



TAUĀKĪ KAWATAU

# Statement of Performance Expectations

FOR THE YEAR ENDING 30 JUNE 2025



# Fresh



## FRONT COVER

*Itty Bitty Beats*  
New Music Kids  
funded artists

## INSIDE COVER

*Fresh*  
Tikilounge Productions  
The Coconet.TV

# HE RĀRANGI TAKE

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This Statement of Performance Expectations reflects NZ On Air's proposed performance targets and forecast financial information for the year ahead. It is produced in accordance with the Crown Entities Act 2004.

The forecast financial statements and underlying assumptions in this document have been authorised by the Board of NZ On Air in accordance with its role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.



**DR RUTH HARLEY, CNZM OBE**  
Chair



**PHILIP BROUGHTON**  
Chair of Audit & Risk Committee

30 June 2024

## HE TIROHANGA WHĀNUI

# Overview

### Tā mātou koronga | Our purpose

## To reflect and develop the identity and culture of Aotearoa New Zealand.

### KIA HURITAO ME TE WHAKAPAKARI AKE I TE TUARIKI ME TE AHUREA O AOTEAROA.

Our stories and songs are at the heart of who we are and where we are from. Irirangi Te Motu | NZ On Air is dedicated to enabling content that connects us and develops the unique culture of Aotearoa New Zealand.

Irirangi Te Motu | NZ On Air (the Broadcasting Commission) is an Autonomous Crown Entity established under the Broadcasting Act 1989. NZ On Air's primary function, as set out in the Act, is to reflect and develop New Zealand identity and culture by promoting (funding) programmes about New Zealand and New Zealand interests, and promoting Māori language and Māori culture.

We are a multi-cultural nation, built on a bi-cultural foundation. We acknowledge Te Tiriti o Waitangi as foundational to our identity as a country and the relationship with

Māori at its heart. We are committed to serving the many audiences outlined in the Broadcasting Act and those represented in the changing face of Aotearoa New Zealand.

For 35 years our agency has responded to vast changes in the media landscape, technology, and in the demography of the audiences we serve. Media is everywhere, but content that meaningfully reflects New Zealand and New Zealanders can only be authentically made here. Audience fragmentation and a challenging commercial environment for media has increased the case for funding quality public media content.

We regularly revise our funding strategies to ensure we continue to reach audiences with content they can engage with. Our role is to ensure content that might not be made otherwise is available for audiences. This spans content for under-served audiences, as well as quality local

drama and premium documentaries, these last two being content that often cannot be commercially funded.

NZ On Air works closely with fellow funding agencies Te Māngai Pāho (TMP) and the New Zealand Film Commission (NZFC) and across a range of public and commercial media platforms to deliver trusted public media to many different audiences.

Our funding underpins the screen and music sectors, and now also the game development sector, through the Game Development Sector Rebate scheme (GSDR). The impacts of our work – jobs and income – flow to ancillary businesses and communities around New Zealand. The content created is a high value weightless export that helps to raise the international profile of this little nation at the bottom of the globe.

**FIGURE 1:** Our Investment Strategy





## HEI PAKU TIROHANGA WHAKAMUA

# The year ahead at a glance

Over the coming year we will cement our Investment strategy (introduced last year to replace the NZ Media Fund), which is deeply rooted in understanding audience needs. In addressing those needs we will also be working towards better representing and reflecting all New Zealanders. And we will take a big step forward in the way we report on our performance, which is vital to retaining confidence in the agency and the cultural importance of our mahi.

The environment we operate in is increasingly complex and difficult. Market failure of local platforms and their ability to commission and deliver local content to audiences is a very real threat at this time. Local media platforms are struggling in the face of increased competition for advertising revenue from international operators, undermining their ability to invest in local content. This is increasing demand for public funding. At the same time,

costs are rising and we must also strive to deliver these important cultural outcomes in an effective and efficient way. We will work hard to ensure we are responding to changing needs in the sector, and the Government's expectation that we deliver value for money and are sustainable over time.

New areas of work include supporting quality drama productions with local stories that have international appeal to apply for the Screen Production Rebate (SPR). This is a win win scenario in which we can support more, higher budget dramas to deliver compelling stories on screens here and across the world.

We are also now responsible for delivery of the GDSR – requiring us to build on relationships with the game development sector, and our own capability in distributing a rebate, which requires different accounting processes added to our well-established systems.

**Our new Statement of Intent 2024–2028** weaves together our ambitions for the next four years; how we will deliver on our Investment Strategy objectives; and how we will achieve these while being true to our values, our commitment to contributing to

Te Tiriti O Waitangi principles, and to equity and representation in our mahi.

Over the coming year our work programme will focus on:

- investing in **developing** content to achieve high quality outcomes – working hard to get strong projects into market to attract international investment and qualify for SPR.
- supporting high quality content for audiences, and a commitment to supporting current affairs and journalism in order to maintain plurality of views in news media.
- ensuring **transparency**, rigour and flexibility in our assessing and decision-making – including a refinement of our assessment framework, and more guidance for the sector on applying for funding.
- updating our Rautaki Māori to enable our commitment to **equitable** outcomes for Māori audiences, content and creators, and providing in-depth Māori audience research.
- investing in the marketing and **promotion** of funded stories and songs, in partnership with platforms, to increase discoverability, and tracking audience impact of this mahi.
- implementing changes to our Music funding schemes to reflect key recommendations in the 2023 Music review – with a focus on **equitable** outcomes across ethnicity and gender.
- growing our **understanding** of the game development sector and its needs – supporting the sector to thrive locally and compete internationally.
- bedding in new performance measures – ensuring they are **transparent** and tell a compelling story of our performance and impact.
- continuing to invest in quality research and data insights to inform the sector and our own funding decisions and strategies.
- increased collaboration with our fellow funding agencies – TMP and NZFC – sharing information, resources and processes where we can to be more efficient and provide a better service to shared stakeholders.

## HEI TAUTOKO MĀ MĀTOU TE RĀNGAI

# Our contribution to sector outcomes



### Our Investment Strategy goals guide our mahi

#### Valued

New Zealand audiences value local content that matters

#### Diverse

New Zealand audiences value local content made for a range of communities

#### Discoverable

New Zealand audiences can find and appreciate local content

Our work supports the Government's focus on ensuring innovation in the media sector, contributing to the Government's priorities of building the economy to create a vibrant and thriving New Zealand.

Our flexible investment strategy allows us to respond to the changing media landscape and to fast-changing audience needs, vital in turbulent times for the sector. Our investments are targeted to ensuring high quality local content is available to local audiences are reflected in the media they consume, adding to the vibrancy of New Zealand. At the same time, our investments underpin the independent production sector, and through careful selection of projects alongside the NZ Screen Production Rebate we stimulate the attraction of third party investment in content which creates a bigger pool of funds available.

We are focused on finding solutions for sustainability of services, and in our own agency look for operational efficiency. We contribute to the efficiency and effectiveness of the public service and government funded services. Our agency plans to spend less than 5% of our overall budget on administration, ensuring the majority of funds are available in support of the media sector.

A new Statement of Intent for 2024–2028 sets out how we will balance investments across our portfolio which includes screen and radio content, music, games and operational funding for vital public media platforms and services. In this Statement of Performance Expectations we have set ambitious targets and have robust performance measurement and reporting in place.

Our work is informed by quality research and data insights. Our agency is leading the way with new metrics to monitor engagement with content online, and with sector-leading research on media trends. As a result we seek out a wide range of audiences on the platforms they use, including hard-to-reach age ranges and ethnic groups.

We work closely with fellow funding agencies NZFC and TMP, both in sharing insights and strategies, and in collaborating on funding initiatives where a combined effort can have the greatest impact. We are working closely with NZFC on greater alignment and efficiency in our work, and supporting Manatū Taonga on legislative and regulatory reform options.

## HE PŪNAHA HEI WHAKAMAHERE MAHI WHAIHUA

# Our Strategic and Performance Framework

Our strategic framework weaves together what drives NZ On Air, what we are aiming for and how we deliver our mahi.

Our work programme is largely delivered through our Investment strategy – expressed as four pou – **Creation**, supported by **Insights** and **Capability**, and lastly **Discoverability**. While the vast majority of our funding and resourcing goes into delivering the **Creation** pou, each of the pou plays an important part in the whole.

Our Rautaki Māori sits alongside our Investment Strategy, striving for equitable outcomes for Māori both at the content creation and audience outcomes level. It also guides our agency in our contribution to four specific principles of Te Tiriti o Waitangi.

Our administration of the GDSR supports the ongoing development and growth of Aotearoa New Zealand’s game development sector. It fits under Capability in our investment framework, recognising the rebate is not strictly about creation of content, but development and growth of the industry.

We manage our investments with regard to a risk management framework that is regularly reviewed to ensure it reflects the changing media landscape.

Our delivery of public media outputs is purchased by the Minister for Media and Communications under the appropriation Public Broadcasting Services<sup>1</sup>. Our delivery of the GDSR is purchased by the Minister for Science, Innovation and Technology<sup>2</sup>.

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<sup>1</sup> The non-departmental out expense, Public Broadcasting Services sits within Vote Arts, Culture and Heritage, administered by Manatū Taonga The Ministry for Culture and Heritage.

<sup>2</sup> The non-departmental out expense, GDSR sits within Vote Business, Science and Innovation, administered by the Ministry of Business, Innovation and Employment (MBIE).



**FIGURE 2:** Our Strategic Framework



**HEI WHAI MĀ MĀTOU?****What will we do?**

We invest in New Zealand stories and songs, working with the local creative community and platforms to ensure audiences can find content that reflects and develops their identity and culture.

**In practice, this means:**

**Creation**

We provide funding to support quality diverse content. In Music we support artists to write and record songs, adding diversity and choice to New Zealand music on radio and streaming platforms. Through this support we boost the volume of local music New Zealanders enjoy every day. Our funding supports not only the music artists, but the recording studios, producers, video content makers, music managers and publicists who help to promote the songs. We have specific initiatives to increase participation and success by Māori, Pasifika, and Pan Asian artists as well as those creating songs for tamariki. We also work hard to create equitable outcomes for women and non-binary artists. Funding rounds for singles (including focus rounds) run nine times a year and for multi-song projects four times a year.

Through three contestable funding rounds a year we seek and support quality public media content, both Scripted and Non-Fiction, for a wide variety of audiences. This is largely audio-visual content, although also includes podcasts, and games for tamariki, the latter being an increasingly important way to engage this audience with local stories. Drama is expensive to make, and local drama must compete with a tsunami of international content with eye-watering budgets. We aim to support local drama production that has both local and international ambitions; the addition of domestic productions broadly to eligibility for the SPR has had a marked impact on our ability to stretch limited funds further, increasing opportunities for local storytellers. We will continue to support important Non-Fiction content including current affairs and journalism.

**Insights**

Our unique position affords us relationships across the music, screen production, media and game development sectors. With this comes an ability to bring a broad understanding of what's happening in the local media ecosystem. We take a leadership role in commissioning or producing important research and insights that inform our own work, and that of content creators and platforms.



## Capability

We identify capability and capacity gaps through research and monitoring, and then target initiatives to grow a diverse, talented sector, and to create equitable opportunities to tell stories from an authentic perspective. We mostly partner with sector guilds and experts, to deliver this development and training where our research and monitoring has identified gaps. In addition we invest in development of screen content, to ensure a pipeline of quality projects headed for production.

We are guided by the Broadcasting Act directive to provide for specific audiences that are under-served by commercial media<sup>3</sup>. New Zealand is increasingly diverse, and our challenge is to reflect the many perspectives and faces.

### GAME DEVELOPMENT

In Budget '23 the Government provided funding of \$40m per annum for NZ On Air to deliver the GDSR, to encourage ongoing development and growth of the sector in New Zealand. Businesses must have a minimum qualifying expenditure of \$250,000 and the rebate is capped at \$3m per annum for each business. The 2024/25 year will be the second year of delivery of the scheme, which will be followed by a review by MBIE to gauge uptake and early impact.



## Discoverability

In this pou we focus on the promotion of content across a range of platforms so audiences know about and can access that content. We also provide operational funding for vital public media platforms and services that provide access to important content that would otherwise not be provided; this includes Pacific radio, community access media (radio), student radio, captions and audio description on screen content, and popular culture websites NZ on Screen and AudioCulture. This is a closed fund – we do not accept applications for funding other than from entities we already fund. In addition we support a number of events in relevant sectors to celebrate and showcase excellent content.

<sup>3</sup> S 36c Broadcasting Act 1989 directs us to 'ensure that a range of broadcasts is available to provide for the interests of women, youth, children, persons with disabilities and minorities in the community including ethnic minorities.'



*Spinal Destination*  
Great Southern  
Television, Sky Open

## MŌ NGĀ MAHINGA WHAIHUA

# Performance Information

The targets and budgets following show how we intend to invest our funding and measure our progress. We have developed some new measures, adjusted some existing measures (to take account of changing audience behaviour) and better connected our measures to our objectives. We will continue to develop our measures to ensure we are transparent, accountable and constantly striving for positive cultural impact with the funds provided.

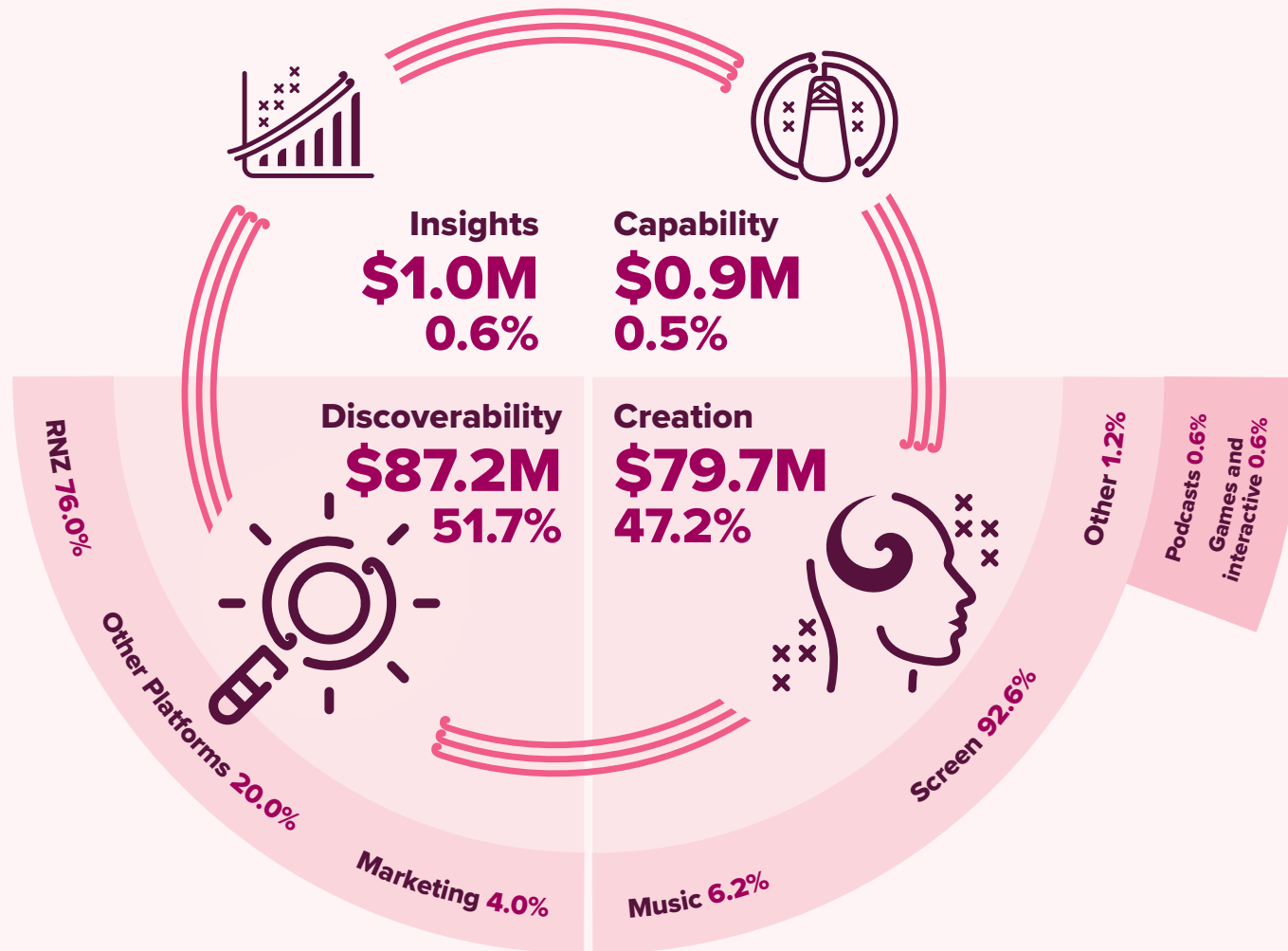
As our Investment strategy is designed to be a simple and flexible model that will enable us to adapt to a fast-changing media environment, the budgets are indicative only and may change depending on applications and other market factors.

NZ On Air has two reportable classes of outputs. These cover funds appropriated by Government through Vote Arts, Culture and Heritage and through Vote Business, Science and Innovation (for the GDSR). The budgets contained in this document outline how funding will be allocated and the measures show how we will gauge our performance in each area.

The measures are divided according to the four pou of our Investment Strategy- Creation, Insights, Capability, and Discoverability. In addition we have measures for Operating Excellence which cover valuing our people, being inclusive, being efficient and being open and transparent.



**Total funding expenditure 2024/25 = \$168.8m**



\* Excluding GDSR rebate and administration costs.



WHĀTAUA TŌ MĀTOU  
PĀPĀTANGA

# Measuring our Impact



## Our Goals

### Valued

New Zealand audiences  
value local content  
that matters




### Diverse

New Zealand audiences  
value local content made  
for a range of communities

### Discoverable

New Zealand audiences  
can find and appreciate  
local content

*The Kids of  
Kōrero Lane S2*  
Attitude Pictures,  
TVNZ+ and Attitude  
Live on YouTube


Strategic Objectives	How We Will Achieve Them	Goal Alignment	SPE Measures	2024/25 Target	2023/24 Target	2023/24 Estimate	2022/23 Actual
 <b>Insights</b> Adapt to the needs and preferences of the audiences we serve by:	investing in research to grow the <b>understanding</b> of local audiences	<b>DIVERSE DISCOVERABLE</b>	The majority of stakeholders believe NZ On Air's leadership, research and policy input is valuable	75%	Biennial measure	Biennial measure	76%
	<b>analysing</b> and <b>reflecting</b> on research insights as an evidence base to inform funding strategies and decisions	<b>VALUED DISCOVERABLE</b>	A minimum of two actions per project undertaken in response to completed research projects	Achieve	New measure	New measure	New measure
 <b>Capability</b> Support creative excellence and career pathways by:	investing in <b>developing</b> screen content to achieve high quality outcomes	<b>VALUED</b>	At least 15% of funded development projects will be funded into production.	Achieve	New measure	New measure	New measure
	funding initiatives to better support and grow <b>emerging</b> creatives	<b>DIVERSE</b>	Participants in NZ On Air funded industry training/development initiatives over \$50,000 rated the initiative as good or very good	70%	New measure	New measure	New measure
	<b>growing</b> industry capability and capacity through development, skills, and support initiatives	<b>VALUED</b>					
 <b>Creation</b> Invest in the stories and voices of Aotearoa by:	funding a <b>diversity</b> of content made by, for and about our cultures and communities	<b>DIVERSE</b>	NZ On Air funding for Scripted and Non-Fiction content that represents and/or is intended for targeted audiences including s36(1)(c) audience	At least 25%	At least 25%		55%
			NZ audiences appreciate the diversity of public media funded by NZ On Air	75%	75%		66%
			People aged 15+ who report feeling represented as a person (e.g. values, identity and experiences) in New Zealand made television/online programmes and films	25%	New measure	New measure	New measure
			Pacific people agree PMN Niu and PMN 531 provide culturally relevant content	Biennial measure	75%		Biennial measure
			Content in more than 40 languages (including 9 Pacific) is supported	Achieve	Achieve		54 languages (including 8 Pacific)

Strategic Objectives	How We Will Achieve Them	Goal Alignment	SPE Measures	2024/25 Target	2023/24 Target	2023/24 Estimate	2022/23 Actual
<b>Creation</b> cont...	ensuring audiences <b>engage</b> with and <b>enjoy</b> local content	VALUED	New Zealanders believe NZ On Air supports local public media important to New Zealanders	75%	75%		73%
			New Zealanders aware of our support for content like that content	70%	70%		63%
			New Zealanders who consume RNZ's content agree that it is challenging, innovative and engaging	70%	70%		New measure
			NZ On Air funded TV content broadcast in the period reached 65% of people aged 5+ <sup>4</sup>	Achieve	New measure	New measure	New measure
			NZ On Air funded Video OnDemand content uploaded in the period was viewed over 8M times <sup>5</sup>	Achieve	New measure	New measure	New measure
			Average view-through rate for NZ On Air funded screen content: <ul style="list-style-type: none"> <li>Linear – Average Time Spent Viewing</li> <li>Online – Average Completion Rate</li> </ul>	60%	New measure	New measure	New measure
			Number of individual songs funded through Single, Focus and Project applications	At least 300	New measure	New measure	New measure
			People aged 15+ report enjoying watching NZ-made TV/online programmes and films	35%	New measure	New measure	New measure
			People aged 15+ report enjoying listening to NZ-made music on the radio or online	35%	New measure	New measure	New measure

<sup>4</sup> We expect this figure to decline over time as fewer people consume content through linear channels.

<sup>5</sup> This measure currently captures content on TVNZ +, ThreeNow, SkyGo and Māori +. More platforms will be added as their data becomes available.



Strategic Objectives	How We Will Achieve Them	Goal Alignment	SPE Measures	2024/25 Target	2023/24 Target	2023/24 Estimate	2022/23 Actual
<b>Creation</b> cont...	committing to providing <b>equitable</b> outcomes for Māori audiences, content and creators	DIVERSE	Supported Music singles that feature Māori artists or include Te Reo Māori	At least 14	New measure	New measure	New measure
			Māori aged 15+ who report feeling represented as a person (eg values, identity and experiences) in New Zealand made television/online programmes and films	35%	New measure	New measure	New measure
			NZ On Air will exceed the current government progressive procurement policy goal for Māori-owned businesses <sup>6</sup>	At least 8%	New measure	New measure	New measure
 <b>Discoverability</b> Enable local audiences to watch, listen and love local content that matters to them by:	ensuring that funded content is <b>distributed</b> and easily accessible in the places where audiences are	DISCOVERABLE	Number of average weekly hours of captioning and audio description produced for broadcast and published online will be at least:				
			<ul style="list-style-type: none"> <li>• Captioning</li> <li>• Audio description</li> </ul>	200 40	200 40		229 59
			NZ music content on radio:				
			<ul style="list-style-type: none"> <li>• Commercial radio<sup>7</sup></li> <li>• Alternative radio</li> <li>• Streaming services</li> </ul>	20% At least 50% 8%	20% At least 50% 8%		18.84% 73.93% 7.68%
	investing in the marketing and <b>promotion</b> of funded songs and stories to increase discoverability	DISCOVERABLE	RNZ's monthly reach combined across all platforms	65%	65%	New measure	New measure
			People aged 15+ who report that they have heard, watched or played NZ On Air content in the last month	55%	New measure	New measure	New measure
		DISCOVERABLE	90% of Discoverability Campaigns met or exceeded pre-analysis goals	Achieve	New measure	New measure	New measure
			Music Feature songs that are crossed over to playlist	At least 30%	New measure	New measure	New measure

<sup>6</sup> This is based on NZ On Air's total annual spend.

<sup>7</sup> Target agreed by the Minister and the Radio Broadcasters Association.

## Operational excellence measures

	2024/25 Target	2023/24 Target	2023/24 Estimate	2022/23 Actual
<b>NZ ON AIR VALUES ITS PEOPLE:</b>				
Full time staff turnover is no more than the public sector average	Achieve	Achieve	Achieve	Achieved
Overall staff engagement survey score is at least 75%	Achieve	New measure	New measure	New measure
<b>NZ ON AIR IS INCLUSIVE:</b>				
NZ On Air develops an Equity and Representation strategy that guides its behaviours as an inclusive employer and funder empowering diversity	Achieve	New measure	New measure	New measure
Te Reo capability is encouraged with lessons made available to all staff	Achieve	New measure	New measure	New measure
<b>NZ ON AIR IS EFFICIENT:</b>				
NZ On Air's administration costs are no more than 5% of the funds available to administer	Achieve	New measure	New measure	New measure
Payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met <sup>8</sup>	99%	99%	99%	100%
Funding decisions notified to applicants within 5 working days of final funding decision <sup>9</sup>	99%	99%	99%	100%
<b>NZ ON AIR IS OPEN AND TRANSPARENT:</b>				
NZ On Air holds webinars to raise awareness of NZ On Air funding streams and how to apply	At least 6	New measure	New measure	New measure
<b>NZ ON AIR IS AN ENGAGED TE TIRITI PARTNER:</b>				
NZ On Air develops an annually reviewed rautaki Māori (Māori strategy) that enables the agency to fulfil its mandate to promote Māori culture and language	Achieve	New measure	New measure	New measure

<sup>8</sup> Results for the Game Development Sector Rebate scheme (GDSR) have been included from 2024/25 onwards.

<sup>9</sup> Results for the GDSR have been included from 2024/25 onwards. The wording of this measure has also changed in 2024/25 from working days of Board meeting to working days of final funding decision to capture the decision-making process for GDSR. The decision-making process for the remainder of funding is consistent with previous years.



HE TIROHANGA  
WHAKAMUA MŌ  
TE PŪTEA

# Forecast Financial Statements

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New Zealand Today  
Kevin & Content  
ThreeNow and Three

**STATEMENT OF FORECAST COMPREHENSIVE REVENUE AND EXPENSE**

For the year ending 30 June 2025

	2024/25 Budget \$000	2023/24 Budget \$000	2023/24 Estimate \$000
<b>Revenue</b>			
Crown revenue – MCH	169,766	179,766	179,766
Crown revenue – MBIE	39,892	–	40,392
Other revenue	5,078	4,000	6,758
<b>Total revenue</b>	<b>214,736</b>	<b>183,766</b>	<b>226,916</b>
<b>Operating expenditure</b>			
Administration services	7,826	5,994	7,107
<b>Total operating expenditure</b>	<b>7,826</b>	<b>5,994</b>	<b>7,107</b>
<b>Funding expenditure</b>			
Creation	79,685	83,587	90,666
Discoverability	87,175	87,606	85,535
Insights	1,000	1,000	1,000
Capability	900	2,000	3,081
Time Limited Funding	–	10,000	10,000
<b>Total funding expenditure</b>	<b>168,760</b>	<b>184,193</b>	<b>190,282</b>
<b>Games Development Sector Rebate (GDSR)</b>	<b>38,150</b>	<b>–</b>	<b>38,737</b>
<b>Total expenditure</b>	<b>214,736</b>	<b>190,187</b>	<b>236,126</b>
<b>Net surplus/(deficit) for the year</b>	<b>–</b>	<b>(6,421)</b>	<b>(9,210)</b>
<b>Other comprehensive revenue and expense</b>			
<b>Total comprehensive revenue and expense</b>	<b>–</b>	<b>(6,421)</b>	<b>(9,210)</b>



**STATEMENT OF FORECAST FINANCIAL POSITION**

As at 30 June 2025

	2024/25 Budget \$'000	2023/24 Budget \$'000	2023/24 Estimate \$'000
<b>Current assets</b>			
Cash and cash equivalents	2,000	3,000	1,000
Investments	80,000	50,000	80,000
Debtors and other receivables – interest	1,500	100	1,700
Debtors and other receivables – other	2,000	2,000	2,000
<b>Total current assets</b>	<b>85,500</b>	<b>55,100</b>	<b>84,700</b>
<b>Non-current assets</b>			
Property, plant and equipment	498	350	529
Intangible assets	850	600	–
<b>Total non-current assets</b>	<b>1,348</b>	<b>950</b>	<b>529</b>
<b>Total assets</b>	<b>86,848</b>	<b>56,050</b>	<b>85,229</b>
<b>Current liabilities</b>			
Trade and other payables	200	200	200
Employee entitlements	150	150	150
Funding liabilities	81,020	53,609	79,401
<b>Total current liabilities</b>	<b>81,370</b>	<b>53,959</b>	<b>79,751</b>
<b>Net assets</b>	<b>5,478</b>	<b>2,091</b>	<b>5,478</b>
<b>Equity</b>			
Equity at 30 June	5,478	2,091	5,478
<b>Total Equity</b>	<b>5,478</b>	<b>2,091</b>	<b>5,478</b>

STATEMENT OF FORECAST CHANGES IN EQUITY

For the year ending 30 June 2025

	2024/25 Budget \$000	2023/24 Budget \$000	2023/24 Estimate \$000
Balance at 1 July	5,478	8,512	14,688
Total comprehensive revenue and expense for the year	–	(6,421)	(9,210)
Balance at 30 June	5,478	2,091	5,478

**STATEMENT OF FORECAST CASH FLOWS**

For the year ending 30 June 2025

	2024/25 Budget \$000	2023/24 Budget \$000	2023/24 Estimate \$000
<b>Cash flows from operating activities</b>			
Receipts from the Crown	209,658	179,766	220,158
Receipts from other revenue	1,078	1,000	1,715
Interest received	4,200	3,000	5,168
Payments to funded activities	(205,291)	(193,572)	(224,821)
Payments to suppliers and employees	(7,535)	(5,844)	(7,939)
Net GST	–	640	717
<b>Net cash from operating activities</b>	<b>2,110</b>	<b>(15,010)</b>	<b>(5,002)</b>
<b>Cash flows from investing activities</b>			
Net receipts from investments	–	14,000	–
Purchase of intangible assets	(1,000)	(600)	–
Purchase of property, plant and equipment	(110)	(250)	(378)
<b>Net cash flows from investing activities</b>	<b>(1,110)</b>	<b>13,150</b>	<b>(378)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,000</b>	<b>(1,860)</b>	<b>(5,380)</b>
<b>Cash and cash equivalents at 1 July</b>	<b>1,000</b>	<b>4,860</b>	<b>6,380</b>
<b>Cash and cash equivalents at 30 June</b>	<b>2,000</b>	<b>3,000</b>	<b>1,000</b>



TAUĀKĪ MAHERE  
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# Statement of Accounting Policies

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## REPORTING ENTITY

The Broadcasting Commission (NZ On Air) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing NZ On Air's operations includes the Crown Entities Act 2004 and the Broadcasting Act 1989. NZ On Air's ultimate parent is the New Zealand Crown. These forecast financial statements reflect the operations of NZ On Air only and do not incorporate any other entities. These forecast financial statements are for the year ending 30 June 2022.

NZ On Air's primary objective is to provide services to the New Zealand public. Our functions and responsibilities are set out in the Broadcasting Act 1989. The primary function is to serve audiences by investing in a wide range of New Zealand television, radio and online content. The purpose is to add a diversity of local content to the almost limitless range of foreign options available. NZ On Air does not operate to make a financial return. Accordingly, NZ On Air has designated itself as a public benefit entity (PBE) for Financial Reporting purposes.

## BASIS OF PREPARATION

### STATEMENT OF COMPLIANCE

These forecast financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They have been prepared in accordance with Tier 1 PBE Standards including PBE FRS 42 Prospective Financial Statements.

These forecast financial statements have been prepared to comply with the Crown Entities Act 2004 and may not be appropriate for purposes other than complying with the requirements of this Act.

The actual financial results for the period covered are likely to vary from the information presented and the variations may be material.

### MEASUREMENT BASIS

The measurement base adopted is that of historical cost.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars and rounded to the nearest thousand (\$000).

## JUDGMENTS AND ESTIMATIONS

The preparation of financial statements to conform with PBE Standards requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses (where material information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments that have significant effect on the financial statements and estimates, with a significant risk of material adjustment in the next year are discussed at the end of these notes.

## RESERVES

As a funding agency charged with purchasing cultural content, there is no specific requirement to maintain set levels of equity other than prudently managing our finances and ensuring equity levels remain positive.

## SIGNIFICANT ACCOUNTING POLICIES

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

## REVENUE

Revenue is measured at the fair value of consideration received.

### Revenue from the Crown

We are primarily funded through revenue received from the Crown, restricted in its use for the purpose of meeting our objectives as specified in the Broadcasting Act 1989 and the scope of appropriation of the funder.

We consider there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

**Interest revenue**

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

**Television programme and music revenue**

Our share of net revenue from sales of television and music projects that we have funded is recognised when it is earned to the extent that information is available to us at that time.

**Other revenue**

Other revenue is recognised when it is earned.

**PERSONNEL COSTS****Superannuation schemes**

Obligations for contributions to KiwiSaver and State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

**OTHER EXPENSES****Operating leases**

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the term of the lease.

**FUNDING EXPENDITURE**

Funding expenditure is discretionary funding where NZ On Air has no obligations to award funding on receipt of the funding application. It is recognised as expenditure when::

- (a) the funding has been approved by the Board;
- (b) the funding recipient has been advised;
- (c) there are no substantive contractual conditions for the funding recipient to fulfil; and
- (d) it is probable (more likely than not) that the funded proposal will be completed.

**Critical judgments in applying accounting policies – funding expenditure**

Although from time to time an approved project with no substantive conditions to fulfil does not go ahead, such projects are rare. Based on experience we judge it is probable that all approved commitments at 30 June without substantive contractual conditions to fulfil will be completed.

The main substantive contractual condition that means a funding commitment cannot be recorded as expenditure is where the Board approval is subject to confirmation of third-party funding, and that funding is not in place at balance date.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand and deposits held on call with banks with original maturities of three months or less.

**INVESTMENTS****Bank Deposits**

Investments in bank deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected

losses is recognised if the estimated loss allowance is not trivial.

**DEBTORS AND OTHER RECEIVABLES**

Debtors and other receivables are recorded at the amount due, less an allowance for credit losses. NZ On Air applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables are 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.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment asset classes consist of computer equipment, office equipment, furniture and fittings, and leasehold improvements. Property, plant and equipment are shown at cost, less accumulated depreciation and any impairment losses.

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

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control of the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

DEPRECIATION

Depreciation is provided on a straight line basis on all property plant and equipment at rates that will write off the cost of the asset over their useful lives. The useful lives and associated depreciation rates have been estimated as follows:

Computer equipment	3 years	33.3%
Office equipment	5 years	20%
Furniture and fittings	6 years	16.7%
Leasehold improvements	6 years	over the period of the lease (16.7%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment, and intangible assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment







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loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The total impairment loss and any subsequent reversal of an impairment loss are recognised in the surplus or deficit.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where we would, if deprived of the asset, replace its remaining future economic benefits or service potential.

## INTANGIBLE ASSETS

### Software acquisition and development

Acquired computer software licenses are amortised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software are amortised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with the development and maintenance of our 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. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Acquired/ developed computer software	5 years	20%
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## CREDITORS AND OTHER PAYABLES

Short term payables are recorded at the amount payable.

## EMPLOYEE BENEFITS

Employee entitlements that NZ On Air expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

We recognise a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that we anticipate it will be used by staff to cover those future absences.

## FUNDING LIABILITIES

We recognise a liability for funding expenditure when all the following conditions have been met:

- The expenditure has been formally approved.
- The funding recipient has been advised.
- There are no substantive contractual conditions for the funding recipient to fulfil.
- It is probable (more likely than not) that the funded proposal will be completed and that our commitments will crystallise.

At 30 June forecast, funding liabilities in the statement of financial position include both contracted liabilities and uncontracted liabilities that have no substantive contractual conditions unfulfilled. The amount recorded for the uncontracted liability is the amount approved by the Board.

## GOODS AND SERVICES TAX (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables in the statement of financial position, which are presented on a GST-inclusive basis.

The net amount of GST-recoverable from or payable to the Inland Revenue Department, is included as part of receivables or payables as appropriate.

Commitments and contingencies are disclosed exclusive of GST.

## INCOME TAX

NZ On Air is exempt from the payment of income tax in accordance with s51 Broadcasting Act 1989 therefore no charge for income tax has been provided for.

## CONTINGENT ASSETS AND CONTINGENT LIABILITIES

A contingent liability is disclosed where funding expenditure has been approved by the Board, but that expenditure is uncontracted, and has substantive conditions unfulfilled at 30 June. At the point the substantive conditions are fulfilled, the contingent liability is removed and the value is recorded as expenditure and as a liability in the financial statements.

A contingent liability is also disclosed where there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources.

A contingent asset is disclosed where the inflow of an economic benefit is probable, but not virtually certain.

## COMMITMENTS

Future expenses and liabilities incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

## COST ALLOCATION POLICY

All expenditure not used to fund the NZ Media Fund and Development and Support is allocated to administration expenditure.

## FINANCIAL INSTRUMENTS

NZ On Air is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term trade payables and trade and other receivables. There are no known significant concentrations of credit risks.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss

in which cases the transaction costs are recognised in the statement of comprehensive revenue and expense.

NZ On Air has the following categories of financial assets:

**(a) Loans and Receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are recorded at the amount due, less an allowance for credit losses. NZ On Air applies the simplified expected credit loss model of recognising lifetime expected credit losses. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

**(b) Held to Maturity Investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that we intend to hold to maturity. After initial recognition interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

**STATEMENT OF CASH FLOWS**

*Cash and cash equivalents* includes cash in hand and deposits held with banks with original maturities of three months or less.

*Operating activities* includes cash received from income sources excluding interest, and records the cash payments made for the supply of goods and services, and funding under the NZ Media Fund.

*Investing activities* are those activities relating to the acquisition and disposal of long-term assets, interest received and other investments not included in cash equivalents.

*Financing activities* comprise those activities relating to changes in equity.

**CHANGES IN ACCOUNTING POLICIES**

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

**COMPARATIVES**

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

**RELATED PARTIES**

NZ On Air transacts with other Government agencies on an arm's length basis. Any transaction not conducted at arm's-length will be disclosed in our financial statements (annual report).

## **CONTACT US**

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Designed by Māori design experts  
Ariki Creative, the radiating patterns  
of our kowhaiwhai symbolise the  
transmission of stories, culture  
and voices.

Irirangi Te Motu  
**NZ On Air**

