

RADIO NEW ZEALAND ANNUAL REPORT
2020 – 2021

WHIRIA TE TĀNGATA



RNZ

TE REO IRIRANGI
O AOTEAROA

**WEAVE THE
PEOPLE TOGETHER**

Ko te tūāpapa o te manapori pakari, whakahonohono anō o Aotearoa ko tētahi pūnaha pāpāho e ora pai ana, e kanorau ana anō, e whakamārama ana, e whātui ana anō i te iwi mā ētahi puna mōhiotia e whakaponotia ana. Ka haere tonu ngā mahinga ngātahi a Te Reo Irirangi o Aotearoa me te Kāwanatanga ki tana kaupapa here Strong Public Media, me te aha, ka tukuna ō mātou whakaaro, ō mātou pūkenga me tō mātou kaha kia tika ai ngā hua ki a ngā tūmatanui i ngā panonitanga ka puta.

The strong and cohesive democracy in Aotearoa is underpinned by a healthy and diverse media ecosystem that keeps people informed and connected through a range of trusted sources. RNZ will continue to work with the Government on its Strong Public Media policy and put our ideas, expertise and energy into ensuring the public is well served by any reforms.

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

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The cover visually depicts *Whiria te tāngata*, a Māori whakataukī meaning *Weave the people together*.

It also acknowledges Te Ao Māori – the holistic world view that all living and non-living things are interconnected, and our wellbeing is linked intrinsically to te ora o Papatūānuku.*

Here, individual strands of harakeke (flax) are interwoven to create a whole. They are representative of a diverse and inclusive Aotearoa/New Zealand – working together to become a strong and healthy nation, not only through the COVID-19 pandemic, but as a vision for the future.

* Healthy nature

Te Tūtohunga 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 māmātanga, 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 kouna nui, e pēnei ana —
 - (a) ko te nuinga, e mārāma kehoheko ana, he mea pupū ake i Aotearoa:
 - (b) e whakamōhio ana, e whakangahau ana, e whakapūrangiaho anō ana i ngā uri o Aotearoa:
 - (c) e wero ana i te hinengaro, e auaha ana, e pārekareka anō ana:
 - (d) e whakatītina ana i te whakaaro hōhonu me te momo tautohetohe e whai mōhio ana, ā, e aro ana ki ētahi kaupapa whānui:
 - (e) e whakatenatena ana, e taunaki ana, e whakaatu anō ana i te kanorau o ngā momo whakapuakanga ā-ahurea, tae atu ki te whakaari, te whakakatakata, ngā momo tuhinga, me ngā mahi a Rēhia:
 - (f) e whakatenatena ana, e taunaki ana, e whakaatu anō ana i ētahi momo pūoru whānui, tae atu ki ngā titonga me ngā whakapuakanga o Aotearoa:
 - (g) e whakaatu ana i te tuakiri ahurea o Aotearoa, tae atu ki te reo me te ahurea Māori:
 - (h) e whai whakaaro ana ki te ao, otirā, ki te tūnga o Aotearoa ki te ao:
 - (i) e whakarato ana i ētahi 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.

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.

HOE: RNZ REPRESENTATION for ANNUAL REPORT 2020/2021

Four key areas of strategy and governance are represented by the parts of the hoe/paddle used to guide and steer the waka.

KAKAU / ACCOUNTABILITY

The kakau/handle must be sturdy without cracks that can weaken it. It represents the accountability of the Board in meeting Charter obligations to provide a multimedia public broadcasting service that is important to, and valued by, New Zealanders.

TINANA / LEADERSHIP

The tinana/body can take many shapes and lengths and is used to drive the hoe through the water. It represents effective leadership that accelerates progress and achievement within the business.

RAPA / REPRESENTATION

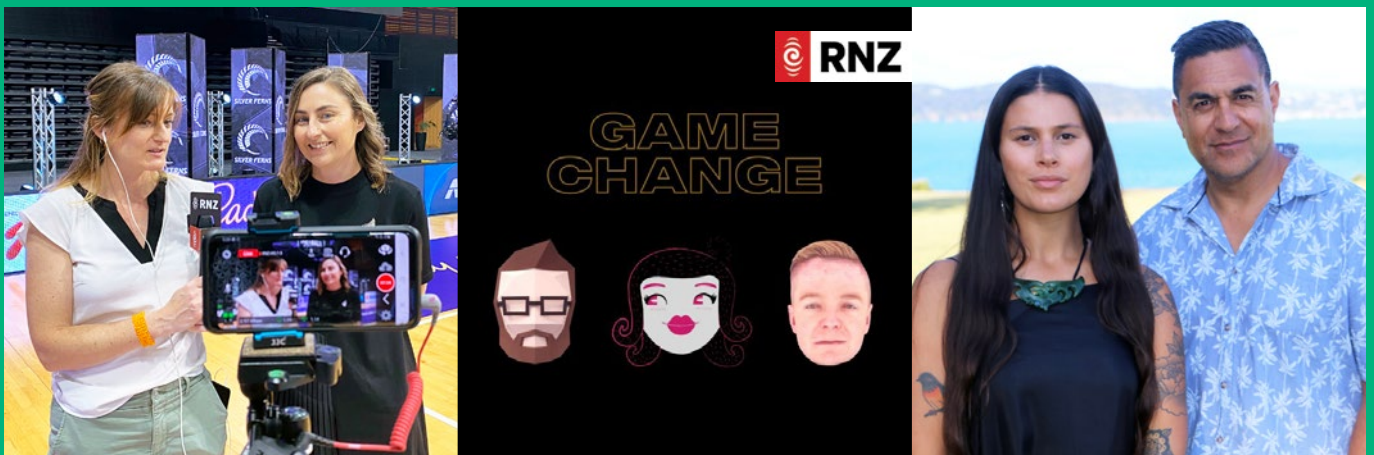
The rapa/blade is the most visible part of the hoe. It represents RNZ's commitment to produce and publish a unique range of services that appeals to diverse audiences and is available when and how they choose to access it. It represents and reflects Aotearoa.

KOINGA / CULTURE

The koinga/tip is the point of impact of the hoe as it meets the water. It represents RNZ's commitment to staff as a good employer, ensuring the RNZ culture is modern, flexible and reflective of Aotearoa.



ABOVE This RNZ Music recording is of **TE KAAHU** at Unitec's Te Noho Kotahitanga Marae



LEFT RNZ Sports reporter Bridget Tunnicliffe interviewing Netball NZ CEO Jennie Wylie. Photo: RNZ/Felicity Reid **MIDDLE** Game Change VOYAGER MEDIA AWARDS: Best Innovation in Digital Storytelling Winner **RIGHT** Waitangi Day: Māni Dunlop and Julian Wilcox broadcast live from Waitangi Treaty Grounds. Photo: RNZ/Jogai Bhatt

The Year in Review

TRUST

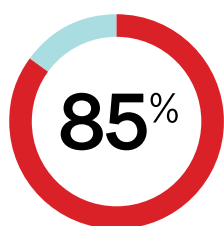
In 2020 RNZ was the most trusted media organisation in New Zealand, and in 2021 RNZ and TVNZ were considered the most trusted sources of news and information about the COVID-19 pandemic.

SOURCE: TRUST IN NEWS IN NZ REPORT
AUT RESEARCH CENTRE FOR JOURNALISM,
MEDIA AND DEMOCRACY 2021 AND 2020

VALUE INDICES RESEARCH

- 71%** of New Zealanders agree it is important to have a public service broadcaster.
- 81%** of New Zealanders are aware of either RNZ National or RNZ Concert.
- 56%** of New Zealanders agree RNZ provides a valuable service to New Zealanders.
- 60%** of New Zealanders agree RNZ's content is distinctly New Zealand and 50% agree it reflects our cultural diversity.
- 63%** of New Zealanders agree RNZ content informs them about the important issues.

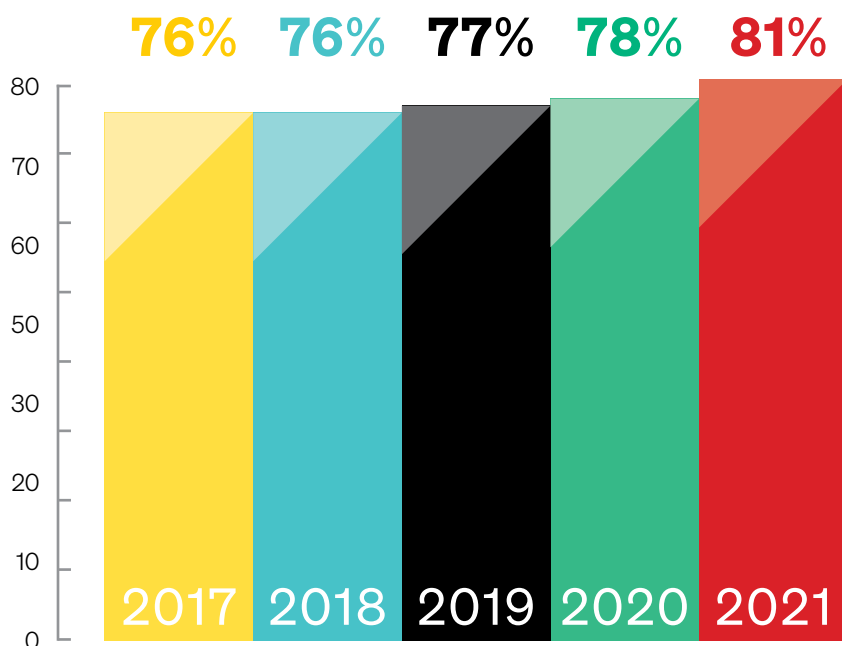
SOURCE: COLMAR BRUNTON VALUE INDICES RESEARCH REPORT AUGUST 2021



COLLABORATIVE PARTNERSHIPS

RNZ content is made available to more than 50 print, radio, television and online media services. This improves the accessibility to RNZ content for all New Zealand and overseas audiences, while also providing a valuable source of unique local New Zealand content for other media.

85% of New Zealanders aged over 18 are aware of RNZ's content on at least one digital platform.



AWARENESS OF RNZ CONTINUES TO GROW. 81% OF NEW ZEALANDERS AGED 18 OR OVER ARE AWARE OF RNZ, UP FROM 78% LAST YEAR.

SOURCE: COLMAR BRUNTON VALUE INDICES RESEARCH REPORT AUGUST 2021

AUDIENCES: LIVE ON-AIR RADIO / EACH WEEK

701,900 ▶ New Zealanders listen to RNZ National or RNZ Concert

SOURCE: GfK RADIO AUDIENCE MEASUREMENTS,
ALL RADIO STATIONS, TOTAL NEW ZEALAND - RNZ -
SURVEY 2/2021, ALL 10+, MON-SUN 12MN-12MN

New Zealanders listen to RNZ National each week,
or 13.3% of all people in New Zealand aged 10+

◀ **602,500**

215,300 ▶ New Zealanders listen to RNZ Concert, or
4.8% of all people in New Zealand aged 10+



ABOVE RNZ's Jesse Mulligan (middle) with NZ musicians Jon Toogood (left) and Liam Finn (right). Photo: RNZ/Andre Upston

Highlights of the Year

RNZ NATIONAL PROGRAMMES

412,700 **MORNING REPORT**
with Susie Ferguson and Corin Dann (Mon - Fri 0600 - 0900)

308,200 **NINE TO NOON**
with Kathryn Ryan (Mon - Fri 0900 - 1200)

267,200 **AFTERNOONS**
with Jesse Mulligan (Mon - Fri 1300 - 1600)

NUMBER of WEEKLY LISTENERS IN NZ

240,400 **CHECKPOINT**
with Lisa Owen (Mon - Fri 1700 - 1830)

249,900 **SATURDAY MORNING**
with Kim Hill (Sat 0800 - 1200)

282,400 **SUNDAY MORNING**
with Jim Mora (Sun 0700 - 1200)

SOURCE: GfK RADIO AUDIENCE MEASUREMENTS,
ALL RADIO STATIONS, TOTAL NEW ZEALAND - RNZ -
SURVEY 2/2021, ALL 10+, MON-SUN 12MN-12MN

RNZ MUSIC Reaches International Audiences

Twenty-eight of RNZ's live music recordings have been broadcast outside New Zealand in the past year, picked up by public broadcasters in **30 different countries** via the EBU Music Exchange.



IT'S RELIABLE,
WELL
THOUGHT
OUT and
INTELLIGENT
JOURNALISM

COLMAR BRUNTON
VALUE INDICES
RESEARCH REPORT
AUGUST 2020



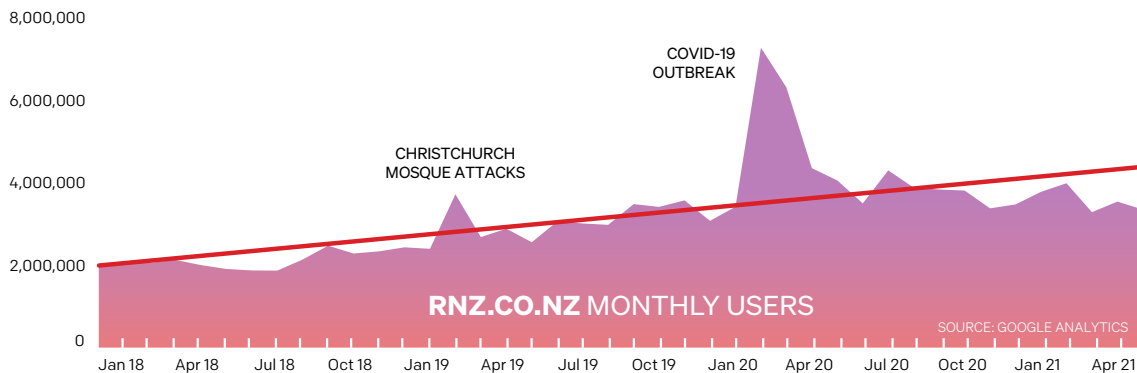
INNOVATION / COLLABORATION / INCLUSIVITY

Highlights of the Year

DIGITAL AND WEBSITE

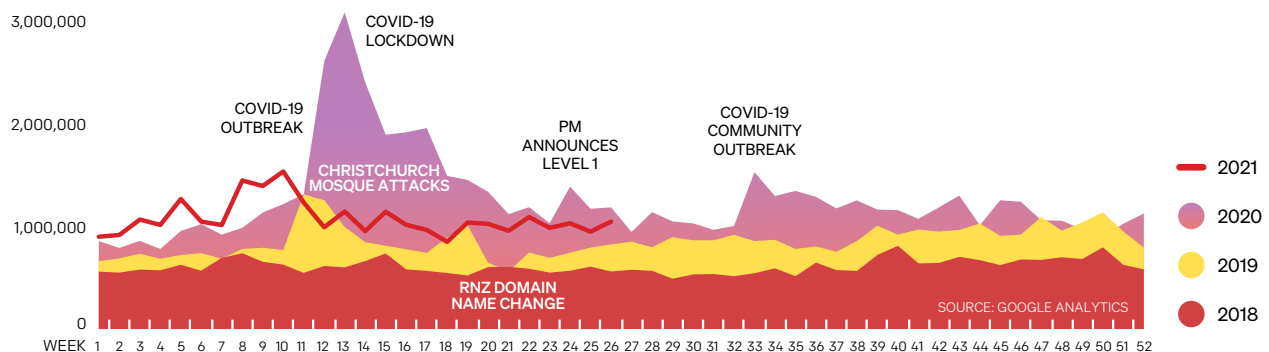
RNZ.CO.NZ MEETS PUBLIC DEMAND IN UNCERTAIN TIMES

3.3m users visited [rnz.co.nz](https://www.rnz.co.nz) in June 2021, down 700k users compared to June 2020 following the COVID-19 peak when people turned to RNZ in a crisis.



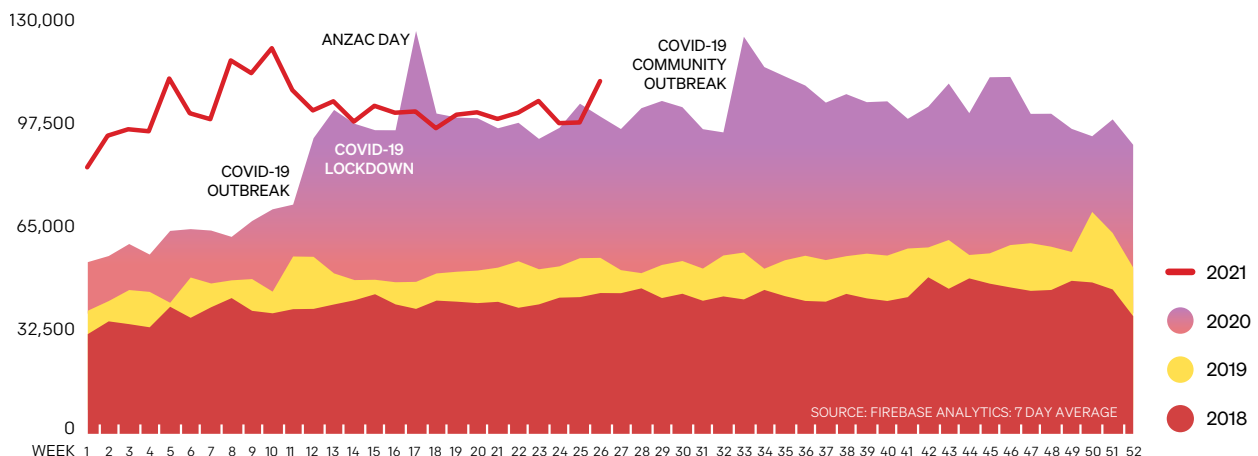
MORE THAN 1 MILLION USERS OF RNZ.CO.NZ EACH WEEK

In a typical week from July 2020 to June 2021, 1.09m users accessed [rnz.co.nz](https://www.rnz.co.nz). This was down on peak 2020 COVID-19 traffic but up 54% compared to the same period two years ago.



RNZ MOBILE APP GROWTH CONTINUES

In a typical week from July 2020 to June 2021, 102,000 users engaged with RNZ mobile apps, up from 69,000 in the year prior, and more than twice the level (46,000) achieved two years ago.



58%



of New Zealanders are aware
of RNZ's website or app.

85%



of New Zealanders are aware of RNZ
content on at least one digital platform.



RNZ Voice-Activated Service Continues to Grow

Typically RNZ audiences accessed
content via voice-activated services
32,672 times a month in the year
ending June 2021, an increase

of **44%**

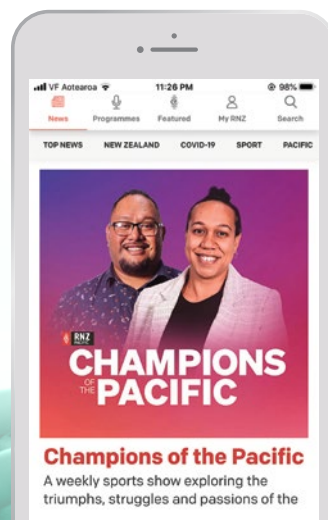
compared to the
year prior.

PACIFIC PROGRAMMING

22 PACIFIC ISLAND RADIO
STATIONS TAKE RNZ SERVICE

8,738 BROADCAST
HOURS

9,105,216 WEBSITE
PAGEVIEWS



Climate Strike / Photo: Ana Tovey

CHAIR'S REPORT

Te Pūrongo a te Heamana

TE REO IRIRANGI O
AOTEAROA HAS STEPPED
UP TO EMBRACE
CHALLENGES AT A
PIVOTAL TIME IN NEW
ZEALAND'S HISTORY.



**RNZ EXISTS TO
SERVE ALL NEW
ZEALANDERS. WE
CONTINUALLY
EXTEND OURSELVES
TO MAINTAIN
CURRENT SERVICES
WHILE INTRODUCING
NEW FEATURES,
EXPANDING ONLINE,
STRENGTHENING
THE USE OF TE REO
AND SEEKING TO
CONNECT WITH
NEW AUDIENCES.**

E rau rangatira mā, tēnā rā koutou katoa.

Tēnā hoki koutou i roto i ngā āhuatanga o te wā.

It is my privilege to report on a uniquely challenging but ultimately successful year for RNZ.

The 12 months under review were dominated by the impacts of COVID-19, ongoing disruption in the media sector and a renewed focus on the critical importance of vibrant and diverse public media.

Te Reo Irirangi o Aotearoa has stepped up to embrace those challenges at a pivotal time in New Zealand's history.

Our most important job as a public media entity is to provide trusted information and entertainment lifelines for New Zealanders in a time of crisis. I am proud of the way our people have maintained a range of multiplatform services throughout the pandemic, providing timely news and current affairs and diverse programming of the highest quality.

RNZ has collaborated effectively with a wider media sector that remains under growing pressure from global technology platforms. We now share our content with more than 50 outlets, and play a pivotal role in supporting the wider industry in areas such as audience research, industry advocacy and awards, and broadcast infrastructure.

The strong and cohesive democracy in Aotearoa is underpinned by a healthy and diverse media ecosystem that keeps people informed and connected through a range of trusted sources. RNZ will continue to work with the Government on its Strong Public Media policy and put our ideas, expertise and energy into ensuring the public is well served by any reforms.

In another year of uncertainty and challenge, RNZ presents a surplus financial position before taxation of \$98,275, against a budgeted surplus of \$26,000. In addition, as a result of upward property revaluations, a tax benefit has been recognised that lifts this surplus to \$273,210.

The operating surplus has been significantly underpinned by the Government's media support package (GMSP) which provided RNZ with relief from its transmission costs at the height of the first pandemic lockdown.

These measures have supported RNZ's progress on achieving key initiatives as outlined in the Statement of Performance Expectations 2020/21.

Strong cost controls have kept personnel and operating costs in line with prior years, with the GMSP providing relief against multiple growing cost pressures.

RNZ looks to the future with confidence, but there are challenges ahead.

RNZ received a one-off core funding increase of \$900,000 in Budget 2021. While this is welcome, its limited size and one-off nature means it does not address the organisation's long-term funding needs.

RNZ exists to serve all New Zealanders. We continually extend ourselves to maintain current services while introducing new features, expanding online, strengthening the use of te reo and seeking to connect with new audiences.

The proposed Strong Public Media reforms are a once-in-a-generation opportunity to put RNZ's services and mandate on a stronger foundation for the benefit of New Zealanders.

A key challenge in the reforms will be to embed Te Tiriti o Waitangi at the core of public media policy. The RNZ Board has taken the initiative in this regard by ensuring the Treaty relationship becomes central to how we guide and govern the organisation.

During the year we welcomed two new appointees to the Board.

Jane Wrightson was appointed as Governor from 1 September 2020.

Mihimaraea Parata Gardiner joined as an Associate Director as part of a plan to ensure the Board better reflects the diversity of our nation.

My sincere thanks to all the Governors for their collegial approach and commitment to RNZ, our audiences and delivery of the Charter.

Finally, my thanks to CEO Paul Thompson, the Executive Team and all who work at RNZ for their exceptional effort and adaptability in an extraordinary year.

E rau rangatira mā, tēnā rā koutou katoa.

Tēnā hoki koutou i roto i ngā āhuatanga o te wā.

Nōku te whiwhinga i taku tuku pūrongo mō tētahi tau angitu mō Te Reo Irirangi o Aotearoa, hāunga ngā wero motuhake o te tau.

I pākia nuitia ngā marama 12 e kōrerohia nei e ngā pānga o te KOWHEORI-19, e ngā whakatōhenehenehanga e haere tonu ana ki te rāngai pāpāho, otirā, e te aronga nui anō ki te whai tikanga mātuatua o te pou pāpāho tūmatanui e ngangahau ana, e kanorau ana anō hoki.

Kua hīkina e Te Reo Irirangi o Aotearoa te mānuka kia rāhiritia aua taimahatanga i tētahi wā whai tikanga nui ki te hītōria o Aotearoa.

Ko tā mātou mahi nui katoa hei hinonga pāpāho tūmatanui ko te tuku i ngā mōhihio e whakaponotia ana me ngā kaupapa whakangahau i te tangata ki ngā uri o Aotearoa i te wā o te mōrearea. E poho kūkupa ana ahau i te āhua i oti tonu i ō mātou tātanga ētahi ratonga rongorau whānui i te roanga o tēnei mate urutā, tae atu ki te wawe o te tukuhanga o ngā rongo o te wā me ngā pūrongo mohoa, ā, me ngā hōtaka kanorau i oti tonu i runga i te kounga nui.

Kua whai take tā Te Reo Irirangi o Aotearoa mahi tahi ki te whānuitanga o tētahi rāngai pāpāho e rongo nei i ngā taimahatanga e nui haere ana nā runga i ngā pae hangarau ā-ao. He nui ake i te 50 ngā pou pāpāho i āiane e whiwhi ana i ngā kaupapa e tuarohia atu ana e mātou. He tūrangā whai tikanga nui hoki tō mātou hei pou taunaki i te whānuitanga o te ahumahi nei ki ngā mea pēnei me ngā mahi rangahau apataki, ngā mahi kōkiri kaupapa, tuku taonga anō mō te ahumahi nei te painga, ā, me ngā tūāhanga pāpāho anō hoki.

Ko te tūāpapa o te manapori pakari, whakahonohono anō o Aotearoa ko tētahi pūnaha pāpāho e ora pai ana, e kanorau ana anō, e whakamārama ana, e whātui ana anō i te iwi mā ētahi puna mōhihio e whakaponotia ana. Ka haere tonu ngā mahinga ngātahi a Te Reo Irirangi o Aotearoa me te Kāwanatanga ki tana kaupapa here Strong Public Media, me te aha, ka tukuna ō mātou whakaaro, ō mātou pūkenga me tō mātou kaha kia tika ai ngā hua ki a ngāi tūmatanui i ngā panonitanga ka puta.

I tētahi anō tau i rangona ai te haurokuroku me te taimaha, e tāpaetia nei e Te Reo Irirangi o Aotearoa tana tūrangā pūtea tuwhene e \$98,275 te nui i mua atu i te tāke. Ko te pūtea tuwhene i matapaetia ki te tahua mō te tau ko te \$26,000 noa. Hei āpiti, nā runga i te pikinga ki te wāriu o ngā rawa whenua me ngā rawa ā-whare i ngā aromātai hōu, he painga tāke hoki te hua. Nā konei ka piki te pūtea tuwhene nei ki te \$273,210.

Kua hāpaitia nuitia ēnei pūtea whakahaere tuwhene e te Kaupapa Taunaki Pou Pāpāho a te Kāwanatanga (GMSP), i hīkina ai te taimaha utu pāpāho i a Te Reo Irirangi o Aotearoa i te tihi o te pākatinga tuatahi nā runga i te mate urutā.

Nā ēnei mahi i taunakitia ai tā Te Reo Irirangi o Aotearoa koke tonu i te ara whakatutuki i ngā kaupapa mātuatua i rārangihia ai i te Tauākī Kawatau ā-Mahi 2020/21.

Nā ētahi here whakapaunga pūtea pakari i noho hāngai tonu ngā utu kaimahi me ngā utu whakahaere ki ērā o tau

kē atu, ā, nā te GMSP i hīkina ai ētahi o ngā taimahatanga ā-utu maha e nui haere ana.

E aro māia atu ana a Te Reo Irirangi o Aotearoa ki anamata, heoi anō, arā tonu ngā taimahatanga kei tua.

I riro i a Te Reo Irirangi o Aotearoa tētahi pikinga tūtahi e \$900,000 te nui ki tana pūtea tautoko i Te Tahua 2021. Ahatia te whakamihi nui i tēnei whiwhinga pūtea, nā te iti me te momo tūtahi o tēnei pūtea e kore tonu e rongoatia ai ngā mate ā-pūtea mauroa o te whakahaere nei.

E TŪ NEI A TE REO IRIRANGI O AOTEAROA MŌ NGĀ URI KATOĀ O AOTEAROA TE PAINGA. E AUĀU ANA TĀ MĀTOU WHANAKE TONU KIA OTI AI NGĀ RATONGA O TE WĀ NŌ MĀTOU HOKI E TUKU NEI I ĒTAHI ĀHEINGA HŌU, E WHAKAWHĀNUI ANA I TĀ MĀTOU TORO Ā-IPURANGI, E WHAKAPAKARI ANA I TE WHAKAMAHINGA O TE REO MĀORI, OTIRĀ, E WHAI ANA KIA HONO ATU KI ĒTAHI APATAKI HŌU.

Ko ngā panonitanga Strong Public Media e marohitia ana tētahi ara me uaua ka kitea, e whai tūāpapa pakari ake ai ngā ratonga a Te Reo Irirangi o Aotearoa me tōna mana whakahaere anō, hei painga mō ngā uri o Aotearoa.

Ko tētahi wero nui i ngā panonitanga nei ko te whakatō i Te Tiriti o Waitangi ki te iho o ngā kaupapa here pāpāho tūmatanui. Kua kōkiri kē te Poari o Te Reo Irirangi o Aotearoa i tēnei whakaaro i tā mātou mātua whakarite kia noho ko te whanaungatanga kua hua i Te Tiriti ki te iho o tā mātou ārahi me tā mātou hautū i te whakahaere nei.

I te roanga o te tau nei, tokorua ngā mema hōu i kopoua ki te Poari.

I kopoua a Jane Wrightson hei Pou Kāwana mai i te 1 o Hepetema 2020.

I piri mai a Mihimaraea Parata Gardiner hei Ringatohu Āpiti hei wāhi o tētahi mahere e mātua hāngai ake ai te Poari ki te hanga kanorau o tō tātou iwi.

E rere kau atu ana aku mihi ki ngā Pou Kāwana katoa i tā rātou mahi hei toa takitini me tā rātou ū ki te kaupapa o Te Reo Irirangi o Aotearoa, ki ā mātou apataki, otirā, ki te whakatutukitanga o tō mātou Tūtohianga.

Hei whakakapinga māku, ka rere hoki aku whakamihi ki te Kaiwhakahaere Matua, ki a Paul Thompson, otirā, ki te Pae Urungi me ngā kaimahi katoa o Te Reo Irirangi o Aotearoa i ā rātou whakapaunga kaha rangatira, i tō rātou urutau anō i tēnei tau autai.

Nāku iti nei, nā

Dr Jim Mather / Tākuta Jim Mather

Chair / Heamana, Radio New Zealand
Heamana, Te Reo Irirangi o Aotearoa

CEO'S REPORT

Te Pūrongo a te Kawhaka- haere Matua

THE COVID-19 PANDEMIC HAS REINFORCED THE SPECIAL IMPORTANCE OF PUBLIC SERVICE MEDIA IN A CRISIS AS PEOPLE SOUGHT OUT HIGH-QUALITY, TRUSTED AND ACCURATE NEWS AND ENTERTAINMENT PROGRAMMING.



Kia ora koutou

The theme for this year's annual report is *Whiria Te Tāngata*.

The whakataukī, "weave the people together", is particularly apt this year.

2020-21 was challenging for Aotearoa / New Zealand as the nation dealt with the ongoing impact of the coronavirus pandemic.

The whakataukī underlines the critical role that RNZ, as a modern public service broadcaster, plays in keeping New Zealanders connected and reliably informed, supporting our cohesive, participatory democracy.

RNZ's priority has been to provide trusted information and entertainment lifelines during the crisis while ensuring our highly capable and hard-working staff are well supported and continue to operate as an effective team.

Whiria Te Tāngata also reflects the importance of RNZ's strategic objective to develop lifelong relationships with all the people of Aotearoa and to increase our engagement with Māori, Pasifika, those in the regions, and young New Zealanders. We are committed to improving our value to all New Zealanders.

An innovative multimedia strategy has enhanced our relevance for more New Zealanders who can now listen to us on air, download a podcast, watch us on social media, and read an RNZ story on our website or in their local newspaper. We will continue to place our content where New Zealanders can easily find it.

In 2020 RNZ was the most trusted media organisation in New Zealand and in 2021 RNZ and TVNZ were perceived as the most trusted sources of news and information about the COVID-19 pandemic.

These high levels of trust reflect the excellent contribution of all who work at RNZ. Our people are the core of everything we do and building an inclusive, supportive and encouraging work environment will continue to be a priority.

The New Zealand media sector continues to be disrupted by commercial challenges, changing audience behaviour, generational shifts and the power of global platforms such as Google, Facebook, Netflix and Apple. RNZ is responding successfully to this uncertain and fluid environment.

The Government is rightly looking to address these global challenges as a matter of vital national interest.

The overall goal should be to ensure New Zealanders have a range of independent local media sources to choose from, and included in the mix must be trusted public media services with the resilience and strength to withstand future storms.

The Government's Strong Public Media policy envisages the creation of a new public media entity encompassing RNZ and TVNZ. The new entity, if implemented effectively and adequately funded, would provide an opportunity to build that highly effective service for all New Zealanders in the years ahead.

RNZ will contribute its highly valued public media expertise and ethos to whatever final shape the reforms take.

I thank all my colleagues for their support, encouragement and endeavour in the past year. I feel fortunate to be part of a brilliant team that is wholly committed to public media.

I am also grateful for the wise counsel and guidance of the Board, particularly Chairman Dr Jim Mather.

Together we look forward with confidence to the challenges and opportunities ahead.

THE OVERALL GOAL SHOULD BE TO ENSURE NEW ZEALANDERS HAVE A RANGE OF INDEPENDENT LOCAL MEDIA SOURCES TO CHOOSE FROM, AND INCLUDED IN THE MIX MUST BE TRUSTED PUBLIC MEDIA SERVICES WITH THE RESILIENCE AND STRENGTH TO WITHSTAND FUTURE STORMS.

Kia ora koutou

Ko te kaupapa mō tēnei pūrongo ā-tau ko *Whiria Te Tangata*.

E tika mārika ana te whakataukī e āki nei kia whakakotahingia te iwi, i tēnei tau.

He tau pakeke te tau 2020-21 mō Aotearoa i te iwi e rongorongo ana i ngā pānga tonutanga o te mate urutā huaketo karauna.

Ko tā te whakataukī nei he tohu i ngā mahi mātuatua ka oti i a Te Reo Irirangi o Aotearoa i tōna tūranga hei pou pāpāho o nāianei e noho nei hei ratonga tūmatanui, nōna ka whātui, ka whakamārama anō i ngā uri o Aotearoa, he mea taunaki hoki i tō tātou manapori whakahonohono, pāhekoheko anō.

Ko te aronga nui o Te Reo Irirangi o Aotearoa kia toitū tonu tana tuku i ngā mōhihio e whakaponotia ana me ngā kaupapa whakangahau i te tangata i te wā o te mōrearea, nōna hoki e mātua whakarite ana kia tika ai te taunakitia o ana kaimahi pūkenga nui, ihuoneone anō, otirā, kia whai take tonu tā rātou mahi tahi hei kähui.

E whakaatahia ana anō e *Whiria Te Tangata* te mana nui o te whāinga rautaki o Te Reo Irirangi o Aotearoa kia whanakehia he whanaungatanga taumano ki ngā uri katoa o Aotearoa, otirā, kia kaha ake te aro mai a te Māori, a ngā uri o Te Moana Nui a Kiwa, a ērā i ngā rohe tuawhenua, a te hunga rangatahi o Aotearoa anō ki a mātou, ā, kia kaha ake tā mātou aro atu hoki ki a rātou. E ngākau titikaha ana mātou ki te whakapiki i tō mātou wāriu e ai ki ngā uri katoa o Aotearoa.

Nā te rautaki rongorau auaha i whai take nui ake ai mātou ki ētahi uri maha ake o Aotearoa. Ka taea e rātou te whakarongo mai mā te reo irirangi, te tikiake punua pāho, te mātaki mai mā ngā pae pāpāho ā-pāpori, te pānui pūrongo hoki nā Te Reo Irirangi o Aotearoa i tā mātou pae tukutuku, i ngā niupepa ā-takiwā rānei. Ka tuku tonu mātou i ā mātou kaupapa ki ngā pae e māmā ai tā ngā uri o Aotearoa toro atu.

I te tau 2020 ko Te Reo Irirangi o Aotearoa te pou pāpāho i whakapononuitia i Aotearoa, ā, i te tau 2021, ko Te Reo Irirangi o Aotearoa me Te Reo Tātaki i kīia ngātahitia ko ngā puna tuku i ngā rongorongo o te wā me ngā mōhihio mō te mate urutā Kowheori-19 e whakapononuitia ana.

He mea whakaata e te nui o tēnei whakapononuitia mai te rangatira o ngā mahi a te kähui mahi whānui o Te Reo Irirangi o Aotearoa. Ko ō mātou tātanga te iho o ā mātou mahi katoa, me te aha, ko te waihanga i tētahi taiao mahi e rāhiritia ai, e taunakitia ai, e ākina anō ai te katoa, hei aronga nui tonu mō mātou.

E pākinotia tonutia ana te rāngai pāpāho o Aotearoa e ngā taimahatanga arumoni, e ngā panonitanga ki ngā whanonga apataki, e ngā rerekētanga ā-whakareanga, otirā, e te mana nui o ngā pae rongorau ā-ao pēnei me Google, me Facebook, me Netflix, me Apple anō hoki. E angitu ana tā Te Reo Irirangi o Aotearoa urutau atu ki tēnei taiao haurokuroku, kōnekekeke anō.

E tika ana tā te Kāwanatanga whai kia rongorongo ēnei taimahatanga ā-ao hei take mātuatua ki te motu whānui.

**TŌNA TIKANGA KO TE WHĀINGA
TĀHUHU KO TE MĀTUA WHAKARITE
KIA WĀTEA AI KI NGĀ URI O AOTEAROA
ĒTAHI PUNA PĀPĀHO MOTUHAKA O
KONEI HEI KŌWHIRINGA MĀ RĀTOU. ME
WHAI WĀHI HOKI KI ĒNEI KŌWHIRINGA
KO ĒTAHI RATONGA PĀPĀHO
TŪMATANUI E WHAKAPONOTIA ANA,
E MANAWAROA ANA, E PAKARI ANŌ
ANA, E TOKA TŪ MOANA TONU AI
HĀUNGA NGĀ WHIUNGA O ANAMATA.**

E tūmanakotia ana ki te kaupapa here Strong Public Media a te Kāwanatanga tētahi hinonga pāpāho tūmatanui hōu, e kapi ana i a ia ko Te Reo Irirangi o Aotearoa me Te Reo Tātaki. Mā tēnei hinonga hōu, mēnā e whai take ana tana whakaritenga mai me te nui o ngā huruhuru ka tukuna ki a ia, hei ara e waihangaia ai taua ratonga whai take nui hei painga mō ngā uri katoa o Aotearoa hei ngā tau e tū mai nei.

Ka tukuna e Te Reo Irirangi o Aotearoa ōna kura pūkenga pāpāho tūmatanui me ōna kura mātāpono ki te hinonga ka hua i ngā panonitanga, hāunga te āhua.

E mihi ana ahau ki ōku hoa mahi katoa i tā rātou taunaki mai, i tā rātou akiaki mai, otirā, i ā rātou haumāuiuitanga i te tau kua hōri. Nōku te whiwhinga i taku whai wāhi ki tētahi kähui taiea e ū pau te kaha ana ki ngā pāpāhotanga tūmatanui.

E tuku whakamiha anō ana au i ngā kupu āwhina me ngā tohutohu mātāu a te Poari, tae pū atu hoki ki a Tākuta Jim Mather.

E māia ana tā tātou aro ngātahi atu ki ngā wero me ngā ara ka tūpono whai hua, kei tua o tātou.



Paul Thompson

Chief Executive and Editor-in-Chief
Kaiwhakahaere Matua, Kaiētita Matua

RNZ Board of Governors



DR JIM MATHER
Chair



CAREN RANGI
Audit and Risk Committee Chair



PETER PARUSSINI
Leadership and Culture Committee Chair



MIKE O'DONNELL



BILL FRANCIS



IRENE GARDINER



JANE WRIGHTSON



MIHIMARAEA PARATA GARDINER

STATEMENT OF RESPONSIBILITY

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

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

Signed on behalf of the Board:

Dr Jim Mather
Chair
25 NOVEMBER 2021

Paul Thompson
Chief Executive
and Editor-in-Chief
25 NOVEMBER 2021

Caren Rangī
Audit and Risk Committee
Chair
25 NOVEMBER 2021

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 2021.

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 Board of Governors. The Radio New Zealand constitution sets the size of the Board at a minimum of two and a maximum of nine Governors. The Board is made up of eight Governors at 30 June 2021 (2020: 7) including one Associate Director appointed during the year.

The Board is responsible under the company's constitution for directing and supervising the company's business and affairs in accordance with the Radio New Zealand Charter set out in section 8 of the Radio New Zealand Act 2016. In practice, the day-to-day management of the company is delegated to the Chief Executive and 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

Melissa Clark-Reynolds' term ended 31 July 2020.

Dr Jim Mather's term was reappointed from 1 May 2021 to 30 April 2023.

Michael O'Donnell's term was reappointed from 1 May 2021 to 31 October 2022.

Jane Wrightson was appointed as Governor from 1 September 2020 to 31 August 2021.

Mihimaraea Parata Gardiner joined the Board as an Associate Director and is an observer on the Audit and Risk Committee.

Board meetings

The Board met on six scheduled occasions this year (2020: 9).

In response to the COVID-19 challenges the Board also arranged regular out-of-cycle meetings depending on differing alert levels regionally.

Sub-committees

The Audit and Risk Committee met on five occasions during the year (2020: 5). Members of the Board on the Audit and Risk Committee were Caren Rangi (Chair), Bill Francis and Jane Wrightson. Mihimaraea Parata Gardiner attended as an observer.

The Leadership and Culture Committee met on four occasions during the year and was chaired by Peter Parussini with Dr Jim Mather, Irene Gardiner and Michael O'Donnell as members.

ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2021

| | BOARD MEETINGS | AUDIT COMMITTEE | LEADERSHIP AND CULTURE |
|--|----------------|-----------------|------------------------|
| Dr Jim Mather – Chair | 6 | 5 | 3 |
| Caren Rangi – Audit and Risk Committee Chair | 6 | 4 | N/A |
| Bill Francis | 6 | 5 | N/A |
| Mike O'Donnell | 6 | N/A | 3 |
| Irene Gardiner | 6 | N/A | 4 |
| Peter Parussini – Leadership and Culture Committee Chair | 6 | N/A | 4 |
| Jane Wrightson | 5 | 3 | N/A |
| Mihimaraea Parata Gardiner (Observer) | 5 | 3 | N/A |

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. RNZ was compliant with the Crown Entities Act 2004.

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 and Editor-in-Chief (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.

Radio New Zealand sold its shares in Kinga Voxpop Limited on 31 December 2019.

Management and operating structure

RNZ'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 in a changing trading and operational environment.

The Chief Executive and Editor-in-Chief 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 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 RNZ's editorial matters.

CONTRIBUTION TO PUBLIC MEDIA OUTCOMES

The Government is committed to ensuring that future generations of New Zealanders can access content that reflects their languages and experiences and communicates in ways that meet their needs and interests. This outcome is at the heart of our Charter and reflected in our key initiatives.

| GOVERNMENT OUTCOME | RNZ KEY INITIATIVES and CHARTER OUTCOMES |
|--|--|
| <p>NEW ZEALAND AUDIENCES CHOOSE TO ACCESS MAINSTREAM AND TARGETED CONTENT AND SERVICES THAT SUPPORT:</p> <ul style="list-style-type: none"> – Their needs and interests as people living in Aotearoa, and in particular reflect the languages and experiences of Māori and Pacific peoples, and other under-served audiences; – Their ability as New Zealanders to be informed and engaged members of our participative democracy and open civic society; – Their access to a range of diverse of content that they value and trust. <p>.....</p> <p>PUBLIC MEDIA IN NEW ZEALAND ARE:</p> <ul style="list-style-type: none"> – Operationally and editorially independent; – Securely and suitably funded; – Able to respond effectively to an evolving operating environment and remain relevant to changing consumer preferences, in particular younger audiences; – Complementary to and collaborative with private media. <p>.....</p> <p>PUBLIC MEDIA PLAY AN INTEGRAL ROLE IN CONTRIBUTING TO NEW ZEALAND BEING:</p> <ul style="list-style-type: none"> – A connected, informed, cohesive and independent nation; – A healthy, participative democracy; – Confident in and aware of our unique identity, cultures and languages. | <p>ATTRACT AND RETAIN DIVERSE AUDIENCES:</p> <ul style="list-style-type: none"> – Reflect New Zealand’s cultural identity, including Māori language and culture – Provide programmes which balance special interest with those of wide appeal, recognising the interests of all age groups – Include an international service to the Pacific in both English and Pacific languages – Take account of services provided by other broadcasters: <p>.....</p> <p>PROVIDE A MULTIMEDIA PUBLIC BROADCASTING SERVICE THAT IS IMPORTANT TO, AND VALUED BY NEW ZEALANDERS:</p> <ul style="list-style-type: none"> – Inform, entertain, and enlighten the people of New Zealand, – Foster critical thought, and informed and wide-ranging debate – Provide awareness of the world and of New Zealand’s place in it – Provide comprehensive, independent, accurate, impartial, and balanced regional, national, and international news and current affairs – Contribute towards intellectual and spiritual development: <p>.....</p> <p>PRODUCE, PUBLISH AND BROADCAST A DIVERSE AND UNIQUE RANGE OF SERVICES:</p> <ul style="list-style-type: none"> – Are predominantly and distinctively of New Zealand – Are challenging, innovative, and engaging, foster critical thought, and informed and wide-ranging debate – Stimulate, support, and reflect the diversity of cultural expression, including drama, comedy, literature, and the performing arts: <p>.....</p> <p>MAKE OUR SERVICES AVAILABLE WHERE WHEN AND HOW AUDIENCE WANT THEM:</p> <ul style="list-style-type: none"> – Take advantage of the most effective means of delivery: – Preserve and archive broadcasting material of historical interest. – Include an international service to the South Pacific in both English and Pacific languages. |

RNZ Leadership Team



PAUL THOMPSON

Chief Executive and
Editor-in-Chief



MEGAN WHELAN

Head of Content



RICHARD SUTHERLAND

Head of News



STEPHEN SMITH

Head of Strategy



SARAH NEILSON

Chief of People



KAREN LARSEN

Chief Financial Officer



DAVID ALLAN

Head of Radio and Music





MARK BULLEN

Chief Technology and
Operations Officer

Sustainable RNZ

Embedding sustainability in RNZ's DNA ensures our people have a modern, sustainable-focused workplace.

| | NGĀ TĀNGATA / PEOPLE | TAIAO / PLANET | NGĀ HUAMONI / PROFIT |
|--------------------------|--|--|---|
| GOALS 2019 – 2022 | <ul style="list-style-type: none"> – Inclusion and Diversity programme to achieve Diversity Works Engineer rating by the end of 2022 – Act on the recommendations of the 2020/21 Engagement Survey and improve RNZ engagement score by 5% by 2022 – Gender and Ethnic Pay Gap initiatives to deliver against targets (and ongoing +/-2% for Gender and 10% non-Pākehā by the end of 2022) | <ul style="list-style-type: none"> – Increase awareness of sustainability within RNZ – Reduce waste through improved recycling schemes – Reduce paper use by 50% from our 2020/21 baseline – Ethical procurement – Partnerships and relationships | <ul style="list-style-type: none"> – Reduce accommodation footprint where surplus to operational requirements – Operate within our financial means and report on our financial and non-financial results, including against our sustainability initiatives within our annual report |
| ACHIEVEMENTS 2020 – 2021 | <ul style="list-style-type: none"> – A majority of staff attend at inclusion and diversity workshops – Engagement survey completed with 65% of people engagement – Gender Pay Gap assessment completed with a gap of 4.8% (2020: 2.8%) – Te Tiriti workshops commenced in June 2021 | <ul style="list-style-type: none"> – Waste audit undertaken with recommendations – Stationery recycling - Wellington – Coffee grounds reuse – Plastic and single-use kitchen items reduction – Hybrid vehicle fleet – Sustainable approach to Wellington refurbishment – Method bins introduced | <ul style="list-style-type: none"> – Wellington reduction in office accommodation 50% achieved – EBITDA \$3.1 million (2020: \$2.68 million) |
| 2022 – 2023 | <ul style="list-style-type: none"> – Strengthen internal sustainability network – Continue improving gender and ethnic pay gaps – Continue improving culture  | <ul style="list-style-type: none"> – Waste reduction: hand dryers to reduce our largest source of waste: paper towels – Capitalise on networks – Paper reduction  | <ul style="list-style-type: none"> – Sustainable procurement practices and policy – Carbon credits – RNZ offices energy reductions <p>Cosmo Kentish Barnes and Nate McKinnon on location at Arthur's Pass for <i>Country Life</i></p> |

Good Employer Report

The team at RNZ enjoy the work they do, with 90% of our people being proud to work here and 85% believing that our services and programmes are of a good quality. This is especially important as we continue to be at the forefront of New Zealand's big reporting events, most notably the long tail of COVID-19, which has seen our number one priority shift to individual wellbeing.

As well as providing increased support to our team, we have encouraged our people to put themselves first; this includes focusing on their development and careers. We have taken time to invest in inclusion, Te Reo and Te Tiriti o Waitangi training, and have implemented a Leadership Development programme to foster an inclusive and constructive culture. There has also been a continued emphasis on our Dignity at Work policy, in terms of both setting a new, higher bar for acceptable behaviour in a modern workplace and creating space for people to feel heard and included.

RNZ continues to be a good employer, providing equal opportunities and attracting talented women to the organisation at all levels (52%). The representation

of women at a senior level remains core to our recruitment and attraction strategies, with the RNZ Board leading by example in increasing the number of women to 50% following the appointment of a Future Director. Flexibility is key to attracting women and it's encouraging to see the take-up of both our part-time and working-from-home arrangements have increased, with 78% of women feeling supported to work flexibly. Our 'Equal Opportunities to Succeed' measure has also increased significantly.

A maturing People Team is in place to help RNZ achieve our aspiration to be New Zealand's best media employer.



90% of our people are proud to work here

85% believe that our services and programmes are of a good quality

43

AVERAGE AGE

AVERAGE LENGTH OF SERVICE
8 years



| | | | | |
|---------------------------|--|-----------------------------|---|--|
| MALE 48% | GENDER PAY GAP (TFR) 4.8% | FEMALE 52% | ETHNICITY PAY GAP (TFR) 5.8% | All other groups against Pākehā, including NZ European |
|---------------------------|--|-----------------------------|---|--|

Headcount 308

Data gathered during the year shows that, across the whole organisation, RNZ's total fixed remuneration for women is 4.8% less than that for men at the end of June 2021. This is higher than the 2.8% reported at the end of June 2020 and against our trend of lessening the gap since we first measured it in 2017. Ongoing fluctuations are expected due to the small size of the organisation. The only way to close the gap, is to concentrate on increasing the number of women at a senior level, which is a key part of our ongoing people plan.

For the first time RNZ is able to report our ethnicity pay gap. RNZ's non-Pākehā people have a total fixed remuneration gap of 5.8% less than those in the Pākehā group, including NZ European. As with women, increasing the number of non-Pākehā at senior levels is necessary in order to close this gap.



RNZ Māori

Rautaki / Strategy

RNZ is committed to embedding the principles of Te Tiriti o Waitangi into its everyday performance to ensure Māori perspectives, voices and aspirations are included in our content and services, thus creating high-quality Māori content that supports te reo Māori and fosters Māori journalism.

While we have been just shy of target in our scheduled programming, our live-broadcast Māori content is increasing and we would estimate it at 50 hours this year. Also during this period was the first live broadcast on Waitangi Day and this is not included in the KPI targets or results. You can replay this programme via this link:

www.rnz.co.nz/national/programmes/waitangiday

RNZ continues to produce Māori content daily via its Māori News team that is either published online or broadcast on air.

A record audience was recorded in 2020 as New Zealanders looked to RNZ to hear or read trusted, up-to-date and independent news during the early phases of COVID-19. Removing this abnormal spike in audiences, year-on-year growth continues to be achieved.

The most viewed content was:

NZ WARS / TAINUI

www.rnz.co.nz/programmes/nzwars-tainui

MATANGIREIA

www.rnz.co.nz/programmes/matangireia

| Measure | CURRENT YEAR | | PREVIOUS YEARS | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Target 2020/2021 | Actual 2020/2021 | Actual 2019/2020 | Actual 2018/2019 |
| Māori language and culture programming (radio broadcast hours)* | 100 hours | 93 hours | 108 hours | 88 hours |
| Māori language and culture (number of items uploaded to website)* † | 1,150 | 1,056 | 1,248 | 906 |
| Māori language and culture (online pageviews – Google Analytics)** † | 2.6 million | 2,050,938 | 2,886,224 | 1,597,670 |

* 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. They do 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.

Impact of COVID-19

The impacts of the COVID-19 pandemic continue to put the media sector at large under pressure. The importance of RNZ's capability to provide trusted and authentic journalism at a time of crisis has never been so well tested. RNZ has proven to be a resilient and strong organisation, voted the most trusted media outlet in New Zealand as reflected in the recent AUT Survey and the widely shared Trust in News Report.

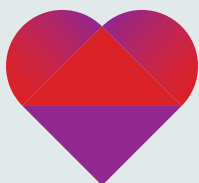
Audience numbers at the peak of the pandemic in 2020 were at the highest levels ever recorded with RNZ connecting with more than 60% of New Zealanders a week (source: Colmar Brunton Value Indices Research July 2020). This figure remains solid at 63%. In the six weeks prior to the August 2021 Alert Level 4 announcement RNZ.co.nz traffic was typically recorded at around 220,000 users per day; in the week starting 18 August 2021 this number more than doubled to 581,497 users per day.

There has been minimal impact on the financial results, estimates and judgements used by RNZ as a result of COVID-19. The Government media support package (Note 2) has provided assistance to RNZ's transmission customers in addition to assisting with RNZ's own transmission costs. This support has enabled us to direct additional effort into content primarily focused on underserved audiences, and improved business operations.

Statutory timeframes for reporting the annual financial performance for the year ended 30 June 2021 have been extended by two months for all organisations reporting under the Crown Entities Act 2004. This has meant a delay in the annual financial audit conducted by Audit New Zealand and a delay in this reporting being made available to our stakeholders and other interested people.

RNZ has assessed that its overarching strategy remains valid and relevant. We will continue to work with the Government on its Strong Public Media opportunities and further extend our content delivery to wider, more diverse audiences.

During the pandemic our three key objectives remain:



Supporting our people to remain safe and well

Mitigating any risks in our environment

Maintaining trusted, vital information and entertainment lifelines for New Zealanders in a time of crisis.

Health, safety and wellbeing have been our paramount focus. We continue to renew our business continuity plan as the changing dynamics of COVID-19 play out. Our people have gone to extraordinary lengths, such as working from home studios and offices to ensure we continue to deliver our services. Risk assessment and mitigation across all of RNZ forms a part of our everyday operations.

Kia ngātahi ai te tū, e pakari ai te tuarā

Stand united, stand strong

RADIO NEW ZEALAND LIMITED

Statement of Performance FOR THE YEAR ENDED 30 JUNE 2021

Te Tūtohunga o Te Reo Irirangi o Aotearoa (the Charter of RNZ) is at the heart of our strategic planning. It defines who we are and sets out the operating principles that guide our decision-making for the benefit of all New Zealanders, and is the foundation on which our performance reporting framework is based.

Charter performance and alignment with our Statement of Intent

RNZ's current reporting framework has been designed to measure performance against the Charter and the strategic objectives detailed within our Statement of Intent 2020 – 2023.

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

1. Attract and retain diverse audiences
.....
2. Provide a multimedia public broadcasting service that is important to, and valued by, New Zealanders
.....
3. Produce, publish and broadcast a diverse and unique range of services
.....
4. Make our services available where, when and how New Zealanders want them.

RNZ's view is that if it is successful in delivery to the objectives within each of the four key areas of focus it will be achieving its ultimate goal of optimising its Charter performance.

RNZ has one reportable class of output, which is the delivery of Public Broadcasting Services (M8).

Performance against this output, our strategic intentions and our charter obligations is captured within the objectives and measures that form the basis of RNZ's performance assessment framework. Our results follow.

Checkpoint studio
Photo: RNZ/Jeremy Ansell



OBJECTIVE 1.

Attracting and retaining diverse audiences

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

To track and measure this objective, RNZ participates in the radio industry ratings survey,

which assesses live listening in the New Zealand market. This is a collaborative survey involving commercial radio stations and RNZ. It is run by the respected research company GfK, which delivers Australian radio industry audience ratings research.

2020/2021 Performance: Attracting and retaining diverse audiences

| Objective | Measure | CURRENT YEAR | | PREVIOUS YEARS | |
|--|--|------------------|------------------|------------------|------------------|
| | | Target 2020/2021 | Actual 2020/2021 | Actual 2019/2020 | Actual 2018/2019 |
| Maintain our traditional live radio listeners | Average combined RNZ National and RNZ Concert weekly cumulative audience | 650,000 | 701,900 | 760,300 | 694,700 |
| Build our online audiences | Average monthly users of RNZ's websites** | 3.25 million | 3,634,827 | 3,961,057 | 2,398,990 |
| Maintain our current Pacific region radio audience | Number of Pacific Island radio stations taking the RNZ service† | 20 stations | 22 stations | 24 stations | 21 stations |
| Grow RNZ Pacific's online audience | Pageviews of RNZ Pacific section of website** | 7 million | 9,105,216 | 10,490,246 | 7,990,370 |
| Grow the total number of people who use our services and/or access our content | Combined weekly number who engage with any RNZ service from any source‡ | 75% | 63% | New measure | |

Six out of ten (63%) New Zealanders consumed RNZ content in the last seven days of August 2021. Thirty-four percent have consumed the content through RNZ's own channels and 28% have consumed the content solely through third-party platforms.

SOURCE: * GfK SURVEY 12020 * RNZ INTERNAL DATA ** THE MEASURE OF ONLINE AUDIENCE FOR RNZ'S WEBSITES IS CALCULATED AS THE AVERAGE OF THE TWELVE MONTHS OF AVERAGE USERS CAPTURED USING GOOGLE ANALYTICS. PREVIOUS YEARS ACTUALS HAVE BEEN RESTATED FROM A JUNE AVERAGE RESULT TO CORRESPOND WITH CURRENT YEAR'S METHODOLOGY † COLMAR BRUNTON VALUE INDICES REPORT

OBJECTIVE 2.

Providing a multimedia public broadcasting service that is important to, and valued by, New Zealanders

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

while New Zealand continues to battle the impacts of COVID-19, which we believe will continue to dominate the global landscape for the next year and likely beyond.

2020/2021 Performance: Providing a service that New Zealanders value

| Objective | CURRENT YEAR | | PREVIOUS YEARS | |
|--|----------------------|------------------|------------------|------------------|
| | Target 2020/2021 | Actual 2020/2021 | Actual 2019/2020 | Actual 2018/2019 |
| A majority of New Zealanders agree that Radio New Zealand provides a valuable service to New Zealand | At least 7 out of 10 | 5.6 | 5.9 | 5.7 |
| A majority of New Zealanders agree that it is important for New Zealand to have a public radio broadcaster | At least 7 out of 10 | 7.1 | 7.5 | 7.3 |

SOURCE: COLMAR BRUNTON VALUE INDICES RESEARCH 2021

The Colmar Brunton research also informed us that nearly five out of ten (47%) New Zealanders aware of RNZ agree that it is an organisation they can trust. This is the second-highest level of trust for any New Zealand media organisation. The research showed that RNZ had the lowest level of mistrust among the media organisations surveyed.

OBJECTIVE 3.

Producing and broadcasting a diverse and unique range of services

To respond to the increasing competition for audience attention and to optimise its Charter performance, RNZ must deliver its own range of unique and exclusive content through a variety of programmes and channels.

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:

2020/2021 Performance: Producing and broadcasting a diverse and unique range of services

| Service | Objective | CURRENT YEAR | | PREVIOUS YEARS | |
|--|--|--|--|---|---|
| | | Target 2020/2021 | Actual 2020/2021 | Actual 2019/2020 | Actual 2018/2019 |
| RNZ NATIONAL | Broadcast a nationwide network providing news, current affairs, feature documentaries and entertainment programmes, including music programmes featuring both New Zealand and international artists | 8,760 broadcast hours of RNZ National content | 8,758 broadcast hours of RNZ National content | 8,784 broadcast hours of RNZ National content (24 additional hours are recorded for leap year) | 8,759 broadcast hours of RNZ National content |
| RNZ CONCERT | Broadcast fine music in stereo with a repertoire featuring mainly classical music but also including jazz, world, spiritual and special interest music, and current affairs coverage of music, dramatic and performing arts and culture | 8,760 broadcast hours of RNZ Concert content | 8,758 broadcast hours of RNZ Concert content | 8,784 broadcast hours of RNZ Concert content | 8,759 broadcast hours of RNZ Concert content |
| <i>During the year RNZ experienced a technical fault resulting from incompatible devices being used within a studio, which caused broadcasting to go off air for two hours. The issue has been resolved.</i> | | | | | |
| 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 provide a reliable source of information in the event of natural disasters or breakdowns in local communication services. | 8,520 broadcast hours of RNZI content 99% Transmission and Service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network | 8,738 broadcast hours of RNZI content 99.758% Transmission and Service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network | 8,743 broadcast hours of RNZI content 99.68% Transmission and Service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network | 8,723 broadcast hours of RNZI content 99.56% Transmission and Service availability (other than time lost for planned maintenance): Analogue and Digital Short-Wave network |
| PARLIAMENTARY RADIO and PROCEEDINGS Live audio broadcast of Parliament, when the House is sitting. | | 90 | 70 | 88 | 92 |
| <i>RNZ provides a live audio broadcast for all sitting days. In all years this objective has been achieved. Parliament sat for only 70 days as at 30 June 2021</i> | | | | | |
| RNZ.CO.NZ | Provide a comprehensive portal to RNZ's News, National, Concert and Pacific content, allowing users access to live streaming services for RNZ National, RNZ Concert and RNZ Pacific. In addition to this, users have access to comprehensive, up-to-the-minute news coverage, and access to a large library of on-demand audio items from RNZ's vast online collection of back catalogue programming and web-only collections. | 48,000 hours (310,000 items) of audio content for RNZ's services available online at any time | 75,225 hours (494,862 items) of audio content for RNZ's services available online at any time | 69,393 hours (445,930 items) of audio content for RNZ's services available online at any time | 61,434 hours (395,022 items) of audio content for RNZ's services available online at any time |
| RNZ NEWS AGENCY and CONTENT SHARING RNZ is the trusted backbone of collaborative journalism in New Zealand. RNZ content is made available to more than 30 other media partners, ranging from small, independently owned regional newspapers and websites to most of New Zealand's major commercial media businesses. Without RNZ support via the sharing of written, audio and visual material, many of these smaller outlets would not survive to keep telling the stories that are important to their communities. | | Share RNZ content with at least 50 other media services | RNZ shared its content with 62 other media services | RNZ shared its content with 58 other media services | New measure |

OBJECTIVE 4.

Making our services available and accessible where and when New Zealanders want them

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

RNZ has achieved this objective in that it continued to provide content through a range of delivery methods and platforms as illustrated below.

2020/2021 Performance: Using most effective means of delivery

| | AM radio (NZ) | FM radio (NZ) | Digital shortwave DRM (Pacific) | Freeview terrestrial (NZ) | Freeview satellite (NZ) | SKY satellite (NZ) | RNZ Mobile phone app supporting streaming and on demand (NZ) | Multi-device browser Internet streaming and on demand (NZ + worldwide) | Third-party distribution (including social media of RNZ content (NZ + worldwide) * |
|-----------------------------|---------------|---------------|---------------------------------|---------------------------|-------------------------|--------------------|--|--|--|
| RNZ NATIONAL | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| RNZ CONCERT | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| RNZ PACIFIC (International) | | | ✓ | | | | ✓ | ✓ | ✓ |
| PARLIAMENT | ✓ | | | | ✓ | ✓ | ✓ | ✓ | |
| RNZ.CO.NZ | | | | | | | ✓ | ✓ | ✓ |
| RNZ PODCASTS | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| STORYTIME | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | |

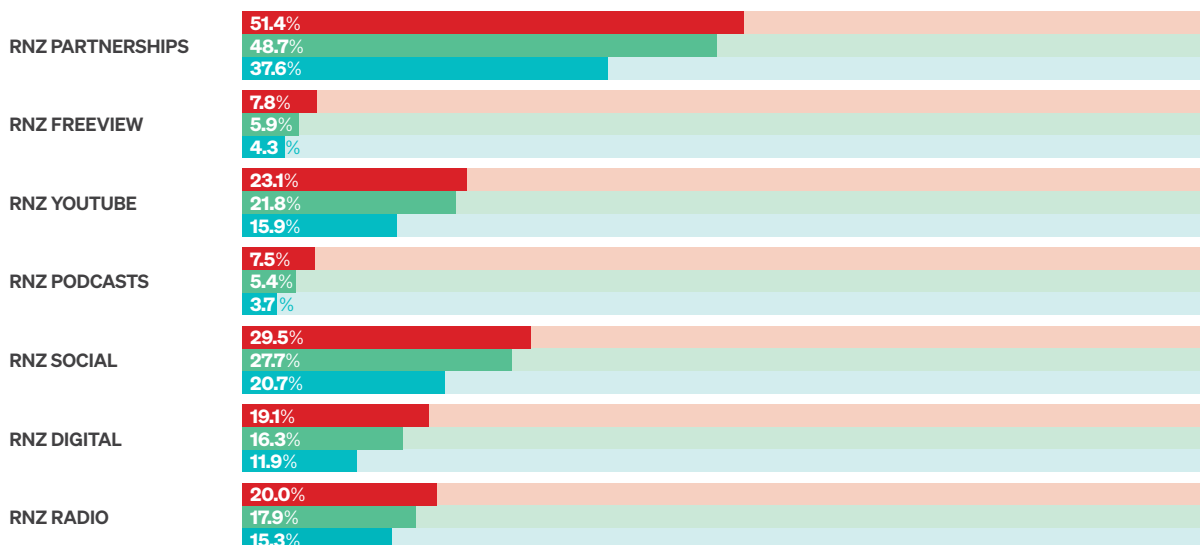
RNZ services are available on a fast-growing number and variety of third-party platforms. This includes providing content to other media organisations such as TVNZ, Newshub, Newsroom, Stuff.co.nz, NZ Herald and MSN, and other radio partners such as the Pacific Media Network, Te Whakaruruhau iwi stations and iHeartRadio. RNZ also distributes and shares its content on social media platforms such as Facebook, YouTube, Instagram and Twitter.

Accessibility is important as more people tune in to different technology platforms to gain their news, information and entertainment.

In the last week of August 2021 RNZ's total reach of 81.4% was consumed across the following platforms.

August 2021

● 2021 ● 2020 ● 2019





RNZ News reporters Katie Todd, Elisha Foon, and Anan Zaki

RNZ's financial assessment

2020/2021 Performance

| Objective | CURRENT YEAR | | PREVIOUS YEARS | |
|--|---|---------------------------------------|--|--|
| | Target 2020/2021 | Actual 2020/2021 | Actual 2019/2020 | Actual 2018/2019 |
| Operate within our available funding | Operating breakeven before tax (\$26,000 surplus) | \$98,275 operating surplus before tax | \$213,625 operating deficit before tax | \$465,000 operating deficit before tax |
| Retain funds to re-invest in asset upgrade and modernisation programme | Achieve an EBITDA* in excess of \$3.16 million | \$3.1 million EBITDA* | \$2.68 million EBITDA* | \$2.3 million EBITDA* |

* EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation

Charter Performance

assessment: **USE OF RESEARCH**

RNZ uses a range of ongoing research and analytics data sources throughout the year, and in the 2020/2021 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 of the achievement of more specific Charter objectives.
- GfK radio audience measurement – industry-wide survey of live radio listening. It surveys all New Zealanders aged 10 and older and includes RNZ, commercial, and community radio stations. 40 weeks of surveying reported quarterly.
- Your Media Matters – RNZ's audience panel. This is used to generate insights into the media habits and content preferences of existing audiences. Managed by Ipsos.
- Facebook Analytics – for the online consumption of RNZ content on the Facebook platform. Monthly, weekly and daily results.
- Firebase Analytics – for the consumption of RNZ content on Apple and Android devices. Monthly, weekly and daily results.
- Google Analytics – for online consumption and audio download metrics, for users of RNZ content. Monthly, weekly and daily results.
- Nielsen Digital Content Ratings – used to measure the number of people visiting the RNZ website and other major websites. Monthly reporting.

- Third parties – RNZ also receives reports from third parties on 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.

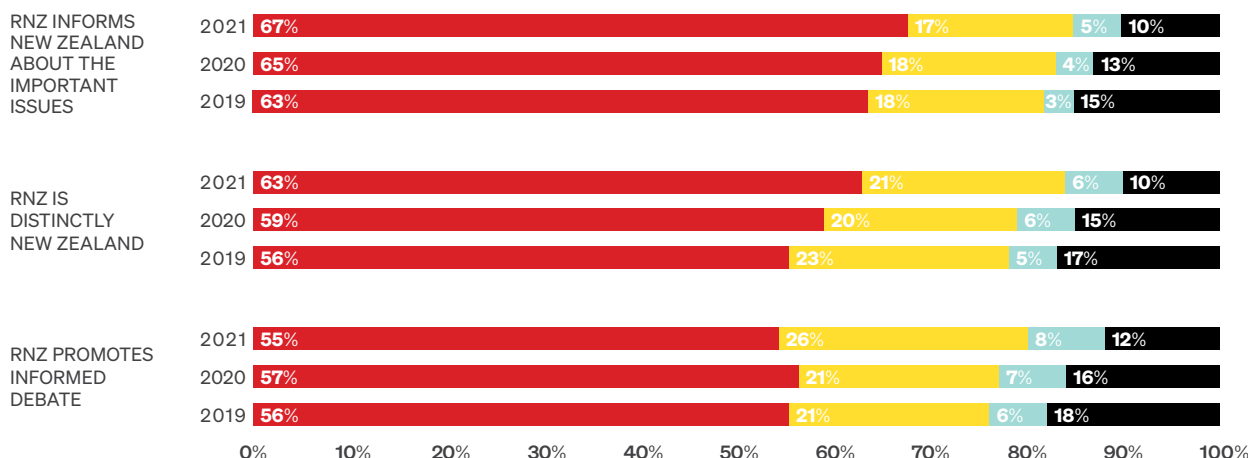
Results from this research provide RNZ with insights and information to assess the size and demographic make-up of its audience, to understand audience preferences and attitudes across different programmes, time zones and platforms, to see how RNZ compares to other media, to see how the wider New Zealand population views RNZ, and to measure RNZ's performance against various strategic and statutory objectives.

The 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 year.

From the 2019-20 year, to further enhance its performance assessment against some of the more subjective objectives in section 8(5) of the Charter, RNZ commissioned Colmar Brunton to survey RNZ audiences about these. Results were as follows:

Attitudes of New Zealanders to RNZ

● AGREE ● NEITHER ● DISAGREE ● DON'T KNOW



SOURCE: COLMAR BRUNTON VALUE INDICES RESEARCH AUGUST 2021. RESPONDENTS 18+ WHO HAVE READ, LISTENED TO, OR WATCHED RNZ CONTENT IN THE LAST WEEK.



TOP Anna Coddington live in Auckland Studio B/RNZ. Photo: RNZ/Andre Upston

BOTTOM LEFT RNZ Operator Blair Stagpoole on the job **BOTTOM RIGHT** RNZ Concert recording NZTrio in rehearsal for broadcast. Photo: RNZ/Adrian Hollay



Country Life Worms in the Burbs presenter Sally Round interviews suburban gardeners
Photo: Julia Milne/Common Unity Project Aotearoa

Nāku te rourou nāu te rourou ka ora ai te iwi

With your basket and my basket, we will sustain everyone

FOR THE YEAR ENDED 30 JUNE 2021
RADIO NEW ZEALAND LIMITED

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the readers of Radio New Zealand's group financial statements and statement of performance for the year ended 30 June 2021

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

Opinion

We have audited:

- the financial statements of the Group on pages 36 to 55, that comprise the statement of financial position as at 30 June 2021, 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 statement of performance of the Group on pages 22 to 29.

In our opinion:

- the financial statements of the Group on pages 36 to 55:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 the Public Benefit Entity Reporting Standards; and
- the statement of performance on pages 22 to 29:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2021, 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 25 November 2021. 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 statement of performance, 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 statement of performance

The Board is responsible on behalf of the Group for preparing financial statements and statement of performance 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 it to prepare financial statements and statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of performance, the Board is responsible on behalf of the Group for assessing the Group'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 the Group, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of performance, 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 statement of performance.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 60, but does not include the financial statements and the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of performance 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 statement of performance, 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 statement of performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

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



Rehan Badar

Audit New Zealand
On behalf of the Auditor-General

Wellington, New Zealand

AUDIT NEW ZEALAND

Mana Aotake Aotearoa

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2021

| | Note | Group Actual 2021 \$000 | Group Budget 2021 \$000 | Group Actual 2020 \$000 |
|--|------|-------------------------------|-------------------------------|-------------------------------|
| Government funding and fees | 2 | 48,474 | 47,343 | 47,633 |
| Other revenue | 2 | 1,519 | 1,065 | 2,001 |
| Total revenue | | 49,993 | 48,408 | 49,634 |
| Personnel expenses | 3 | 29,376 | 29,432 | 29,753 |
| Operating expenses | 4 | 17,477 | 15,720 | 17,113 |
| Depreciation and amortisation expenses | 8,9 | 3,042 | 3,230 | 2,982 |
| Total expenditure | | 49,895 | 48,382 | 49,848 |
| Net operating surplus/(deficit) before taxation | | 98 | 26 | (214) |
| Income tax (expense)/benefit | 11 | 175 | 0 | 256 |
| Net surplus/(deficit) after taxation | | 273 | 26 | 42 |
| OTHER COMPREHENSIVE REVENUE AND EXPENSE | | | | |
| Gain on property revaluations | | (26) | 0 | 6,280 |
| Tax on revaluations | | (175) | 0 | (256) |
| Total other comprehensive revenue and expense | | (201) | 0 | 6,024 |
| Total comprehensive revenue and expense | | 72 | 26 | 6,066 |

Explanations of major variances against budget are provided in Note 20.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

| | Note | Group Actual 2021 \$000 | Group Budget 2021 \$000 | Group Actual 2020 \$000 |
|---|------|-------------------------------|-------------------------------|-------------------------------|
| Balance at 1 July | | 66,218 | 65,410 | 58,352 |
| Total Comprehensive Revenue and Expense | 20 | 72 | 26 | 6,066 |
| Increase in capital | | 1,050 | 1,800 | 1,800 |
| Balance at 30 June | | 67,340 | 67,236 | 66,218 |

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

| | Note | Group Actual 2021 \$000 | Group Budget 2021 \$000 | Group Actual 2020 \$000 |
|--------------------------------------|------|-------------------------------|-------------------------------|-------------------------------|
| EQUITY | | | | |
| Share capital | 16 | 19,542 | 19,543 | 18,492 |
| Revaluation reserve | 16 | 46,523 | 46,700 | 46,724 |
| Retained earnings | 16 | 1,275 | 993 | 1,002 |
| Total equity | | 67,340 | 67,236 | 66,218 |
| CURRENT LIABILITIES | | | | |
| Creditors and other payables | 10 | 3,329 | 2,522 | 2,924 |
| Provisions | 14 | 0 | 0 | 160 |
| Employee entitlements | 13 | 3,291 | 2,014 | 3,486 |
| Revenue received in advance | | 212 | 0 | 1,044 |
| Total current liabilities | | 6,832 | 4,536 | 7,614 |
| NON-CURRENT LIABILITIES | | | | |
| Employee entitlements | 13 | 66 | 79 | 64 |
| Provisions | 14 | 1,122 | 900 | 1,042 |
| Total non-current liabilities | | 1,188 | 979 | 1,106 |
| TOTAL EQUITY AND LIABILITIES | | 75,360 | 72,751 | 74,938 |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 5 | 7,831 | 2,627 | 6,464 |
| Investments | 7 | 3,000 | 3,500 | 3,000 |
| Receivables and prepayments | 6 | 129 | 173 | 40 |
| Other receivables | | 675 | 190 | 614 |
| Assets held for sale | 8 | 1,213 | 0 | 562 |
| Total current assets | | 12,848 | 6,490 | 10,680 |
| NON-CURRENT ASSETS | | | | |
| Intangibles | 9 | 2,155 | 2,476 | 2,040 |
| Property, plant and equipment | 8 | 60,357 | 63,785 | 62,218 |
| Total non-current assets | | 62,512 | 66,261 | 64,258 |
| TOTAL ASSETS | | 75,360 | 72,751 | 74,938 |

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
Chair
25 NOVEMBER 2021



Caren Rangi
Audit and Risk Committee Chair
25 NOVEMBER 2021

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

| | Group Actual 2021 \$000 | Group Budget 2021 \$000 | Group Actual 2020 \$000 |
|--|-------------------------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Receipts from customers | 1,315 | 973 | 2,001 |
| Government funding and fees | 47,195 | 47,343 | 48,536 |
| Interest earned | 55 | 92 | 88 |
| | 48,565 | 48,408 | 50,625 |
| Cash was applied to: | | | |
| Payments to employees | 29,569 | 30,000 | 28,329 |
| Payments to suppliers | 16,706 | 19,495 | 16,799 |
| GST | 0 | 0 | 253 |
| | 46,275 | 49,495 | 45,382 |
| Net cash inflow/(outflow) from operating activities | 2,290 | (1,087) | 5,244 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Receipts from investments | 1,000 | 0 | 1,000 |
| Proceeds from sale of assets | 0 | 562 | 0 |
| | 1,000 | 562 | 1,000 |
| Cash was applied to: | | | |
| Acquisition of term investments | 1,000 | 0 | 2,000 |
| Purchase of intangible assets | 462 | 1,000 | 732 |
| Purchase of property, plant and equipment | 1,511 | 3,362 | 2,041 |
| | 2,973 | 4,362 | 4,773 |
| Net cash inflow/(outflow) from investing activities | (1,973) | (3,800) | (3,773) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Share capital contribution | 1,050 | 1,050 | 1,800 |
| Net cash inflow/(outflow) from financing activities | 1,050 | 1,050 | 1,800 |
| Net increase/(decrease) in cash and equivalents | 1,367 | (3,837) | 3,271 |
| Add – opening bank balance at 1 July | 6,464 | 6,464 | 3,193 |
| Cash and cash equivalents at year end | 7,831 | 2,627 | 6,464 |
| CASH AND TERM DEPOSITS | | | |
| Cash and cash equivalents | 7,831 | 2,627 | 6,464 |
| Term deposits | 3,000 | 3,500 | 3,000 |
| Total cash and term deposits | 10,831 | 6,127 | 9,464 |

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

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

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

FOR THE YEAR ENDED 30 JUNE 2021

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|--|-------------------------------|-------------------------------|
| NET SURPLUS/(DEFICIT) BEFORE TAX | 98 | (214) |
| Add/(less) non-cash items: | | |
| Depreciation and amortised expenses | 3,042 | 2,982 |
| Bad debts written off | 0 | 12 |
| Change in provision for impaired debts | 45 | (27) |
| Impaired property, plant and equipment | 130 | 1 |
| Other | (255) | 159 |
| | 2,962 | 3,127 |
| Add/(less) movements in working capital items: | | |
| Decrease/(increase) in receivables | (89) | 139 |
| Decrease/(increase) in prepayments and other receivables | (61) | (50) |
| Increase/(decrease) in creditors and other payables | 405 | 455 |
| Increase/(decrease) in current employment entitlements | (193) | 884 |
| Increase/(decrease) in revenue received in advance | (832) | 903 |
| Working capital movement – net | (770) | 2,331 |
| Net cash flow from operating activities | 2,290 | 5,244 |

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT of ACCOUNTING POLICIES

Reporting entity

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

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

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

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 a requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE accounting standards.

Significant accounting policies

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

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

Income tax: Income tax expense or benefit comprises 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 are charged or credited to the Statement of Comprehensive Revenue and Expense, except when they relate to items recognised directly through equity, in which case the taxes are recognised within 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 which is to deliver Public Broadcasting Services. All cost are directly attributed to this output. There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

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 material adjustments 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, the expected period of use of the asset by RNZ, and the expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the Statement of Financial Position.

Long service leave: The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. Expected future payments are discounted using discount rates derived from the yield curve of New Zealand Government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice

from an independent actuary. The discount rate used ranged from .38% to 3.10% (2020: 1.26% to 2.23%) and an inflation factor of 1.88% (2020: 2.9%) was used. If the discount rate were to differ by 1% from that used, with all other factors held constant, the carrying amount of the retirement and long service leave liability would be an estimated \$0.005m higher/lower. If the salary inflation factor were to differ by 1% from that used, with all other factors held constant, the carrying amount of the retirement and long service leave liability would be an estimated \$0.01m higher/lower.

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:

PBE IPSAS 41 FINANCIAL INSTRUMENTS

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. RNZ has assessed that there will be little change as a result of adopting the new standard, as the requirements are similar to those contained in PBE IFRS 9. RNZ does not intend to early adopt the standard.

PBE IPSAS 2 CASH FLOW STATEMENT

An amendment to PBE IPSAS 2 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 the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. RNZ does not intend to early adopt the amendment.

PBE FRS 48 SERVICE PERFORMANCE REPORTING

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. RNZ has not yet determined how application of PBE FRS 48 will affect its statement of performance. It does not plan to early adopt the standard.

2. REVENUE

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

| FUNDING AND REVENUE FROM THE CROWN | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|------------------------------------|----------------------------|----------------------------|
| NZ On Air – operating funding | 42,606 | 42,606 |
| NZ On Air – contestable funding | 1,092 | 857 |
| Ministry for Culture and Heritage | 3,273 | 2,667 |
| Office of the Clerk | 1,503 | 1,503 |
| TOTAL | 48,474 | 47,633 |

RNZ is primarily funded by the Crown, for the specific purposes set out in its Charter in the Radio New Zealand Act 1995 (and the 2016 Amendment Act) and the Crown Entities Act 2004. Operating funding is recognised as revenue at the point of entitlement. Contestable funding is recognised at stage of completion, with any balance for funds held in revenue received in advance.

| NZ ON AIR – CONTESTABLE FUNDING | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|------------------------------------|----------------------------|----------------------------|
| Local Democracy Reporting services | 918 | 521 |
| Innovation Fund – Fast Starts | 135 | 326 |
| The Service | 39 | 10 |
| TOTAL | 1,092 | 857 |

| MINISTRY FOR CULTURE AND HERITAGE | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|-----------------------------------|----------------------------|----------------------------|
| Vote appropriation | 1,900 | 1,900 |
| Government media support package | 1,373 | 767 |
| TOTAL | 3,273 | 2,667 |

| OTHER REVENUE | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|-------------------------------------|----------------------------|----------------------------|
| Rental revenue from property leases | 217 | 328 |
| Co-siting revenue | 857 | 1,166 |
| Interest income | 55 | 88 |
| Other income | 390 | 419 |
| TOTAL | 1,519 | 2,001 |

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 2021 \$000 | Group Actual 2020 \$000 |
|--|----------------------------|----------------------------|
| Salaries and wages | 27,750 | 27,457 |
| Superannuation | 912 | 894 |
| Redundancy costs and other payments on cessation of employment | 430 | 434 |
| Other employee costs | 603 | 478 |
| Increase/(decrease) – employee entitlements | (319) | 490 |
| TOTAL | 29,376 | 29,753 |

Employee remuneration

The remuneration ranges for employees whose remuneration for the year ended 30 June 2021 was in excess of \$100,000 are:

| Remuneration Range for Employees | Number of Employees 2021 | Number of Employees 2020 |
|--|--------------------------|--------------------------|
| \$100,000 – 109,999 | 30 | 28 |
| \$110,000 – 119,999 | 21 | 7 |
| \$120,000 – 129,999 | 4 | 5 |
| \$130,000 – 139,999 | 8 | 10 |
| \$140,000 – 149,999 | 4 | 1 |
| \$150,000 – 159,999 | 2 | 1 |
| \$160,000 – 169,999 | 4 | 2 |
| \$170,000 – 179,999 | 1 | 2 |
| \$180,000 – 189,999 | 1 | 1 |
| \$190,000 – 199,999 | 2 | 2 |
| \$200,000 – 209,999 | 2 | 1 |
| \$210,000 – 219,999 | 2 | 4 |
| \$220,000 – 229,999 | 3 | 0 |
| \$230,000 – 239,999 | 2 | 2 |
| \$240,000 – 249,999 | 0 | 0 |
| \$250,000 – 259,999 | 0 | 0 |
| \$260,000 – 269,999 | 1 | 0 |
| \$270,000 – 279,999 | 0 | 0 |
| \$280,000 – 289,999 | 0 | 0 |
| \$290,000 – 299,999 | 0 | 1 |
| \$430,000 – 439,999 | 0 | 0 |
| \$440,000 – 449,999 | 0 | 0 |
| \$450,000 – 459,999 | 0 | 0 |
| \$460,000 – 469,999 | 0 | 0 |
| \$470,000 – 479,999 | 0 | 0 |
| \$480,000 – 489,999 | 0 | 0 |
| \$490,000 – 499,999 | 0 | 0 |
| \$500,000 – 519,999 | 0 | 1 |
| \$520,000 – 529,999 | 1 | 0 |
| Total number of employees in these ranges | 88 | 68 |

During the year ended 30 June 2021, 13 employees received compensation and other benefits in relation to cessation arising from redundancies and employment-related disputes totalling \$429,555 (2020: 8 received \$459,868).

Key management personnel

| GOVERNORS' FEES | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|--------------------------------------|----------------------------|----------------------------|
| Remuneration | 194 | 184 |
| Full-time-equivalent current members | 0.19 | 0.17 |

During the year one term ended (2020: 1). One new Governor and one Associate Director were appointed (2020: 3 Governors). As at 30 June 2021 there were seven Governors and one Associate Director on the RNZ Board (2020: 7).

KEY SENIOR LEADERSHIP PERSONNEL COMPENSATION

The Chief Executive Officer and Editor-in-Chief's actual remuneration paid, inclusive of any fixed and performance-based remuneration, was \$520,129 (2020: \$517,502).

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|--------------------------------------|----------------------------|----------------------------|
| Remuneration | 2,223 | 2,257 |
| Full-time-equivalent current members | 8.6 | 10 |

A total nine members make up the senior leadership team, consisting of eight executives reporting to the Chief Executive Officer and Editor-in-Chief.

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 remuneration

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

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|--|----------------------------|----------------------------|
| Dr Jim Mather – Chair | 44 | 48 |
| Caren Rangī – Audit and Risk Committee Chair | 24 | 16 |
| Mike O'Donnell | 24 | 24 |
| Bill Francis | 24 | 24 |
| Peter Parussini – Leadership and Culture Committee Chair | 24 | 22 |
| Irene Gardiner | 24 | 18 |
| Jane Wrightson – term commenced 1 September 2020 | 20 | 0 |
| Mihimaraea Parata Gardiner – term commenced 1 September 2020 | 8 | 0 |
| Melissa Clark-Reynolds – term ended 31 July 2020 | 2 | 29 |
| Rodger Finlay – term ended 31 August 2019 | 0 | 4 |
| TOTAL | 194 | 184 |

RNZ has provided a deed of indemnity to Governors 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 and costs of Governors and employees.

4. OTHER OPERATING EXPENSES

| BREAKDOWN OF OTHER EXPENSES | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|--|----------------------------|----------------------------|
| Audit fees for audit of financial statements | 112 | 109 |
| Operating lease expenses | 2,132 | 2,017 |
| Property | 975 | 990 |
| Travel | 210 | 327 |
| Distribution and transmission | 4,799 | 4,598 |
| Programming | 4,062 | 4,002 |
| Advertising and publicity | 1,007 | 1,156 |
| Insurance | 353 | 329 |
| Impairment property, plant and equipment | 130 | 1 |
| Legal expenses | 299 | 437 |
| Consultancy fees | 601 | 590 |
| Other | 2,797 | 2,557 |
| TOTAL | 17,477 | 17,113 |

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 2021 \$000 | Group Actual 2020 \$000 |
|--|----------------------------|----------------------------|
| Not later than one year | 1,844 | 1,732 |
| Later than one year and less than five years | 4,462 | 2,314 |
| Later than five years | 509 | 240 |
| TOTAL | 6,815 | 4,286 |

RNZ maintains offices in three main centres, Auckland, Wellington and Christchurch, and seven regional centres. As at balance date there were two properties on month-to-month arrangements. The main variance in lease commitments between years is RNZ's renewal of its Wellington office lease and a new leased premises in Christchurch.

Other commitments

RNZ works with a number of independent production companies on joint projects. As at balance date there was \$319,670 of funds committed to production works in the pipeline.

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 2021 \$000 | Group Actual 2020 \$000 |
|------------------------|----------------------------|----------------------------|
| Cash and call deposits | 7,831 | 6,464 |

6. RECEIVABLES

Short-term receivables are recorded at the amount due, less any allowance for expected credit losses.

RNZ applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation. Previous accounting policy for impairment of receivables. In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|-----------------------------|----------------------------|----------------------------|
| Receivables | 129 | 85 |
| Allowance for credit losses | 0 | (45) |
| TOTAL | 129 | 40 |

As at 30 June 2021 all overdue receivables have been assessed for expected credit losses and the appropriate provision applied as follows:

| | 2021 \$000 | | | 2020 \$000 | | |
|---------------------|---------------|--------------------------------|------------|---------------|--------------------------------|-----------|
| | Gross | Allowance for Credit Losses | Net | Gross | Allowance for Credit Losses | Net |
| Not past due | 107 | 0 | 107 | 23 | 0 | 23 |
| Past due 1-30 days | 11 | 0 | 11 | 11 | 0 | 11 |
| Past due 31-60 days | 5 | 0 | 5 | 6 | 0 | 6 |
| Past due 61-90 days | 6 | 0 | 6 | 26 | (26) | 0 |
| Past due > 91 days | 0 | 0 | 0 | 19 | (19) | 0 |
| TOTAL | 129 | 0 | 129 | 85 | (45) | 40 |

7. INVESTMENTS

Bank term deposits

Bank term deposits are initially measured at the amount invested.

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|----------------------------|----------------------------|----------------------------|
| Current | 3,000 | 3,000 |
| TOTAL TERM DEPOSITS | 3,000 | 3,000 |

Investments

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

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

8. PROPERTY, PLANT and EQUIPMENT

Accounting policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated 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. The last registered, independent valuation was effective 30 June 2020.

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 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 2020. The basis of the valuation is fair value in an open market or, when not assessed, on depreciated replacement cost. Fair value is the estimated amount between a willing buyer and a willing seller in an arm's-length transaction.

Subsequent to the last revaluation, RNZ has revalued one property based on market testing. This property has been deemed surplus and has been placed to market for sale.

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 commitments for the acquisition of property, plant and equipment is \$1,793,410 (2020: \$1,281,062). Notable capital commitments at 30 June 2021 include the Wellington office make-good after relinquishing a floor, and new offices in Christchurch replacing a temporary office post the Christchurch earthquakes.

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

Disposals

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

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 is 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 | | | | | | | | |
| Opening balance 1 July 2019 | 40,225 | 4,214 | 8,505 | 30,345 | 699 | 9,643 | 5,200 | 98,830 |
| Work in progress 30 June 2020 | 0 | 0 | (396) | 341 | 0 | (932) | (430) | (1,418) |
| Opening balance 1 July 2019 | 40,225 | 4,214 | 8,109 | 30,685 | 699 | 8,711 | 4,770 | 97,412 |
| Additions | 0 | 0 | 232 | 1,228 | 0 | 1,328 | 593 | 3,381 |
| Revaluation movement | 5,365 | 915 | 0 | 0 | 0 | 0 | 0 | 6,280 |
| Disposals | 0 | 0 | 0 | 0 | 0 | (1,380) | (21) | (1,400) |
| Adjustments | (385) | (65) | (15) | (3) | 0 | 0 | 0 | (468) |
| Closing balance 30 June 2020 | 45,205 | 5,064 | 8,326 | 31,910 | 699 | 8,659 | 5,342 | 105,205 |
| Balance 1 July 2020 | 45,205 | 5,064 | 8,326 | 31,910 | 699 | 8,659 | 5,342 | 105,205 |
| Movement in Work in progress 30 June 2021 | 0 | 0 | 519 | (3,524) | 0 | (95) | (39) | (3,139) |
| Additions | 0 | 75 | 3 | 3,823 | 0 | 301 | 439 | 4,642 |
| Revaluation movement | (635) | 95 | 0 | 3 | 0 | 0 | 0 | (537) |
| Disposals | 0 | 0 | 0 | (542) | 0 | (176) | (402) | (1,120) |
| Adjustments | (670) | 0 | 0 | 0 | 0 | 0 | 0 | (670) |
| Balance 30 June 2021 | 43,900 | 5,234 | 8,848 | 31,671 | 699 | 8,689 | 5,340 | 104,382 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES | | | | | | | | |
| Balance 1 July 2019 | 0 | 805 | 6,556 | 22,393 | 672 | 7,382 | 4,140 | 41,948 |
| Depreciation expense | 0 | 155 | 258 | 1,181 | 11 | 605 | 215 | 2,426 |
| Eliminate on disposal | 0 | 0 | 0 | 0 | 0 | (1,381) | (11) | (1,392) |
| Adjustments | 0 | 0 | 2 | 4 | (1) | 0 | 0 | 5 |
| Balance 30 June 2020 | 0 | 960 | 6,816 | 23,578 | 682 | 6,606 | 4,344 | 42,987 |
| Balance 1 July 2020 | 0 | 960 | 6,816 | 23,578 | 682 | 6,606 | 4,344 | 42,987 |
| Depreciation expense | 0 | 183 | 266 | 1,205 | 8 | 647 | 280 | 2,590 |
| Eliminate on disposal | 0 | 0 | 0 | (449) | 0 | (174) | (51) | (674) |
| Adjustments | 0 | (514) | 0 | 0 | 0 | 0 | 0 | (514) |
| Eliminate on revaluation | 0 | (16) | 0 | 0 | 0 | 0 | 0 | (16) |
| Impairment losses | 0 | 0 | 0 | 0 | 0 | 0 | (349) | (349) |
| Balance 30 June 2021 | 0 | 613 | 7,082 | 24,334 | 691 | 7,080 | 4,225 | 44,025 |
| CARRYING AMOUNTS | | | | | | | | |
| At 30 June 2020 | 45,205 | 4,104 | 1,510 | 8,332 | 17 | 2,053 | 998 | 62,218 |
| At 30 June 2021 | 43,900 | 4,621 | 1,766 | 7,337 | 8 | 1,609 | 1,115 | 60,357 |

The total amount of property, plant and equipment in work in progress is \$621,899 (2020: \$3,699,107).

Assets held for sale

In the 2019/20 year land and buildings at the Springvale transmission site in Alexandra were classified as held for sale following the removal of the transmission mast. The site is no longer required for broadcasting.

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 2020.

More recent market valuations have been conducted for the preparation for sale of the Springvale transmission site in Alexandra (sold post balance date) and Bell Block transmission site in New Plymouth.

The company's 100%-owned subsidiary, Sound Archives Ngā Taonga Kōrero Limited, has a substantial archival collection of valuable radio recordings, which is valued at \$800,000. This valuation was reviewed by the director of Sound Archives Ngā Taonga Kōrero Limited as at 30 June 2021, and as no impairment was assessed it has been left unchanged from the last valuation effective 30 June 2013.

Amortisation was not charged on the archival assets collection this year.

9. INTANGIBLE ASSETS

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Software | 1,355 | 1,240 |
| Sound archive collection/other | 800 | 800 |
| TOTAL INTANGIBLE ASSETS | 2,155 | 2,040 |

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 was not amortised during the year.

Movements for each class of intangible asset are as follows:

| | Software 2021 \$000 | Software 2020 \$000 | Other 2021 \$000 | Other 2020 \$000 |
|------------------------------------|----------------------------------|----------------------------------|-------------------------------|-------------------------------|
| COST | | | | |
| Balance at 1 July | 6,531 | 5,800 | 800 | 800 |
| Additions | 538 | 731 | 0 | 0 |
| Disposals | (138) | 0 | 0 | 0 |
| Work in progress | 62 | 0 | 0 | 0 |
| Balance at 30 June | 6,993 | 6,531 | 800 | 800 |
| ACCUMULATED AMORTISATION | | | | |
| Balance at 1 July | 5,291 | 4,734 | 0 | 0 |
| Amortisation expense | 452 | 557 | 0 | 0 |
| Disposals/impairment losses | (105) | 0 | 0 | 0 |
| Balance at 30 June | 5,638 | 5,291 | 0 | 0 |
| Carrying amounts at 30 June | 1,355 | 1,240 | 800 | 800 |

10. CREDITORS and OTHER PAYABLES

Accounting policy

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

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|------------------|----------------------------|----------------------------|
| Creditors | 2,117 | 1,808 |
| Accrued expenses | 1,212 | 1,116 |
| TOTAL | 3,329 | 2,924 |

11. TAXATION

Relationship between tax and accounting profit:

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|---|----------------------------|----------------------------|
| Net surplus/(deficit) before tax | 98 | (214) |
| Tax @ 28% | 28 | (60) |
| Plus/(less) the effect of: | | |
| Non-deductible expenditure | 10 | 10 |
| Non-taxable revenue | 0 | (7) |
| Reintroduction of tax depreciation on buildings | 0 | (79) |
| Unrecognised tax losses | (139) | (542) |
| Deferred tax adjustment | (74) | 422 |
| Tax expense/(benefit) | (175) | (256) |
| Components of tax expense | | |
| Current tax expense | 0 | 0 |
| Deferred tax | (175) | (256) |

Group deferred tax asset/(liability):

| | Property, Plant and Equipment | Employee Entitlements | Other Provisions | Tax Losses | Total \$000 |
|---------------------------------|----------------------------------|--------------------------|------------------|------------|----------------|
| Balance at 30 June 2019 | (1,504) | 543 | 526 | 435 | 0 |
| Charged to surplus or deficit | 34 | 154 | (210) | 278 | 256 |
| Charged to comprehensive income | (256) | 0 | 0 | 0 | (256) |
| Balance at 30 June 2020 | (1,726) | 697 | 316 | 713 | 0 |
| Charged to surplus or deficit | 210 | (48) | 14 | (1) | 175 |
| Charged to comprehensive income | (175) | 0 | 0 | 0 | (175) |
| Balance at 30 June 2021 | (1,691) | 649 | 330 | 712 | 0 |

A deferred tax asset has not been recognised in relation to \$3,179,364 (2020: \$3,675,461) Radio New Zealand's tax losses available to carry forward.

Imputation credit account

\$166,000 at 30 June 2021 (2020: \$166,000).

12. BORROWINGS

Accounting policy

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

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

RNZ holds an overdraft facility of \$250,000. The overdraft was not used in the current reporting period (2020: Nil). 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 employees render the related services are measured based on accrued entitlements at current rates of pay.

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

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

Long-term employee entitlements – non-current liabilities

Employee entitlements that are due to be settled beyond 12 months after the end of the period in which the employees rendered the related services, such as long service leave, have 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
- the present value of the estimated future cash flows.

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|---|----------------------------|----------------------------|
| Current | 3,291 | 3,486 |
| Non-current | 66 | 64 |
| TOTAL | 3,357 | 3,550 |
| This is represented by: | | |
| Annual leave and other leave entitlements | 2,406 | 2,657 |
| Accrued salaries | 885 | 759 |
| Long service leave | 66 | 134 |
| TOTAL | 3,357 | 3,550 |

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 2021 \$000 | Group Actual 2020 \$000 |
|-------------------------------|----------------------------|----------------------------|
| Current – legal | 0 | 160 |
| Non-current – lease make-good | 1,122 | 1,042 |
| TOTAL | 1,122 | 1,202 |

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

15. CONTINGENCIES

Contingent liabilities are nil at 30 June 2021 (2020: Nil).

RNZ holds insurance cover for possible defamation.

There are no quantifiable contingent assets at 30 June 2021 (2020: 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 2021 \$000 | Group Actual 2020 \$000 |
|-------------------------------------|----------------------------|----------------------------|
| Share capital – ordinary \$1 shares | | |
| Balance at 1 July | 18,492 | 16,692 |
| Issue of ordinary shares | 1,050 | 1,800 |
| Balance at 30 June | 19,542 | 18,492 |

Ordinary shares have the following rights:

- Normal voting rights
- No fixed dividend rights.

Revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|---------------------------------|----------------------------|----------------------------|
| Movements: | | |
| Balance at 1 July | 46,724 | 40,700 |
| Gain on revaluations | (26) | 6,280 |
| Tax on revaluations | (175) | (256) |
| Balance at 30 June | 46,523 | 46,724 |
| Made up of: | | |
| Revaluation – land | 42,569 | 43,220 |
| Revaluation – buildings | 3,116 | 2,666 |
| Sound archive collection | 800 | 800 |
| Reference library | 38 | 38 |
| Balance at 30 June | 46,523 | 46,724 |
| Retained earnings | | |
| Movements: | | |
| Balance at 1 July | 1,002 | 960 |
| Net surplus/(deficit) after tax | 273 | 42 |
| Balance at 30 June | 1,275 | 1,002 |

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
- 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 \$42.606 million (2020: \$42.606 million) from NZ On Air for the year ended 30 June 2021. 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.

Additional funding of \$1.09 million was recognised from the NZ On Air contestable fund during the financial year ended 30 June 2021 (2020: \$0.86 million).

The Ministry for Culture and Heritage provided funding of \$1.90 million (2020: \$1.90 million) to support RNZ Pacific services into the Pacific region.

RNZ charges for the use of its transmission services in the normal course of business. As a result of the COVID-19 response by the Government, a media support package was granted, which financially contributes to the costs of transmission services. This funding is provided by the Ministry for Culture and Heritage and is recognised as being received by the Crown. The media support package covers the period of charges applied between May 2020 and October 2020. Only that portion relative to the year ended 30 June 2021 has been recognised through the Statement of Comprehensive Revenue and Expense.

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 \$13,927 (2020: \$14,241) to the organisation this year.

During the year the Head of Business Transformation and Strategy, Alan Withrington, ended his term as a director of Freeview Limited. This position was picked up by Paul Thompson. RNZ has 5% of the shares in the company.

RNZ paid Freeview Limited \$23,488 for its 5% share of operational funding (2020: \$58,734) in the current year.

RNZ paid Aotearoa Media Collective Limited \$22,326 for commissioned programmes *Mantangireia* and *He Waka Eke Noa*. Chair Dr Jim Mather's partner is a director and shareholder of Aotearoa Media Collective Limited.

RNZ Māori Strategy Manager, Shannon Haunui-Thompson, is a member of the Māori Journalist Collective. RNZ paid the Aotearoa Media Collective Limited \$2,000 to help establish the Māori Journalist Collective.

Any conflicts of interest are declared by managers. If a conflict exists, 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

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

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|---|----------------------------|----------------------------|
| Financial assets measured at amortised cost | | |
| Cash and cash equivalents | 7,831 | 6,464 |
| Investments – term deposits | 3,000 | 3,000 |
| Receivables | 175 | 161 |
| | 11,007 | 9,625 |
| Financial liabilities measured at amortised cost | | |
| Payables | 3,329 | 2,924 |
| (excluding deferred revenue, taxes payable and grants received subject to conditions) | | |

Market risk

RNZ has no significant equity investments exposed to price risk as at 30 June 2021.

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

Credit quality of financial assets

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

| | Group Actual 2021 \$000 | Group Actual 2020 \$000 |
|---|----------------------------|----------------------------|
| Counterparties with credit ratings | | |
| Cash at bank and term deposits (AA- rating) | 10,827 | 9,458 |

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

Parliament passed legislation on 8 July 2021 to extend the statutory timeframes by up to two months for those organisations with 30 June 2021 balance dates that report under the Crown Entities Act 2004. They include RNZ.

This extension ensures that there is no reduction in the quality of the financial and performance reporting of audits conducted by auditors appointed by the Controller and Auditor General, due to impacts of COVID-19.

The Government's Strong Public Media policy envisages the creation of a new public media entity encompassing RNZ and TVNZ. The new entity, if implemented effectively and adequately funded, would provide an opportunity to build that highly effective service for all New Zealanders in the years ahead.

The process to date has included the establishment of a Cabinet appointed Governance Group and more recently the presentation of a business case to Government, which will be considered in February 2022.

If the Government decides to go ahead with establishing a new entity there will be an opportunity for the public to give their views on a charter and proposed legislation through a Select Committee process. The intended timeframe for this entity to be established and operational is 1 July 2023.

Until the decision is made by the Cabinet, an estimate of financial effect cannot be made.

RNZ will contribute its highly valued public media expertise and ethos to whatever final shape the reforms take.

20. EXPLANATIONS of SIGNIFICANT VARIANCES AGAINST BUDGET

Statement of Comprehensive Revenue and Expense

RNZ achieved a \$98,275 pre-tax surplus compared to a \$26,000 budget surplus.

Key variances between actual and budgeted performance are as follows:

Funding from the Ministry for Culture and Heritage as a result of the Government media support package has been recognised as funding from the Crown. Under ordinary circumstances this funding would have been received by non-government customers and recorded under other revenue.

Funding from NZ On Air was received to support the Local Democracy Reporting service. An offsetting expense is recognised through other operating expenses to account for funding paid to regional newsrooms that employ the reporters engaged under this programme. This funding and corresponding expenditure is offsetting and is not recognised within the budget.

Other operating expenditure includes the Local Democracy Reporting expenditure discussed above, more features and artist fees than budgeted and additional consultancy costs to inform the AM Transmission Strategy.

Statement of Financial Position

Equity increased during the year due to a revaluation of core infrastructure assets, which resulted in a decrease of \$0.2 million in book value. These asset values were not known at the time of budgeting and therefore not recognised within the budget.

Increases in current assets against budget, in particular cash and cash equivalents, correlate with the increase in creditors, employee entitlements and commitments not recognised within the Statement of Comprehensive Income and Expense. An increase in employee entitlements against budget is also due to the timing of the last pay run in the year and the amount remaining payable. A concerted effort to reduce annual leave balances during the year had a positive effect on the balance sheet in that this provision reduced against the previous year's balance, and on staff wellbeing.

Delayed activity resulted in increased commitments, specifically commissioned content in the pipeline, and not yet in production, and property development in both Wellington and Christchurch not yet completed. These commitments will be expensed in 2021/22.

A reallocation of non-current assets to assets held for sale was not a factor in the budget process. This asset was readied for sale during the year as it is surplus to broadcasting requirements.

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, which in turn pays it to the independent producers of each project in accordance with a set of milestones and delivery requirements set out in a production funding agreement.

Funding is recognised at the stage of completion of production. For the year ending 30 June 2021, RNZ recognised total revenue received from NZ On Air for the support of production of new content of \$146,888 (2020: \$326,529).

22. LOCAL DEMOCRACY REPORTING

The Local Democracy Reporting programme is a free public-interest news service dedicated to strengthening coverage of local authorities and rūnanga and other similar organisations. Fourteen local democracy reporters were in place in 2020/2021 in Northland (NZME), South Auckland (Stuff and The Spinoff), King Country (King Country News), Rotorua (NZME), Eastern Bay of Plenty (Whakatāne Beacon), Taranaki (Te Korimako o Taranaki), Whanganui (Awa FM), Tairāwhiti (Gisborne Herald), Wairarapa (Wairarapa Times-Age), Marlborough (Stuff), Mid Canterbury (Ashburton Guardian), the West Coast (Greymouth Star) and Southland (Allied Press). The reporters are employed by, and report to, their host newsrooms but receive extra mentoring, training and support from RNZ. All of their stories are shared with a wide range of media partners, including RNZ.

The programme is managed by RNZ with the support of the News Publishers' Association and NZ On Air. It was designed to fill gaps in reporting, mostly in regional New Zealand, brought about by decreases in reporting numbers in traditional media.

The programme commenced on 1 July 2019 with a subsequent year-two programme expected to run to 31 March 2022. It is funded through the RNZ/NZ On Air Joint Innovation Fund. The pilot programme had an approved budget of \$1.0 million with funding of \$1.5 million extended to the year-two programme.

Funding is recognised at the stage of completion. For the year ending 30 June 2021, RNZ recognised total revenue received from NZ On Air to support the Local Democracy Reporting programme of \$918,654 (2020: \$520,721).



CLOCKWISE FROM TOP LEFT 2021 VOYAGER MEDIA AWARDS WINNERS: *Black Sheep* (Best Episodic Podcast), Veronica Schmidt (Best First-Person Essay or Feature), Louise Ternouth (Student Journalist of the Year), Te Aniwa Hurihanganui (Junior Reporter of the Year)



THE JUDGES SAID VERONICA SCHMIDT WAS A CLEAR WINNER WITH **A POWERFUL ACCOUNT OF HER FIGHT TO BRING TO JUSTICE** A MAN WHO HAD VIDEOED HER IN A DRESSING ROOM. THE 120,000 PAGEVIEWS THIS STORY ACCUMULATED WAS TESTAMENT TO THE INTENSE INTEREST VERONICA'S STORY ATTRACTED.

Best First-Person Essay or Feature: Veronica Schmidt/RNZ



Awards and Recognition

2020 ASSOCIATION FOR INTERNATIONAL BROADCASTING (AIB) AWARDS

The prestigious AIB awards are judged by an international panel of experts nominated by broadcasters from around the world. They cover factual television, radio, audio and online productions in any language. 2020 results will be announced in November 2021. RNZ has two finalists:

BEST VIDEO DOMESTIC AFFAIRS DOCUMENTARY

NZ Wars: Stories of Waitara

BEST RADIO / AUDIO

INVESTIGATIVE DOCUMENTARY

The Service: One Night in Wadestown

2021 VOYAGER MEDIA AWARDS

RNZ journalists won seven awards and received judging commendations as runners-up in three categories at the 2021 Voyager Media Awards. The annual awards celebrate the very best in print, digital and broadcast journalism on all media platforms across New Zealand.

2021 AWARD WINNERS: REPORTING AND FEATURE WRITING

BEST TEAM INVESTIGATION

NZ First donations

RNZ News

BEST FIRST-PERSON ESSAY OR FEATURE

I was filmed in a Kmart changing cubicle
Veronica Schmidt / RNZ

JUNIOR REPORTER OF THE YEAR

Te Aniwa Hurihanganui / RNZ

STUDENT JOURNALIST OF THE YEAR

Louise Ternouth / RNZ

DIGITAL

BEST NARRATIVE PODCAST

Getting Better

Emma Espiner: RNZ /
Bird of Paradise Productions

BEST EPISODIC PODCAST

Black Sheep

William Ray / RNZ

BEST INNOVATION IN DIGITAL

STORYTELLING

Game Change

RNZ / Vanishing Point Studio

RNZ Runners-up:

Feature Writer of the Year

Guyon Espiner

Best Reporting (Social Issues)

Lisa Owen / Checkpoint

Junior Reporter of the Year

Charlotte Cook

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 international audio innovation. RNZ's three winners in 2021 were:

GOLD MEDAL WINNER – THE UNTHINKABLE

The Unthinkable

Susie Ferguson / RNZ

SILVER MEDAL WINNER – ENVIRONMENT AND ECOLOGY DOCUMENTARY

Voices from Antarctica

Alison Ballance / RNZ

BRONZE MEDAL WINNER – HISTORY DOCUMENTARY

Black Sheep

William Ray / RNZ

2020 NEW ZEALAND TELEVISION AWARDS

Te Māngai Paho Best Māori Programme:

NZ Wars: Stories of Waitara

Mihingarangi Forbes, Annabelle Lee-Mather, Mahanga Pihama, Philip Smith, Deb Cope: Great Southern / RNZ

2021 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 radio networks.

RNZ received 10 awards in 2021:

BEST TALK PRESENTER – BREAKFAST OR DRIVE

Checkpoint

Lisa Owen / RNZ National

BEST SHOW PRODUCTION TEAM – TALK SHOW

Checkpoint

Annabel Reid, Bridget Burke, Lydia Batham / RNZ National

BEST NEWS STORY – TEAM COVERAGE

Checkpoint

COVID Lockdown Special / RNZ National: Pip Keane, Bridget Burke, Lisa Owen, Calvin Samuel, Annabel Reid, Lydia Batham, Nita Blake-Persen, Nick Truebridge, Logan Church, Louise Ternouth, Susana Lei'ataua

BEST NEWSREADER

Nicola Wright / RNZ National

BEST DOCUMENTARY OR FACTUAL TALK FEATURE

The Service

RNZ / Bird of Paradise: John Daniell, Guyon Espiner, William Ray, Tim Watkin, Veronica Schmidt, Adrian Holloy

BEST DAILY OR WEEKLY FEATURE – FACTUAL

Black Sheep

RNZ National: William Ray, Tim Watkin, William Saunders

BEST CHILDREN'S PROGRAMME

Nanogirl's Great Science Adventures

RNZ / Nanogirl Labs Limited
Michelle Dickinson, Sophie Fern, Rangi Powick, Liz Garton, Kate Sparks, Jocelyn Bunch, Tim Watkin

BEST VIDEO

NZ Hip Hop Standup

RNZ / NZ On Air: Chris Graham, Nigel McCulloch, Alice Murray, Tim Burnell, Kay Ellmers

BEST NEWS / CURRENT AFFAIRS PODCAST

The Service

RNZ / Bird of Paradise: John Daniell, Guyon Espiner, William Ray, Tim Watkin, Veronica Schmidt, Adrian Holloy

BEST ENTERTAINMENT PODCAST

Black Sheep

RNZ National: William Ray, Tim Watkin, William Saunders



THIS WAS A CLEAR WINNER DUE TO THE DEPTH OF RESEARCH, THE PUBLIC INTEREST INVOLVED, AND THE IMMEDIATE AND ONGOING IMPACT OF THE RESULTS OF THAT RESEARCH. IT UPHOLD THE FINEST TRADITION OF INVESTIGATIVE JOURNALISM... HOLDING POWER TO ACCOUNT.

Best Team Investigation NZ First donations: RNZ News

*Ehara taku toa i te toa takitahi,
engari he toa takitini*

Strength is not individual but the strength of many

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
31 Dundas 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



RNZ Music recording of Mara TK at Unitec's Te Noho Kotahitanga Marae. Photo: RNZ/Andre Upston

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

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