget for the year ending 30 June 2020 included a funding increase comprising \$7.25 million operating and \$1.8 million capital funding. The capital funding is set at \$3.5 million over three years with \$1.8 million in 2019/2020, \$1.05 million in 2020/2021 and \$650,000 in 2021/2022.

The \$4.5 million tagged contingency funding provided from Budget 2018 was for 2018/2019 only and will not continue for 2020.

The \$6 million Joint Innovation Fund with NZ On Air provided from Budget 2018 will also not continue for 2020.

Three directors will be appointed after 30 June 2019 to replace two directors whose terms ended before June and one after 30 June 2019. The number of directors will revert back to seven in total.

20. EXPLANATIONS OF SIGNIFICANT VARIANCES AGAINST BUDGET

Statement of comprehensive revenue and expense

RNZ achieved a \$465,000 pre-tax deficit compared to a \$17,000 budget surplus.

This was primarily due to increased expenses, which were \$449,000 (0.98%) more than budget.

The extensive coverage of the Christchurch mosque attacks had a significant impact on personnel and travel costs, with higher overtime, shift allowances, temporary cover, increased annual leave entitlements, airfares and accommodation, all exceeding budget.

Other operating expenses that were over budget include travel costs and computer software.

A further variance also occurred when a portion of the 2018/2019 government funding increase was not initially allocated specifically to personnel costs in the budget, until further planning was undertaken. The unallocated portion was held in the budget for other operating expenses rather than personnel expenses.

Later in the year some of this previously unallocated funding was used for new people-intensive initiatives such as the 5am First Up radio programme on RNZ National, more digital journalists, and more resource for the product and development team. This resulted in increased costs being incurred in the area of personnel and less in other operating expenses.

Statement of financial position

There was an increase in the employee leave liability as shown by the Employee entitlements increase during the year. See the earlier note about the impact of the mosque attacks.

Overall bank balances were ahead of budget at year end, although amounts in Investments decreased during the year and compared to budget.

Intangible additions were under budget such as platforms. Property, plant and equipment activity included capital expenditure new computers, transmission masts, studio improvements and a UPS replacement.

21. INNOVATION FUND

From Budget 2018, \$6 million was allocated to a joint RNZ / NZ On Air Joint Innovation Fund out of \$15 million put towards public media. The purpose of this fund is to meet the production costs of a range of new public media content for eventual broadcast and publishing by RNZ. The funding is allocated by NZ On Air in conjunction with RNZ to individual projects on a contestable basis and is administered by NZ On Air.

Except where RNZ is the producer of any of these projects, none of this funding is received by RNZ. It is received by NZ On Air, who in turn pay it out to the independent producers of each project in accordance with a set of milestones and delivery requirements set out in a production funding agreement.

For the year to 30 June 2019, RNZ contracted with NZ On Air for programmes with production budgets totalling \$254,445, of which \$204,445 had been received during the year.



William Ray (***Black Sheep*** podcast presenter/producer
in the Mini, with Melody Thomas (***BANG!*** presenter/
producer) leaning on car.

Photo: RNZ

A large blue billboard is displayed at night, featuring white text and the RNZ National logo. The text reads: "ADMITTEDLY, FOR AN AD-FREE RADIO STATION, THIS IS A BIG AD." The logo for RNZ National is in the top right corner, and "101.4 FM" is in the bottom right corner. The billboard is set against a dark background with some city lights visible.

ADMITTEDLY, FOR AN
AD-FREE RADIO STATION,
THIS IS A BIG AD.



101.4 FM

Radio New Zealand Limited

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2019

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

This statement reports on RNZ's Charter performance against the measures set out in the Statement of Performance Expectations for the year ended 30 June 2019.

There are five key elements which RNZ 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;
- 5 Being financially viable.

These five objectives form the basis of RNZ's performance assessment framework, with outputs and targets as follows:

Objective 1 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.

Rather than analysing and measuring by genre, RNZ looks to achieve its diversity by providing a variety of different services and a mix of programmes within each service.

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

The individual services that currently make up RNZ's portfolio, and the types of programmes and content provided by each service, are as follows:

RNZ NATIONAL

RNZ National is a nationwide radio network providing a diverse range of live content comprising news, current affairs, feature documentaries and entertainment programmes.

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 considered commercially viable.

Notable programme elements include:

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 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 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.

RNZ CONCERT

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.

Notable programme elements include:

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 such as 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, eg 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.

RNZ PACIFIC International

RNZ provides an international radio and online service to the Pacific. This service broadcasts innovative, comprehensive and independent news and programming of interest to the Pacific region. We aim to encourage an awareness and understanding of New Zealand policies on regional issues of concern, foreign relations, development assistance, immigration, human rights, economic developments, the environment and trade opportunities. RNZ International provides a reliable account of Pacific and New Zealand affairs for relay and use by broadcasters, listeners and online users within the Pacific and beyond. It provides an essential source of information in the event of natural disasters or breakdowns in local communication services.

Notable programme elements include:

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 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 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 Māori issues), Insight, Midday Report and Hymns on Sunday.

RNZ PARLIAMENTARY RADIO and PROCEEDINGS

Follow Parliament live, when the House is sitting, through this channel on RNZ's AM network or audio live stream online.

Additional RNZ coverage of Parliament can be found at 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.

Access On-Demand radio content – from the RNZ In Parliament web page.

RNZ.CO.NZ

The website rnz.co.nz provides a simultaneous broadcast of RNZ's on-air content on a digital platform as well as a comprehensive portal to all its content, allowing users access to live

streaming services for RNZ National, RNZ Concert and RNZ International. In addition, users have access to comprehensive up-to-the-minute news and analysis as well as access to more than 200,000 on-demand audio items from RNZ's vast online collection of back catalogue programming and web-only collections.

Users can search the following:

Service – News, RNZ National, RNZ Concert, RNZ Pacific.

About RNZ – RNZ's History, Frequencies and How to Listen, Corporate Publications, Media Releases, Audience Research, Board of Governors.

Content category – News and Current Affairs, Arts and Culture, Māori and Pacific, Music, Science and Factual, Society and People.

News category – National, Regional, Political, Te Manu Korihi, Sport, World Analysis, Business, Rural, Pacific, Weather.

THE WIRELESS

The Wireless is a youth-targeted service which 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 service provides multi-format content (text, audio and video) and encourages user interaction through sharing of content across other social media outlets and through commentary on articles posted. The broad categories covered are:

News
Society
Culture
Life

NOTE: During the year The Wireless was concluded as a separate and stand-alone service, and content for this target audience is now published on RNZ's main website, rnz.co.nz.

2018/2019 Performance: Producing and broadcasting a diverse and unique range of services

Service	Objective	Actual 2018/2019	Target 2018/2019	Actual 2017/2018
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.	8,759 broadcast hours of RNZ National content (A total of 1 hour of silence during the year following system issues)	8,760 broadcast hours of RNZ National content	8,760 broadcast hours of RNZ National content
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.	8,759 broadcast hours of RNZ Concert content (A total of 1 hour of silence during the year following system issues)	8,760 broadcast hours of RNZ Concert content	8,760 broadcast hours of RNZ Concert content
RNZ PACIFIC 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.	8,723 broadcast hours of RNZI content 99.560% Transmission and Service availability (other than time lost for planned maintenance): Analogue and digital shortwave network	8,520 broadcast hours of RNZI content 99% Transmission and Service availability (other than time lost for planned maintenance): Analogue and digital shortwave network	8,719 broadcast hours of RNZI content 99.532% Transmission and Service availability (other than time lost for planned maintenance): Analogue and digital shortwave network
PARLIAMENTARY RADIO and PROCEEDINGS	Live audio broadcast of Parliament live, when the House is sitting.	Covered 92 Parliamentary sitting days	Coverage of 90 Parliamentary sitting days	Covered 79 Parliamentary sitting days
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 (International). 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.	61,434 hours (395,022 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	54,458 hours (345,168 items) of audio content for RNZ's services available online at any time
THEWIRELESS.CO.NZ	The Wireless is a youth-targeted website which 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 of content across other social media outlets and through public commentary on articles posted.	33 new items of content uploaded until the closure of The Wireless. Content published by The Wireless is available on the main rnz.co.nz website	400 new items of content uploaded each year	606 new items of content uploaded each year

Objective 2 MAKING OUR SERVICES AVAILABLE and ACCESSIBLE WHERE and WHEN NEW ZEALANDERS WANT

With the impact of new technologies and changing audience habits, the number and variety of platforms that audiences can use to access RNZ programming are growing rapidly and this expansion is expected to continue for many years to come.

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

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.

With so many new delivery mechanisms becoming available, and with fixed funding, it is not possible for RNZ to be on every available platform, nor can

it continue to rely on just one or two platforms. 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, existing delivery platforms will also need to be reviewed to ensure these are still optimal.

Providing a range of delivery methods to make our content accessible will form the basis for measuring our success in achieving this objective.

2018/2019 Performance: Using most effective means of delivery

During the 2018/2019 year RNZ services were distributed on the following platforms:

	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)	Satellite IS19
RNZ National	✓	✓		✓	✓	✓	✓	✓	✓	
RNZ Concert		✓		✓	✓	✓	✓	✓	✓	
RNZ Pacific			✓				✓	✓	✓	✓
Parliament	✓				✓	✓				
rnz.co.nz							✓	✓	✓	
thewireless.co.nz							✓	✓	✓	

RNZ services are available on a wide variety of third party platforms

This includes providing content to other media organisations such as TVNZ, Stuff.co.nz, NZ Herald and MSN, other radio partners such as the Pacific Media Network, Te Whakaruruhau iwi stations and iHeart.

RNZ also distributes and shares its content on social media platforms such as Facebook, YouTube, Instagram and Twitter.

Notable additions in 2019 include Newsroom and Indian Newslink.

Objective 3 PROVIDING a PUBLIC BROADCASTING SERVICE that is IMPORTANT TO, and VALUED BY, NEW ZEALANDERS

As a Crown owned and funded organisation, how the New Zealand taxpayer views and values 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 undertook research during the year to assess its success in achieving this objective and this is detailed below.

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 (International) provides a reliable source of information to the Pacific region in the event of natural disasters or a breakdown of local communication services.

RNZ assesses 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. See Objective 1 measure for Transmission and Service availability.

2018/2019 Performance: Providing a service that New Zealand values

Objective	Actual 2018/2019	Target 2018/2019	Actual 2017/2018
A majority of New Zealanders agree that Radio New Zealand provides a valuable service to New Zealand.	6 out of 10 (57%)	At least 7 out of 10	6 out of 10 (57%)
A majority of New Zealanders agree that it is important for New Zealand to have a public radio broadcaster.	3 out of 4 (73%)	At least 7 out of 10	7 out of 10 (75%)

Source: Colmar Brunton Value Indices Research 2019



Photo: Ana Tovey

Objective 4 ATTRACTING and RETAINING AUDIENCES

To remain relevant and meet its statutory and strategic objectives, RNZ must not only make its services available but also ensure that the programming on those services appeals 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 diverse range of services that meets the needs of both traditional radio listeners and new audiences seeking new multimedia content.

Users can access programming live or on-demand across a range of platforms which include live radio,

free-to-air TV channels for both video and audio, the RNZ websites, third party websites and channels, and social media channels.

RNZ participates in the radio industry audience surveying, 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 used to assess its success in achieving this objective are detailed in the schedule of performance results for 2018/2019.

2018/2019 Performance: Attracting and retaining audiences

Objective	Measure	Actual 2018/2019	Target 2018/2019	Actual 2017/2018
Maintain our traditional radio listeners.	Combined RNZ National and RNZ Concert weekly cumulative audience*	694,700	600,000	682,700
Build our online audiences.	Average monthly users of RNZ's websites**	2,555,310	2.1 million	1,968,578
Maintain our current Pacific Island radio audience.	Number of Pacific Island radio stations taking the RNZ service†	21 stations	17 stations	17 stations
Grow RNZ Pacific's (International's) online audience.	Pageviews of RNZ Pacific (International) section of website**	7,990,370	4 million	6,429,885
Grow the total number of people who use our services.	Combined weekly unique radio and online people who use any of our services‡	1,017,393	895,000	845,945

* 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 to 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

RNZ relies primarily on Crown funding of \$43 million to fund its activities, and under its Charter is expected to remain commercial-free in delivering core services.

Some opportunities exist to earn other non-Crown revenue primarily from transmission assets, which is expected to account for approximately 5% of total RNZ revenue.

The potential for new income from online opportunities is also becoming evident. However, such revenue is not expected to be significant enough to have any material impact on the overall financial results for some time.

Over the last four years RNZ has embarked on an ambitious programme of change, which involves addressing several legacy issues, introducing changes

to the organisational structure, modernising operations and making significant changes to the cost structure to maintain operations at a break-even level.

All this is being achieved while continuing to invest in new multimedia initiatives, giving effect to our transformational strategy, and growing audiences.

Financial priorities for RNZ are:

- to achieve a break-even operating result, and
- to provide capital to invest in new technology, equipment and modernisation of operations.

2018/2019 Performance: Being financially viable

Objective	Actual 2018/2019	Target 2018/2019	Actual 2017/2018
Operate within our available funding.	\$423,000 operating deficit, excluding non-recurring items and tax. Extensive coverage of the tragedy in Christchurch in March impacted on costs for the year	Operating breakeven (before non-recurring items) for the 2018/2019 year	\$40,000 operating surplus, excluding non-recurring items and tax
Retain funds to re-invest in asset upgrade and modernisation programme.	\$2.3 million EBITDA*	Achieve an EBITDA in excess of \$2 million for the 2018/2019 year	\$1.9 million EBITDA*

* Earnings Before Interest, Tax, Depreciation and Amortisation.

CHARTER PERFORMANCE ASSESSMENT Use of research

RNZ uses a range of ongoing research and analytics streams throughout the year, and for the 2018/2019 financial year this included the following.

Colmar Brunton Value Indices – surveys attitudes to RNZ from the total New Zealand population, not just RNZ audiences. This surveying was extended in 2019 to include additional measures to assess achievement of more specific Charter objectives.

GfK radio surveys – 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 consumption and audio download metrics, for users of RNZ content. Monthly and daily results.

Facebook Analytics – for online consumption of RNZ content on the Facebook platform. Monthly and daily results.

Firebase Analytics – for app consumption of RNZ content on Apple and Android devices. Monthly and daily results.

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

Third parties – RNZ also receives reports from third parties as to the audience usage of RNZ content via their media. Monthly reporting.

YouTube Analytics – for online viewing of RNZ content on the YouTube platform. Monthly and daily results.

Results from all this research provides RNZ with insights and 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 RNZ's performance against various strategic and statutory objectives.

These results are used to continuously 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 2018/2019 year this included an in-depth audience segmentation study across all RNZ channels and platforms, and the creation of an online research panel to allow RNZ to capture attitudes, feedback and motivations from its existing audiences.

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.

Charter Performance

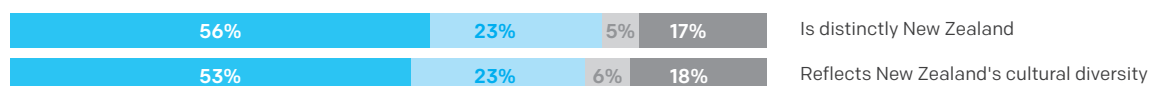
RNZ's whole reporting framework has been designed to measure performance against the Charter, and, to do so, the objectives of the Charter have been grouped into five categories:

- 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.
- 5 Being financially viable.

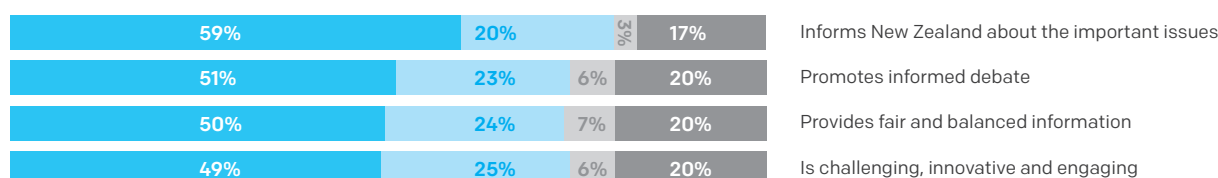
RNZ's view is that if it is successful in these five key areas then it will be achieving its ultimate goal of optimising its Charter performance. This Statement of Performance contains 16 individual measures which report on our achievement against these objectives.

For the 2018/2019 year, to further enhance its performance assessment against some of the more subjective objectives in Section 8(5), RNZ has commissioned Colmar Brunton to survey RNZ audiences about these. Results were as follows:

Those people who have consumed RNZ content in the **past week** are slightly more likely to associate the two statements with RNZ's content than those who have consumed in the last year. **RNZ's content:**



Three out of five agree RNZ's content informs New Zealand about the important issues, and over half agree RNZ promotes informed debate, provides fair and balanced information, and is challenging, innovative and engaging. **RNZ's content:**



● AGREE
 ● NEITHER
 ● DISAGREE
 ● DON'T KNOW

Source: Colmar Brunton Value Indices Research 2019

Focus Project

RNZ MĀORI STRATEGY

RNZ has implemented a new, long-term strategy that represents a commitment to creating high-quality Māori content, supporting te reo Māori and fostering Māori journalism.

RNZ's strategy is in two parts:

FIRSTLY an emphasis on the integration and normalising of te reo across all its platforms.

SECONDLY Māori-specific broadcast and online content.

2019 Performance

- RNZ now has a Kurahautū Māori or Māori Strategy Manager to help strengthen RNZ's commitment to improving, increasing and developing Māori content and its current Māori strategy.
- The Kurahautū Māori is now developing and implementing the RNZ Māori strategy with new high-quality Māori content commissioned from the RNZ / NZ On Air Joint Innovation Fund.
- The strategy will also continue to support and foster Māori journalism.
- RNZ continues to have Māori-specific broadcasts and online content with an emphasis on the integration and normalisation of te reo Māori across all RNZ platforms.
- The Henare te Ua Māori Journalism internship has been the most successful component of the current strategy.
- We are soon to recruit our third intern, while our previous two have been employed as full-time journalists.
- Te reo Māori continues to be heard in almost every RNZ bulletin and reporters continue to sign off in Māori. The use of te reo on air has been strengthened by presenters using the language when introducing stories and interviewing talent.
- Māori staff took the lead in presenting Summer Report and the Queen's Birthday special programme and once again the outside broadcast in Waitangi on Waitangi Day.
- The RNZ website continues to be a strong platform to promote Māori language, culture and stories.

Measure	Actual 2018/2019	Target 2018/2019	Actual 2017/2018
Māori language and culture programming (radio broadcast hours).*	88 hours	80 hours	96 hours
Māori language and culture (number of items uploaded to website).* †	906	1,000	981
Māori language and culture (online pageviews – Google Analytics).** ‡	1,597,670	1.1 million	1,146,710

* 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.

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

** 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 it is too difficult to track at this time.

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

Good Employer REPORT 2019

RNZ continues to be a good employer with 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.

NOTE: Data gathered during the year shows that, across the whole organisation, RNZ's female nominal base salary is 0.5% less than male at the end of June 2019, an improvement from the 4% gap a year ago. Some ongoing fluctuation is expected due to the small size of the organisation.

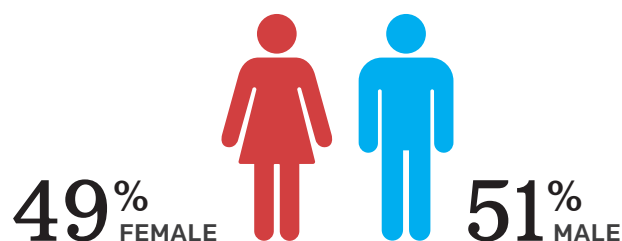
RNZ is putting a focus on gender pay equity and gender representation within RNZ and on implementing an action plan to achieve the goal of eliminating the current gender pay gap.

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.

Particular emphasis this year has been given to supporting RNZ staff involved in reporting events related to the Christchurch mosque attacks.

0.5%
GENDER PAY GAP

RNZ EMPLOYEES



REGISTERED OFFICE

Radio New Zealand House
Level 2, 155 The Terrace
PO Box 123
Wellington 6140
PHONE: 04 474 1999
EMAIL: rnz@rnz.co.nz
rnz.co.nz

AUCKLAND OFFICE

Radio New Zealand House
171 Hobson Street
PO Box 2209
Auckland 1010
PHONE: 09 367 9300

CHRISTCHURCH OFFICE

Radio New Zealand House
332 Cashel Street
PO Box 1531
Christchurch 8140
PHONE: 03 374 8464

RNZ CONCERT

Radio New Zealand House
155 The Terrace
PO Box 123
Wellington 6140
PHONE: 04 474 1999
EMAIL: concert@rnz.co.nz

RNZ PACIFIC

Radio New Zealand House
155 The Terrace
PO Box 123
Wellington 6140
PHONE: 04 474 1437
EMAIL: info@rnzi.com
radionz.co.nz/international

RNZ NEWS

Radio New Zealand House
155 The Terrace
PO Box 123
Wellington 6140
PHONE: 04 474 1999
EMAIL: news@rnz.co.nz

RNZ.CO.NZ

The **Morning Report** studio. Left to right: Susie Ferguson (host); Jane Patterson (Political Editor); Gyles Beckford (Business Editor); John Gerritsen (Education Correspondent); Leigh-Marama McLachlan (Māori News Correspondent); and Karen Brown (Health Correspondent)

MAIN LEGAL ADVISOR

Buddle Findlay
1 Willis Street
PO Box 2694
Wellington 6140

AUDITOR

Audit New Zealand
100 Molesworth Street
PO Box 99
Wellington 6140

BANKER

Westpac
318 Lambton Quay
PO Box 691
Wellington 6140

Copyright Statement: The Annual Report is covered by a "BY ND" Creative Commons Licence. Material or other information contained in this document may not be adapted in any way and any re-use of information must be attributed to Radio New Zealand.



RNZ is funded through

