

STATEMENT of PERFORMANCE EXPECTATIONS

—
FOR THE YEAR ENDING 30 JUNE 2023



TE REO IRIRANGI
O AOTEAROA

Forward

Radio New Zealand, Te Reo Irirangi o Aotearoa (RNZ), belongs to the people of Aotearoa. Its central role is to serve as a trusted and independent public broadcaster that informs and connects our nation. We have done so for more than 90 years in various forms, including as part of the New Zealand Broadcasting Corporation between 1962 and 1975, as a State-Owned Enterprise from 1975 to 1995, and currently as a Crown Entity.

WE ARE NOW AT THE THRESHOLD OF ANOTHER TRANSFORMATION AS WE PREPARE TO BECOME A CORNERSTONE OF A NEW PUBLIC MEDIA ENTITY UNDER THE GOVERNMENT'S STRONG PUBLIC MEDIA POLICY.

This creates challenges and opportunities for RNZ. The challenges centre on ensuring what is likely to be RNZ's final year as a stand-alone entity is successful, and that we continue to do valuable and trusted work for New Zealanders at a time of crisis. Ensuring a smooth transition to the new entity, managing uncertainty and change, and maintaining the trust and confidence of audiences, will be crucial.



Dr JIM MATHER
Chair
29 JUNE 2022



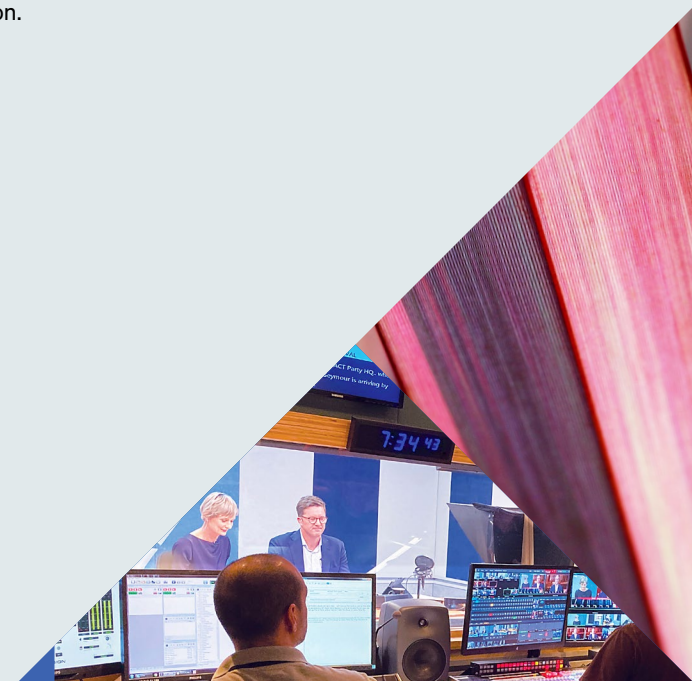
CAREN RANGI
Audit and Risk Chair
29 JUNE 2022

WE WILL HAVE A RARE OPPORTUNITY TO CONTRIBUTE FULLY TO THE SUCCESS OF A NEW PUBLIC MEDIA ENTITY.

RNZ's overarching priorities in the year ahead will be to continue to perform at a high level, while optimising the contribution of our people, capability, services, and public media expertise to the new entity.

This is the final year of the period covered by our current Statement of Intent 2019 - 2023. This Statement of Performance Expectations reflects our proposed activities, performance targets and forecast financial information for the year ending 30 June 2023. It is produced in accordance with the Crown Entities Act 2004, s149E.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the RNZ Board of Governors in accordance with its role under the Crown Entities Act 2004. There is no intention to update the forecast financial statements subsequent to presentation.



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ABOVE / RNZ Music recording TE KAAHU at Unitech's Te Noho Kotahitanga Marae

Our role

RNZ's mission is to enrich, reflect and connect the communities of Aotearoa and the Pacific through informative, challenging, and entertaining storytelling.

This has never been more important! In a time of a global pandemic and of rapid economic, social, and political change, the people of Aotearoa rely on public media that are trustworthy, accurate, independent and relevant. As the world gets more complicated, RNZ tells the stories that are important to New Zealanders, in an informative, challenging, and entertaining way.

RNZ is a multimedia service, encompassing radio, audio, text and video across a range of broadcast and digital platforms.

We strive to be available when and how people need us, whether it is calmly and concisely delivering information amid a civil defence emergency, breaking, and analysing the latest big story, or providing companionship. We take seriously our responsibilities to reflect and celebrate New Zealand arts, languages, and culture. Our obligation to Māori and te reo are a particular focus.

We co-operate and collaborate with many other entities with a view of making sure that the people of Aotearoa read, hear, and/or see themselves reflected in their media.

The Covid-19 pandemic is showing how hungry New Zealanders are for information and entertainment that is high quality, impartial, non-commercial, and independent. Audiences come to us for breaking news, for detailed explanations, and for comfort.

The trust that the audience places in RNZ is the key to everything we do. It is crucial that trust is maintained. As the Government advances its investment to reform public media, RNZ will continue to focus on our key mandate: to serve the public interest.

OUR 2022/23 PRIORITIES WILL BE TO LEAD NEW ZEALAND IN AUDIO CONTENT AND GROW REGIONAL NEWS COVERAGE. WE WILL CONTINUE TO ENHANCE OUR MOBILE AUDIENCE EXPERIENCES AND WIDELY SHARE OUR CONTENT. WE WILL HONOUR OUR COMMITMENT TO THE PRINCIPLES OF TE TIRITI O WAITANGI AND CONTINUE TO SUPPORT AND DEVELOP OUR PEOPLE. WHILE CONSISTENTLY PROVIDING OUR CURRENT AUDIENCE WITH THEIR FAVOURED CONTENT WE WILL ALSO PRIORITISE THOSE AUDIENCES UNDERSERVED BY NEW ZEALAND MEDIA.

These priorities will be achieved by focusing on our valued and trusted brand, placing audience at the heart of all our content and delivering that content to wherever they are. We will also continue to change the way we work to make RNZ a modern, efficient and great place to work.

Our forecast financial performance reflects our determination to remain strong and prepare RNZ for its role to play within the new public media entity. We will continue to manage RNZ's finances prudently as we deliver the strategy.

Our commitment to Te Ao Māori and Te Reo Māori

RNZ is committed to the principles of Te Tiriti o Waitangi and ensuring Māori perspectives, voices and aspirations are reflected in our content.

The primary charter deliverable is to **“reflect New Zealand's cultural identity including Māori language and culture”**. To achieve this a new appointment to the Executive of Tumu Māori was made in 2022 to lead the Rautaki Māori.

Lifeline utility

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

We have a statutory duty to ensure that we can function during an emergency and must maintain appropriate systems for the dissemination of emergency-related information.

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

We will assess our performance in this area by the extent to which we are able to maintain essential services that keep the public informed when/if a civil emergency event occurs.



IT WILL STAND TO
BE THE **SOURCE OF**
TRUTH AND TRUST
WITH THE BEST OF
RNZ'S VALUES
AND SERVICES AT
ITS HEART.

Our response to COVID-19

The COVID-19 pandemic has created many challenges for all New Zealanders. RNZ's priorities during this pandemic continue to be to keep our people safe and supported and provide a trusted information lifeline in a time of crisis.

The future of public media

The creation of the new public media entity is a once-in-a-generation opportunity driven by the changing behaviour of audience and failing business models. It comes as the media sector experiences great disruption; where global social media platforms are ascendant and commercial models are weakening. Now is the time to provide New Zealanders with a strong public media service that is well resourced to weather the toughest of storms, to connect, inform and unite the people of Aotearoa. It will stand to be the **source of truth and trust** with the best of RNZ's values and services at its heart.

Our strategic *and* performance framework

OUR PURPOSE – TE PŪTAKE

Giving effect to the RNZ Charter to connect and inform Aotearoa New Zealand

OUR ROLE – KO TĀ MĀTOU

We are New Zealand's only publicly owned non-commercial media organisation and exist solely to serve the public interest. Our consistently high levels of public trust and willingness to share and collaborate freely, further differentiate us from other media organisations

OUR VISION – TE WHĀINGA TĀHUHU

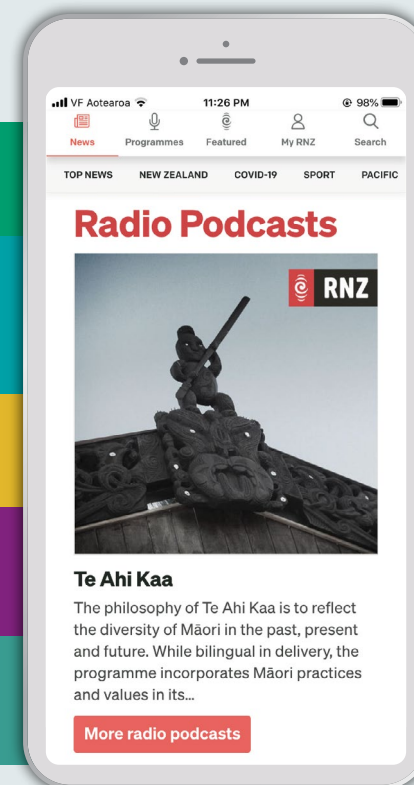
Develop a life-long relationship with all the people of Aotearoa and in the Pacific

OUR MISSION – TE WHĀINGA

Enrich, reflect and connect the communities of Aotearoa and the Pacific through informative, challenging and entertaining storytelling

ATTITUDES – NGĀ WAIARO

Creating an inclusive and constructive RNZ culture –
BE BOLD / EXTEND MANAAKITANGA / BETTER EVERY DAY



Strategic Objectives (SOI)

- Attract and retain diverse audiences
- Provide a multi-media public broadcasting service that is important to, and valued by New Zealanders
- Produce, publish and distribute a diverse and unique range of content and services
- Make our content and services available where, when and how audiences want

Current Priorities

- Embed the principles of Te Tiriti o Waitangi throughout RNZ and in all our services and functions
- Continue to strengthen RNZ's constructive and inclusive organisational culture and have our people prepared for the future
- Reinvigorate the RNZ mobile and audio experience for audiences
- Prioritise underserved audiences, particularly young people, Māori, Pacific people and Regional New Zealanders

Our outcomes framework *and funding*

RNZ has one reportable class of output which is the delivery of Public Broadcasting Services (M8¹). This output is funded through the Public Broadcasting Services Appropriation within Vote: Arts, Culture and Heritage.

A total of \$1.9m is specifically tagged for RNZ Pacific services with the balance distributed via NZ On Air for RNZ services (\$42.6 million).

RNZ also receives other funding relating to third party contracts tied to specific content delivery.

The purpose of our Public Broadcasting Service is set out in the Radio New Zealand Act 1995, specifically section 8 which sets out our Charter.

We must:

- 1.** serve the public interest as an independent public service broadcaster
- 2.** contribute to the exercise of freedom of thought and expression
- 3.** foster a sense of national identity by contributing to tolerance and understanding, reflecting, and promoting ethnic, cultural, and artistic diversity and expression, and
- 4.** provide reliable, independent, and freely accessible news and information.

The Charter is delivered through the RNZ services on various distribution networks and through different frequencies.

Our strategic initiatives are designed to enhance our services and to maintain and expand on audience reach, all of which align with the Government's Public Media Outcomes as described on page 14.

In achieving our strategic priorities and maintaining current services RNZ believes it will deliver reliable, independent, and freely accessible news, information and entertainment that will connect and inform the people of Aotearoa.

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

Our services

RNZ provides independent, trusted and valued news, information, and a wide variety of content that enriches the lives of New Zealanders.



RNZ has remained the most trusted news brand²

As a multimedia environment RNZ content and services are delivered to audiences through a variety of methods including AM, FM and shortwave frequencies, satellite, terrestrial television and through mobile and digital platforms via a suite of websites and apps.

RNZ's role in emergencies continues to grow. In recent years we have provided emergency broadcasting and coverage through several life changing events, including the Canterbury, Christchurch and Kaikoura earthquakes, the Port Hills and Nelson fires, several Pacific tsunami alerts, and numerous regional weather events. For the last two years RNZ has supported the All of Government Group management of the COVID-19 pandemic.

Nothing underlines the importance of RNZ's role more than this quote from a listener in a supermarket carpark following the Christchurch earthquake:

My car radio was tuned to RNZ National and it was the only source of information as all the power was out. Standing around my car were about 50 other stressed people... all listening to RNZ's coverage



Radio remains the most relied on medium in an emergency. National Emergency Management Agency (NEMA) research from 2021 shows that 73.1% of respondents nationwide said radio is where they can get information about what to do during or immediately after a disaster. RNZ works proactively with NEMA on a national programme of seminars to provide skills training and media communication guidelines for Regional Civil Defence and Emergency Management Groups and Public Information Managers.

The best of RNZ includes:

RNZ NATIONAL is a nationwide network providing a diverse range of live content including news, current affairs, feature documentaries, entertainment and music, featuring both New Zealand and international artists. Many of the quality programmes are unique to RNZ National because they are different and diverse.

RNZ CONCERT brings fine music in stereo to all New Zealanders, through a network of FM transmitters and digital satellite. Musical, dramatic, and performing arts comprise the core of RNZ Concert's broadcasts, with a repertoire featuring mainly classical music but also including jazz and special interest music.

RNZ PACIFIC broadcasts innovative, comprehensive, and independent news and programming of interest to the Pacific region via shortwave radio and online. This service is also available via satellite for relay and use by broadcasters within the Pacific and beyond. It provides an essential source of life saving information in the event of natural disasters or breakdowns in local communication services.

PARLIAMENT LIVE broadcasts when the House is sitting on AM audio live stream, and on Freeview.

The **RNZ NEWS AGENCY** and **CONTENT SHARING** programme is the trusted backbone of collaborative journalism in New Zealand. RNZ content is made available to other media partners, from small independently owned regional newspapers and websites through to most of New Zealand's major commercial media businesses. Without RNZ support via the sharing of written, audio and visual material, many of these smaller outlets would not be able to tell the stories that are important to their communities.



RNZ ONLINE content, accessed through our website and a range of mobile apps and social media platforms, provides news and analysis, entertainment, and on-demand access to RNZ's vast collection of current and back catalogue of content.

TAHI streams music 24/7 targeting younger New Zealanders with 40 percent local talent. Content and playlists are also on targeted platforms including TikTok, Facebook, Twitter, YouTube, Rova, and streaming service Spotify.

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

² Trust in news in Aotearoa New Zealand 2022: AUT Research Centre for Journalism, Media and Democracy

What we will do

LONG TERM GOALS (SOI)	CURRENT PRIORITIES	HOW WE WILL MEASURE PROGRESS	2022/23 TARGET	2021/22 FORECAST	2020/21 ACTUAL	SOURCE
Attract and retain diverse audiences	Prioritise underserved audiences, particularly young people, Māori, Pacific People and Regional New Zealand	Grow RNZ Pacific's online audience	8.0 million	7.0 million	9.1 million	Total pageviews of RNZ Pacific section of website
		Grow our rangatahi audience	1000 live stream users per day	500 live stream users per day	New Measure	Google analytics of the number of users listening for more than 1 minute per day
		Maintain our current Pacific region radio audience	21 stations	20 stations	22 stations	Number of Pacific region radio stations taking the RNZ service
		Maintain our traditional live radio listeners	701,900	701,900	701,900	GfK audience research: average combined RNZ National and RNZ Concert weekly cumulative audience
		Build our online audiences	4.0 million	3.9 million	3.6 million	Google analytics of the average monthly visitors to RNZ's website
		Number of Media Awards won	+20	30	New Measure	Press releases
Provide a public broadcasting service that is important to, and valued by, New Zealanders		At least 7 out of 10 New Zealanders agree that RNZ provides a valuable service to New Zealand	7:10	7:10	5.6:10	Independent external research
		At least 8 out of 10 New Zealanders agree that it is important for New Zealand to have an independent public broadcaster	8:10	7:10	7:10	

LONG TERM GOALS (SOI)	CURRENT PRIORITIES	HOW WE WILL MEASURE PROGRESS	2022/23 TARGET	2021/22 FORECAST	2020/21 ACTUAL	SOURCE
Produce and broadcast a diverse and unique range of services	Embed the principles of Te Tiriti o Waitangi throughout RNZ and in all our services and functions	Ngā Kaupapa Māori / Māori Content Grow Māori specific features & content	150 hours	140 hours	New Measure to include live broadcasts. 93 programmed hours broadcast	Number of radio broadcast hours (live and programmed)
			1,150 items	1,056 items	1,056 items	Number of items uploaded to the Te Ao section of rnz.co.nz
		Ngā Hononga / Our Partnerships RNZ will partner with external producers to co-create content with a Māori focus	50% of internal commissioning budget targeted on Māori content	Achieved	New Measure	Financial reporting and budget
	Other measures on the contribution to the production and broadcast of diverse and unique range of services					
		Deliver Local Democracy Reporting	13 LDR engagements	11 LDR engagements	New Measure	Signed Agreements
		Increase Regional Journalists	15 FTEs	13.8 FTEs	New Measure	Employment contracts
		Maintain RNZ Content Sharing Programme	+60 Agreements	65 Agreements	62 Agreements	Signed Agreements

LONG TERM GOALS (SOI)	CURRENT PRIORITIES	HOW WE WILL MEASURE PROGRESS	2022/23 TARGET	2021/22 FORECAST	2020/21 ACTUAL	SOURCE
Make our services available where, when and how audiences want	Reinvigorate the mobile and audio experiences for audiences	At least 7 out of 10 New Zealanders aware of RNZ have consumed it in the week surveyed	7:10	New Measure	New Measure	Independent external research
		Improved functionality for discovery, access, search and content optimisation for mobile audience	Achieve	New Measure – project to be delivered in 2022-23	New Measure	Completion of project as detailed in a statement of works
		Maintain delivery of content through AM, FM, satellite, shortwave and online 99% of the time	Achieve	Achieved	New Measure	Transmission logs
	Other measures on the contribution to make our services available where, when and how audience want					
		Maintain uninterrupted Lifeline Utility Services during Civil Defence Emergencies	Achieve	Achieved	New Measure	RNZ Broadcast Services

Organisational development

CURRENT OBJECTIVES	HOW WE WILL MEASURE PROGRESS	2022/23 TARGET	2021/22 FORECAST	2020/21 ACTUAL	SOURCE
Honour our commitment to the principles of Te Tiriti o Waitangi	Ngā Tangata / Our People Ensure all staff have access to Te Tiriti Workshops	80% trained	50% trained	New Measure	A training partner has provided Te Tiriti workshops
	Maintain the Henare Te Ua Internship Programme to increase trained Māori journalists	Achieve	Achieved	Achieved	Internship agreements
	Tiaki i te reo Maori / Language Strategy Ensure all staff have access to te reo lessons	50% trained	30% trained	New Measure	A training partner has provided te reo workshops and online reference documents are available
Strengthen RNZ's constructive and inclusive organisational culture and prepare our people for the future	Strengthen staff engagement	+70% people engagement	70% people engagement	65% people engagement	Through an engagement survey RNZ will score the engagement of its people
	Maintain women in leadership	50%	50%	50%	Leadership is measured by those people designated as holding leadership roles
	Balanced Gender Diversity	50/50	50/50	50/50	Employment records
	Reduce Gender Pay Gap	2.8%	3.5%	4.8%	Employment data (off the base of prior year Annual Report results)
	Reduce Ethnicity Pay Gap	2.8%	5.0%	5.8%	
Maintain a sustainable RNZ	Partner with waste reduction organisations to reduce RNZ's carbon footprint	2 new agreements	2 new agreements	New Measure	Partnership agreements
	Positive EBITDA	\$1.6m	\$1.65m	\$1.65m	Financial Performance Reports

Our contribution *to* public media outcomes

GOVERNMENT OUTCOMES

NEW ZEALAND AUDIENCES CHOOSE to ACCESS MAINSTREAM and TARGETED CONTENT and SERVICES THAT SUPPORT:

- Their needs and interests as people living in Aotearoa, and in particular reflect the language 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 diversity of content that they value and trust

PUBLIC MEDIA in NEW ZEALAND are:

- Operationally and editorially independent
- Securely and suitably funded
- Able to respond effectively to an evolving operating environment and relevant to changing consumer preferences, in particular younger audiences
- Complementary to and collaborative with private media

PUBLIC MEDIA PLAY an INTEGRAL ROLE in CONTRIBUTING to NEW ZEALAND BEING:

- A connected, informed, cohesive and independent nation
- A healthy, participative democracy
- Confident in and aware of our unique identity, cultures and languages

SOI OBJECTIVES and CHARTER OUTCOMES

ATTRACT and RETAIN AUDIENCE

- 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

PROVIDE a MULTI-MEDIA PUBLIC BROADCASTING SERVICE THAT is IMPORTANT TO, and VALUED by NEW ZEALANDERS

- 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

PRODUCE, PUBLISH and BROADCAST a DIVERSE and UNIQUE RANGE of SERVICES

- 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
- Make our services available where, when and how audiences want
- 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

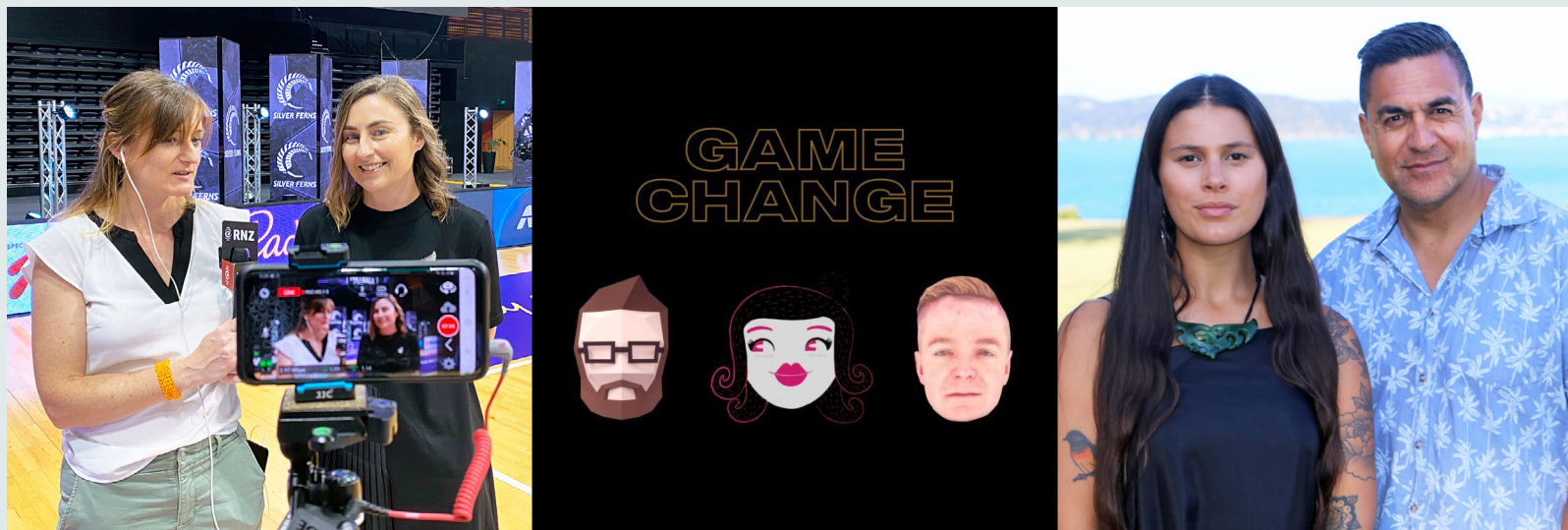
Our financial performance

The prospective financial statements are based on assumptions which RNZ reasonably expect to occur. The actual results achieved for the periods covered are likely to vary from the information presented where unplanned events occur, such as the ongoing effects of COVID-19 and any other future major events.

2022/23 may potentially be the final year of RNZ operating as a standalone Crown Entity with future years operating as a subsidiary of the new Autonomous Crown Entity proposed by the Government. These prospective financial statements have been prepared as if RNZ will continue to be appropriately funded as per the Government's Public Media Outcomes.

In 2022/23 Government funding will be reduced by \$900,000. This funding was provided to alleviate the impact of mounting cost pressures. Cost pressures continue as the impact of cost of living increases operational costs such as electricity, property, insurances and personnel costs. To support the priorities stated within this SPE RNZ intends on using a portion of its equity in 2022/23 to sustain capability, maintain all services and reach underserved audiences.

In the 2022 budget announcement RNZ was awarded funding to support the replacement of the RNZ Pacific shortwave transmitter and operational costs across the next four years. Total capital funding of \$4.4m and operational funding of \$1.035m has been confirmed and applied to these prospective financial statements.



BOTTOM 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

GROUP PROSPECTIVE STATEMENT of FORECAST COMPREHENSIVE REVENUE and EXPENDITURE

	FORECAST 30 June 2022 \$000	BUDGET 30 June 2023 \$000	BUDGET 30 June 2024 \$000	BUDGET 30 June 2025 \$000
REVENUE				
Revenue from the Crown	46,909	46,369	52,240	53,754
Funding from subsidiary				
Other revenue	2,854	2,507	2,507	2,507
Interest income	40	30	30	30
	49,803	48,906	54,777	56,291
EXPENDITURE				
Personnel costs	30,816	30,903	32,448	33,421
Depreciation & amortisation	2,984	3,164	3,389	3,389
Other	17,497	17,517	18,393	18,945
	51,297	51,584	54,230	55,755
OPERATING SURPLUS / (DEFICIT)	(1,494)	(2,678)	547	536
Corporate taxation	0	0	0	0
TOTAL COMPREHENSIVE REVENUE and EXPENDITURE	(1,494)	(2,678)	547	536
EBITDA	1,450	456	3,906	3,895

GROUP PROSPECTIVE STATEMENT of CHANGES in EQUITY

	FORECAST 30 June 2022 \$000	BUDGET 30 June 2023 \$000	BUDGET 30 June 2024 \$000	BUDGET 30 June 2025 \$000
EQUITY				
Share capital	20,192	20,192	20,192	20,192
Capital Contribution		4,400		
Asset Revaluation Reserve	46,507	46,507	46,507	46,507
Retained earnings	(217)	(2,895)	(2,348)	(1,811)
Total Equity	66,482	68,204	64,351	64,888

GROUP PROSPECTIVE STATEMENT of FORECAST FINANCIAL POSITION

	FORECAST 30 June 2022 \$000	BUDGET 30 June 2023 \$000	BUDGET 30 June 2024 \$000	BUDGET 30 June 2025 \$000
Equity	20,192	20,192	20,192	20,192
Share capital		4,400		
Capital Contribution	46,507	46,507	46,507	46,507
Asset Revaluation Reserve				
Retained earnings	(217)	(2,895)	(2,348)	(1,811)
Total Equity	66,482	68,204	64,351	64,888
CURRENT LIABILITIES				
Accounts payable & accruals	2,076	2,500	2,500	2,500
Employee entitlements	2,341	2,057	1,800	1,800
Total Current Liabilities	4,417	4,557	4,300	4,300
Non-Current Liabilities	1,560	1,560	1,560	1,560
Total Liabilities and Equity	72,459	74,321	70,211	70,748
CURRENT ASSETS				
Cash & cash equivalents	5,831	3,314	2,965	2,875
Investments (Term Deposits)	1,500	1,500	1,000	1,000
Receivables	645	645	645	645
Prepayments and Other Receivables	221	221	221	221
Assets held for sale	677	0	0	0
Total Current Assets	8,874	5,680	4,831	4,741
Net Working Capital	4,456	1,123	531	441
NON-CURRENT ASSETS				
Property, plant & equipment	62,536	66,100	63,093	63,376
Intangible assets	1,050	2,541	2,288	2,630
	63,586	68,641	65,381	66,007
Net Assets	72,460	74,321	70,212	70,747

GROUP PROSPECTIVE STATEMENT of FORECAST CASHFLOWS

	FORECAST 30 June 2022 \$000	BUDGET 30 June 2023 \$000	BUDGET 30 June 2024 \$000	BUDGET 30 June 2025 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash will be provided from:				
NZOA, the Crown, and other income	49,763	48,876	54,747	56,261
Interest received	40	30	30	30
Cash will be disbursed to:				
Payments to employees & suppliers	(48,313)	(48,513)	(50,836)	(52,346)
Interest expense				
Net Cash from operating activities	1,490	393	3,941	3,945
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash will be provided from:				
Proceeds from the sale of assets	0	900	0	0
Cash will be disbursed to:				
Acquisition of term investments	(1,000)	0	500	0
Purchase of non current assets	(3,140)	(8,210)	(4,790)	(4,035)
Net Cash from investing activities	(4,140)	(7,310)	(4,290)	(4,035)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash will be provided from:				
New shares issued	650	0	0	0
Sale of Assets				
Cash will be disbursed to:				
Returns to Shareholders				
Investments & Shareholders	0	4,400	0	0
Net Cash from financing activities	650	4,400	0	0
Net Increase/(Decrease) in Cash	(2,000)	(2,517)	(349)	(90)
plus Opening cash as at 1 July	7,831	5,831	3,314	2,965
Cash and Cash Equivalents	5,831	3,314	2,965	2,875

Statement of Accounting Policies

REPORTING ENTITY

Radio New Zealand Limited is a Crown Entity in terms of the Crown Entities Act 2004. The company is wholly owned on behalf of the Crown by the two Shareholding Ministers, the Minister Responsible for RNZ and the Minister of Finance. Radio New Zealand Limited is a company registered under the Companies Act 1993.

The group consists of the consolidated activities of Radio New Zealand Limited and its subsidiary Sound Archives/Ngā Taonga Kōrero Limited which is 100% owned. Sound Archives/Ngā Taonga Kōrero Limited was incorporated on August 1998 and has operated the archive since 1 October 1998 but in the current forecasts is not operating.

RNZ is a Public Benefit Entity (PBE) and as such the potential conflict between the pursuit of core public service broadcaster objectives set out in RNZ's Charter and more commercial company objectives is minimised.

BASIS OF PREPARATION

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the periods covered.

STATEMENT OF COMPLIANCE

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE FRS42 Prospective Financial Statements. The prospective financial statements for the year ended 30 June 2023 will be used in the Annual Report as the budgeted figures.

PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

SIGNIFICANT ASSUMPTIONS

In preparing these prospective financial statements, RNZ has made judgements, estimates and assumptions concerning the future. These judgements, estimates and assumptions may differ from actual results. None of the judgements, estimates and assumptions made are regarded as being significant.

The following significant assumptions underpin the prospective financial statements:

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

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

CHANGES in ACCOUNTING POLICIES

Accounting policies are changed only if the change is required by a or interpretation or otherwise provides for more reliable and more relevant information. There are no changes to accounting policies.

BASIS of CONSOLIDATION

The consolidated financial statements include the holding company and its subsidiary. The subsidiary is accounted for using the purchase method.

COST ALLOCATION

RNZ produces one output which is to deliver Public Broadcasting Services (m8). All costs 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.

REVENUE (CROWN and OTHER REVENUE)

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

GOODS and SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

TAXATION

Income tax expense comprises both current tax and deferred tax and is calculated using tax rates that have been enacted or substantively enacted by balance date. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The measurement of deferred

tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Current tax and deferred tax are charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity

ACCOUNTS RECEIVABLE

Accounts receivable are stated at expected fair value and measured at amortised cost less any provision for impairment

CASH and CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprises cash at bank, in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

NON-CURRENT ASSETS

Property, plant and equipment are stated at fair value, including library and archival collections. Land and Buildings have been revalued in the prospective financial statements. A formal valuation of Land and Buildings was completed in the year ended 30 June 2017.

Library collections are reviewed to fair value at least every five years.

The results of revaluing library and archival collections are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Position. To the extent that a revaluation gain reverses a loss previously charged to the Comprehensive Statement of Revenue and Expense, the gain is credited to the Comprehensive Statement of Revenue and Expense.

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

IMPAIRMENT of ASSETS

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

DEPRECIATION and AMORTISATION

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

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

Buildings	5 to 50 years
Leasehold improvements	Term of lease
Plant and equipment	5 to 20 years
Motor vehicles	5 years
Computer hardware equipment	3 to 5 years
Furniture, fittings and other	5 to 10 years
Library	10 to 15 years

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

INTANGIBLE ASSETS

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

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

AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The sound archive collection will not be amortised as it is categorised as a heritage asset and as such is not normally amortised.

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

Computer software	2 to 5 years
Capital contributions	Term of contract

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

ASSOCIATES

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

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

EMPLOYEE ENTITLEMENTS

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

SUPERANNUATION SCHEMES

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

PROVISIONS

RNZ recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive)

as a result of a past event, and it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount.

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

LEASES

RNZ has not finance leases.

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

FINANCIAL INSTRUMENTS

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

CASH FLOW STATEMENT

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

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

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

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

FOREIGN CURRENCY TRANSACTIONS

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



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