

Irirangi Te Motu
NZ On Air

TAUĀKĪ KAWATAU

Statement of Performance Expectations

FOR THE YEAR ENDING 30 JUNE 2026



FRONT COVER

The Regions,
TVNZ for Re:

INSIDE COVER

Swizl Jager
Waiata Takitahi
funded artist

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.



ANDREW CAISLEY
Chair



BRETT BANNER
Chair of Audit & Risk Committee

30 June 2025

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.

Our funding underpins the screen and music sectors, and since 2024 also the game development sector, through the Game Development Sector Rebate scheme (GDSR).

While our legislated remit is clearly cultural, our impacts include strong economic benefits. Funding quality local content contributes to the viability of local platforms and creates work for local people in the production, music and game development sectors. Increasingly we are seeing international finance attached to local productions that both elevates budgets and expands audience reach beyond our shores. Productions and games sold internationally also bring in export revenue, and international co-productions create additional spend in our economy.

The media landscape, technology, and the demography of the audiences we serve is constantly changing. The upheaval seen in the local media sector in recent times is impacting our work in many ways. Our strategies are flexible so that we can be innovative and responsive to challenges, and are based on solid research, insights and data. The case for public funding for quality public media has never been stronger – without it New Zealand audiences would lack the breadth, quality and diversity of local content that audiences in similar countries enjoy.

Our role through the past 36 years has been 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.

The crisis in local media has expanded the types of content we are now asked to support; content that was previously commercially supported is now looking for NZ On Air support creating greater pressure on finite funds.

In our mahi, we work closely with fellow funding agencies Te Māngai Pāho 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.

New Zealand is 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.

FIGURE 1: Investment strategy



HEI PAKU TIROHANGA WHAKAMUA

The year ahead at a glance

As we begin the 2025/26 year, we await the outcome of consultation on a potential merger of our agency with the NZ Film Commission, among other Media Reform proposals.

Our Board, senior leadership team and staff are positively engaged with the process, and will work with officials to implement any outcomes from the consultation relevant to the agency.

Setting aside this potential fundamental change, our Investment strategy drives our delivery of Valued, Diverse and Discoverable content for audiences, and our Statement of Intent (2024-2028) shows the direction we are headed. These clearly articulated strategy and plans are our 'steady ship in a stormy ocean', providing a degree of stability for the sector in uncertain times.

It is unlikely the turbulence for the media sector (not just locally but globally also) has yet ended. We are acutely aware of the precariousness of local media platforms, and how much our funding for content underwrites

their viability. We will continue to manage the increasing demand for funding and our own cost pressures to achieve the greatest benefit for audiences. NZ On Air is constantly reviewing what we are doing, how effectively we are connecting audiences with content, and adapting as audience needs and behaviours shift. We look to support innovation in the media and content production sectors that helps achieve these goals, and contribute to a vibrant and thriving sector.

In the coming year our work programme will focus on:

- **balancing** the need to support previously commercially-funded broad reach content with the need to continue to innovate and find hard-to-reach audiences
- **supporting** continued sector skill development and diversification to ensure funded content is of high-quality, and appeals to and engages New Zealand and global audiences
- **managing** a growing slate of projects with NZSPR ambitions, both in Scripted and Non-fiction
- launching a new hub for local children's content on YouTube, to create an easy place for **discovery** of local stories and songs by children and their whānau, additional to the local media platforms this content also exists on
- **evaluating** the success of *Within My Reach* Youth Strategy content in reaching this hard-to-reach audience
- **refreshing** our commitment to funding journalism, with a revised strategy, and targeted additional funding¹ for local journalism with a particular focus on local democracy and justice reporting.
- **increasing** awareness of the success of local screen content, games and songs, so that New Zealanders may better appreciate homegrown content, and seek it out
- **collaborating** with the NZFC and Te Māngai Pāho on research to quantify the economic and cultural value of the screen production sector in Aotearoa New Zealand, and continuing to look for further collaboration and **efficiency** opportunities with both agencies, for the benefit of the sector
- **streamlining** the GDSR process to make it more intuitive and user-friendly, based on feedback from applicants in the first year
- **piloting** a new initiative to support funded artists to take their new music to audiences across Aotearoa. New Music Project Touring, with support from the Music Commission, will make \$500,000 available in 2025/26 to support national tours by artists with a New Music Project album to promote.
- **supporting** the Ministry for Culture and Heritage with information and advice, and implementation of any changes arising from the Media Reform consultation, and contributing to the vision expressed in *Amplify*
- continuing to provide **efficient** and timely contracts and payments to funding recipients to maintain cashflow in the media sector
- **maintaining** modest administrative costs, and **robust decision-making criteria and transparency** about our work to retain public trust.

¹ \$1.6m per year over four years additional funding was provided in Budget '25 for this purpose.

HEI TAUTOKO MĀ MĀTOU TE RĀNGAI

Our contribution to sector outcomes

NZ On Air's mahi is integral to 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 investments ensure local audiences can find and enjoy stories, songs and games that reflect their culture and identity. This adds to a vibrant New Zealand, both culturally and economically and contributes to the vision expressed in the Government's *Amplify Creative and Cultural Strategy*, for New Zealand to be regarded as a global creative powerhouse.

We contribute to the prosperity and wellbeing of New Zealanders. Culturally, we maintain a space for local content amidst a tidal wave of global options, and for local creators to thrive in. Economically our funding underpins the local independent screen production sector, supporting jobs and creating IP.

This sector's skills and talents, developed and nurtured on locally funded shows, in turn service international productions attracted to New Zealand. NZ On Air's careful investment in projects also seeking the Screen Production Rebate, helps to attract international third party investment. These projects achieve international sales and distribution, contributing to weightless exports and growing New Zealand's 'soft power' overseas.

Our agency contributes to the efficiency and effectiveness of the public service and government funded services. We plan to spend less than 4% of our overall budget on administration, ensuring the majority of public funds are available to support the media sector. We are also focused on monitoring and looking for improvements in our sustainability as an agency.

Guided by our Statement of Intent 2024-2028, which sets out at a high level how we balance our investments across our portfolio, this Statement of Expectations sets ambitious targets, against robust performance measurement and reporting.

We place a high value on evidence-based decision-making. Quality research and data insights, along with proprietary online content measurement tool *VIEW*, ensures we understand audience behaviours and needs across the portfolio of content offerings. In particular, this ensures we are constantly innovating as we find ways to engage hard-to-reach audiences.

We also share insights, data and research with our fellow funding agencies, NZFC and Te Māngai Pāho, and the wider sector. We collaborate with NZFC and Te Māngai Pāho wherever we see opportunities where collective effort, thinking or funding can support innovation and create better outcomes than acting alone. We will continue to work closely with both agencies.

FIGURE 2: Our Goals/Impacts



Our Investment Goals

Ā MĀTOU WHĀINGA HAUMI

Our goals and the impacts we seek are:

Valued

Local audiences watch, listen, and love local content that matters to them.

Diverse

Local audiences connect with a diversity of content made by, for and about their cultures and communities.

Discoverable

New Zealand audiences can find and appreciate local content.

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. The strategy has four pou – **Creation, Insights, Capability and Discoverability**. While most of our funding and resourcing goes into delivering under the **Creation** pou, each pou plays an important part in the whole.

Alongside the Investment Strategy sits our Rautaki Māori – Te Pae Tata, which strives for equitable outcomes for Māori both as an audience and as content creators. Te Pae Tata also guides our agency in our contribution to four principles of Te Tiriti o Waitangi.

Our administration of the GDSR sits within the **Capability** pou, recognising that the rebate is focused on the development and growth of Aotearoa New Zealand's game development sector.

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.² Our delivery of the GDSR is purchased by the Minister for Science, Innovation and Technology.³

² The non departmental expense Public Broadcasting Services sits within Vote Arts, Culture and Heritage, administered by Manatū Taonga | The Ministry for Culture and Heritage.

³ The non-departmental expense GDSR sits within Vote Business, Science and Innovation, administered by the Ministry of Business, Innovation and Employment. (MBIE).

FIGURE 3: Strategic Framework



HEI WHAI MĀ MĀTOU?

What will we do?



Creation

Stories and songs have great power to reflect and develop identity and culture. We invest in public media content, working with the creative community and media platforms to find and fund the best ideas, and connect them with audiences.

In practice, this means:

We provide funding to support valued, diverse content. Through three contestable funding rounds a year we seek and support valued Scripted and Non-fiction public media content, reaching audiences across a wide range of platforms. This is largely audio visual content, although also includes podcasts, which are a growing media format for young adults, and games for tamariki.

Our funding has traditionally been to fill the gap where commercial funding could not provide – drama, an expensive genre to make, has always been a significant focus. Alongside the NZSPR, we are now seeing many more productions reaching for larger budgets and seeking out international audiences. The ability to access NZSPR alongside NZ On Air funding allows us to do more within a finite resource. We will continue to prioritise production-ready drama applications that have a solid business case to access the NZSPR.

With many stresses on the local media sector, we are being asked to fund

a wider range of content, much of which has previously been fully or partially commercially viable. This is seen across the slate, but most acutely in the current affairs and journalism space. With additional funding⁴ for local democracy and justice reporting we will be able to expand this type of journalism, looking for nationwide coverage. At the same time we will be looking to support more broad reach information and entertainment shows within the Non-Fiction allocation.

In Music, we support artists to write and record songs, adding diversity and choice for music audiences on radio and streaming platforms. This funding also underpins the work of recording studios, producers, video content makers, music managers and publicists – all vital parts of the music eco system. Our funding rounds (nine for singles and three for multi-song projects each year) are focused on finding the very best songs. We have specific initiatives to ensure there is representation across Māori, Pasifika, Pan Asian, children's music artists, and women and non-binary artists.



Insights

Working as we do, across the music, screen production, media and game development sectors, we are uniquely placed to bring together useful insights. With a broad understanding of the state of the media eco-system, we have access to a range of data, both commissioned and from our own monitoring. We use this to inform our own work, ensuring funding decisions are made off a solid evidence-base. We also take a sector leadership position in sharing insights where we are able to benefit content creators and platforms.

4 \$1.6m per year over four years additional funding was provided in Budget '25 for this purpose.



Capability

The creation of successful content that New Zealanders can identify with and engage with relies on a talented, diverse sector. We identify capability and capacity gaps through research and monitoring. We also work in collaboration with other entities such as NZFC in the screen space, and APRA and Recorded Music NZ in the music space. We mainly deliver capability initiatives through the likes of sector guilds, who hold the expertise and ability to run group programmes. Many capability initiatives also have direct content outcomes.

A new (as of 2023) significant area of work under **Capability** is the delivery of the Game Development Sector Rebate. With \$40m available annually, the GDSR is intended to encourage ongoing development and growth of the game development sector in New Zealand.

Moving into its second year, the sector growth as a result of the rebate is not only strengthening the industry but also delivering significant economic benefits, including job creation, business expansion, and increased global investment in New Zealand's creative economy. We are focused on continuing to listen to the sector's evolving needs, and keeping our approach dynamic and industry-aligned.



Discoverability

With ongoing shifts and fragmentation of audiences, discoverability of content is a vital part of our mahi. There are two distinct areas of activity for us, in promoting discoverability.

The first is providing operational funding for vital public media platforms and services that provide access to important content that otherwise would not be provided. This includes Pacific media, community access media, student radio, captions and audio description on content, and popular culture websites NZ On Screen and AudioCulture.

In addition, we spend a modest amount on targeted campaigns to promote content to audiences, and support a number of events to celebrate and showcase excellent local content.

A new focus in 2025/26 will be on assisting the discoverability of children's content by creating a children's content hub on YouTube. This will be additional to content available on local platforms, but very much meeting a growing need to make it easier to find local stories and songs for children on the platform children and whānau already engage with in large numbers.



Jujulipps
New Music Single
funded artist

MŌ NGĀ MAHINGA WHAIHUA

Performance Information

The targets and budgets following show how we intend to invest funding and measure our progress in the 2025/26 year. We have streamlined our measures and better connected our measures to our objectives.

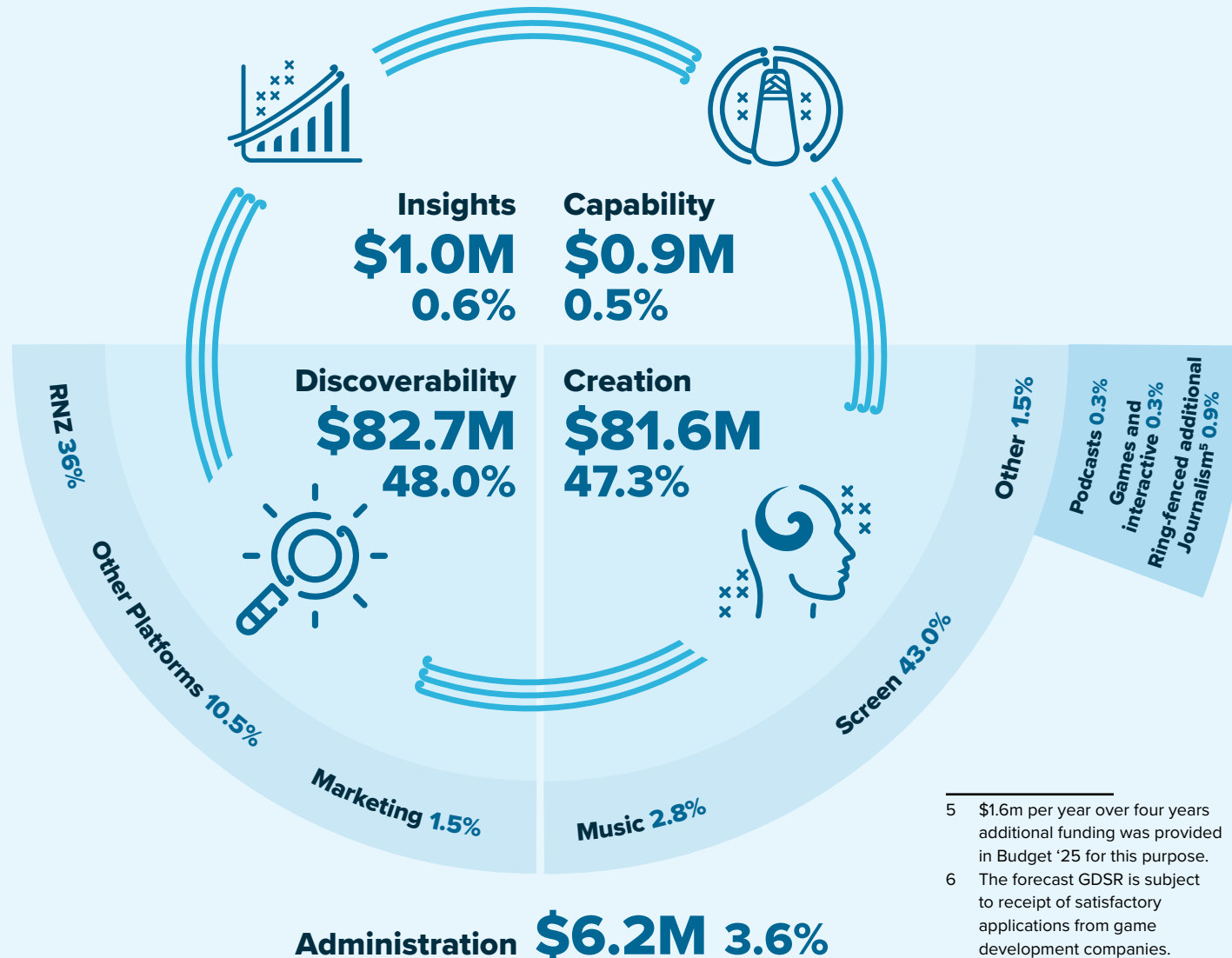
We check our measures annually to ensure they remain fit-for-purpose. We aim to be transparent and accountable in our endeavours to deliver both positive cultural impact, and monitor the positive economic story for the sector created by content funding investments.

As our Investment Strategy is designed to be a simple and flexible model that can 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 show 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 Investment Strategy pou – Creation, Insights, Capability and Discoverability. In addition we have measures for Operating Excellence which cover valuing our people, being inclusive, efficient, open and transparent.

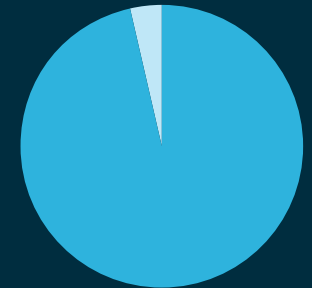
Total funding expenditure 2025/26 = **\$166.2m**



⁵ \$1.6m per year over four years additional funding was provided in Budget '25 for this purpose.

⁶ The forecast GDSR is subject to receipt of satisfactory applications from game development companies.

Games Development Sector Rebate⁶



- **Game Development Sector Rebate (GDSR)**
\$38.15M
96.6%
- **Administration services**
\$1.357M
3.4%



Hui Hoppers 2
Three Feathers
Productions for
TVNZ +

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


Strategic Objectives	How We Will Achieve Them	Goal Alignment	SPE Measures	2025/26 Target	2024/25 Target	2024/25 Estimate	2023/24 Actual
 Insights Adapt to the needs and preferences of the audiences we serve by:	investing in research to grow the understanding of local audiences	DISCOVERABLE DIVERSE	The majority of stakeholders believe NZ On Air's leadership, research and policy input is valuable	75%	Biennial measure	Biennial measure	Biennial measure
	analysing and reflecting on research insights as an evidence base to inform funding strategies and decisions	DISCOVERABLE VALUED	A minimum of two actions per project undertaken in response to completed research projects	Achieve	New measure	New measure	New measure
 Capability Support creative excellence and career pathways by:	investing in developing screen content to achieve high quality outcomes	VALUED	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 emerging creatives growing industry capability and capacity through development, skills, and support initiatives	DIVERSE	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
 Creation Invest in the stories and voices of Aotearoa by:	funding a diversity of content made by, for and about our cultures and communities	DIVERSE	NZ On Air funding for scripted and non-fiction content that represents and/or is intended for targeted audiences including s36(1)(c) audiences ⁷	At least 25%	At least 25%		41%
			NZ audiences appreciate the diversity of public media funded by NZ On Air	75%	75%		67%
			Pacific people agree PMN Niu and PMN 531 provide culturally relevant content	Biennial measure	75%		84%
			Content in more than 40 languages (including 9 Pacific) is supported	Achieve	Achieve		42 languages (including 8 Pacific)

⁷ In 2023/24 this measure was stated as number of hours funded but was measured in dollars. It also said for targeted audiences but also captured content that represented these audiences. In 2024/25 this measure was reworded accordingly.

Strategic Objectives	How We Will Achieve Them	Goal Alignment	SPE Measures	2025/26 Target	2024/25 Target	2024/25 Estimate	2023/24 Actual
Creation cont...	ensuring audiences engage with and enjoy local content	VALUED	New Zealanders believe NZ On Air supports local public media important to New Zealanders	75%	75%		78%
			New Zealanders aware of our support for content like that content	70%	70%		67%
			Increase the percentage of New Zealanders that agree RNZ is an organisation you can trust	60%	New measure	New measure	New measure
			NZ On Air funded TV content broadcast in the period reached 65% aged 5+ ⁸	Achieve	New measure	New measure	New measure
			NZ On Air funded Video OnDemand content uploaded in the period was viewed over 8M times ⁹	Achieve	New measure	New measure	New measure
			Average view-through rate for NZ On Air funded screen content:				
			• Linear – Average Time Spent Viewing	40%	New measure	New measure	New measure
			• Online – Average Completion Rate	60%	New measure	New measure	New measure
	committing to providing equitable outcomes for Māori audiences, content and creators	DIVERSE	Number of individual songs funded through Single, Focus and Project applications	410	New measure	New measure	New measure
			Supported Music singles that feature Māori artists or include Te Reo Māori	At least 14	New measure	New measure	New measure
			NZ On Air will meet the procurement targets of its rautaki Māori	At least 8%	New measure	New measure	New measure

⁸ We expect this figure to decline over time as fewer people consume content through linear channels.

⁹ 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	2025/26 Target	2024/25 Target	2024/25 Estimate	2023/24 Actual
 Discoverability Enable local audiences to watch, listen and love local content that matters to them by:	ensuring that funded content is distributed 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"> • Captioning • Audio description 	200 40	200 40		218 61
			NZ music content on radio: <ul style="list-style-type: none"> • Commercial radio¹⁰ • Alternative radio • Streaming services 	20% At least 50% 8%	20% At least 50% 8%		17.86% 73.61% 6.73%
			RNZ's monthly reach combined across all platforms	65%	65%	New measure	77%
			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
	investing in the marketing and promotion of funded songs and stories to increase discoverability	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
GDSR To achieve more sustainable growth and job creation for mid to large-sized game development studios to help strengthen the New Zealand economy ¹¹	Administering and promoting the Game Development Sector Rebate	VALUED	Number of eligible studios applying for the rebate increases each year ¹²	37 studios	37 studios	37 studios	37 studios

¹⁰ Target agreed by the Minister and the Radio Broadcasters Association.

¹¹ This measure aligns with the overall objectives of the GDSR programme; however, it falls somewhat outside NZ On Air's direct control.

¹² MBIE target is 10 studios.

Summary of forecast revenue and output expenditure

Output 1: Arts, Culture and Heritage

	%	2025/26 Budget \$000	2024/25 Budget \$000	2024/25 Estimate \$000	2023/24 Actual \$000
Revenue					
Crown Funding – MCH		166,766	169,766	169,766	179,766
Other Income		3,170	5,078	5,078	8,345
Total Revenue		169,936	174,844	174,844	188,111
Output Expenses					
Funding expenditure	96.4%	166,183	168,760	179,042	180,949
Total Funding	96.4%	166,183	168,760	179,042	180,949
Administration services	3.6%	6,168	6,086	5,916	5,964
Total output expenses	100%	172,351	174,846	184,958	186,913
Surplus/(deficit)		(2,415)	(2)	(10,114)	1,198

Output 2: Business, Science and Innovation

	%	2025/26 Budget \$000	2024/25 Budget \$000	2024/25 Estimate \$000	2023/24 Actual \$000
Revenue					
Crown Funding – MBIE		39,892	39,892	39,892	23,919
Total Revenue		39,892	39,892	39,892	23,919
Output Expenses					
Game Development Sector Rebate (GDSR)	96.6%	38,150	38,150	38,150	22,264
Total Funding	96.6%	38,150	38,150	38,150	22,264
Administration services	3.4%	1,357	1,740	1733	902
Total output expenses	100.0%	39,507	39,890	39,883	23,166
Surplus/(deficit)		385	2	9	753

Operational excellence measures

	2025/26 Target	2024/25 Target	2024/25 Estimate	2023/24 Actual
NZ ON AIR VALUES ITS PEOPLE:				
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
NZ ON AIR IS INCLUSIVE:				
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	Drafted
Te Reo capability is encouraged with lessons made available to all staff	Achieve	New measure	New measure	Te Reo sessions have been offered to all staff, Te Titiri o Waitangi and Matariki Sessions were also held and open to all staff
NZ ON AIR IS EFFICIENT:				
NZ On Air's administration costs are no more than 5% of the funds available to administer	Achieve	New measure	New measure	Achieved
Payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met ¹³	99%	99%	99%	100%
Funding decisions notified to applicants within 5 working days of final funding decision ¹⁴	99%	99%	99%	100%
NZ ON AIR IS OPEN AND TRANSPARENT:				
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	Achieved
NZ ON AIR IS AN ENGAGED TE TIRITI PARTNER:				
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	Achieved

¹³ Results for the Game Development Sector Rebate Scheme (GDSRS) have been included from 2024/25 onwards.

¹⁴ Results for the GDSRS 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 GDSRS. The decision-making process for the remainder of funding is consistent with previous years.

HE TIROHANGA
WHAKAMUA MŌ
TE PŪTEA

Forecast Financial Statements



Tamariki explore the
latest interactive
games at 2024NZ
Game Developers
Conference

STATEMENT OF FORECAST COMPREHENSIVE REVENUE AND EXPENSE

For the year ending 30 June 2026

	2025/26 Budget \$'000	2024/25 Budget \$'000	2024/25 Estimate \$'000
Revenue			
Crown revenue – MCH	166,766	169,766	169,766
Crown revenue – MBIE	39,892	39,892	39,892
Other revenue	3,170	5,078	5,078
Total revenue	209,828	214,736	214,736
Operating expenditure			
Administration services	7,525	7,826	7,649
Total operating expenditure	7,525	7,826	7,649
Funding expenditure			
Creation	81,608	79,585	90,031
Discoverability	82,675	87,275	87,106
Insights	900	900	905
Time Limited Funding	1,000	1,000	1,000
Total funding expenditure	166,183	168,760	179,042
Games Development Sector Rebate (GDSR)	38,150	38,150	38,150
Total expenditure	211,858	214,736	224,841
Surplus/(deficit)	(2,030)	0	(10,105)

STATEMENT OF FORECAST FINANCIAL POSITION

As at 30 June 2026

	2025/26 Budget \$000	2024/25 Budget \$000	2024/25 Estimate \$000
Current assets			
Cash and cash equivalents	1,793	2,000	2,750
Investments	70,000	80,000	64,000
Debtors and other receivables – interest	1,000	1,500	1,006
Debtors and other receivables – other	2,000	2,000	2,000
Total current assets	74,793	85,500	69,756
Non-current assets			
Property, plant and equipment	401	498	430
Intangible assets	887	850	558
Total non-current assets	1,288	1,348	988
Total assets	76,081	86,848	70,744
Current Liabilities			
Trade and other payables	200	200	200
Employee entitlements	150	150	150
Funding liabilities	71,227	81,020	63,860
Total current liabilities	71,577	81,370	64,210
Net assets	4,504	5,478	6,534
Equity			
Equity at 30 June	4,504	5,478	6,534
Total Equity	4,504	5,478	6,534

STATEMENT OF FORECAST CHANGES IN EQUITY

For the year ending 30 June 2026

	2025/26 Budget \$000	2024/25 Budget \$000	2024/25 Estimate \$000
Balance at 1 July	6,534	5,478	16,639
Total comprehensive revenue and expense for the year	(2,030)	–	(10,105)
Balance at 30 June	4,504	5,478	6,534

STATEMENT OF FORECAST CASH FLOWS

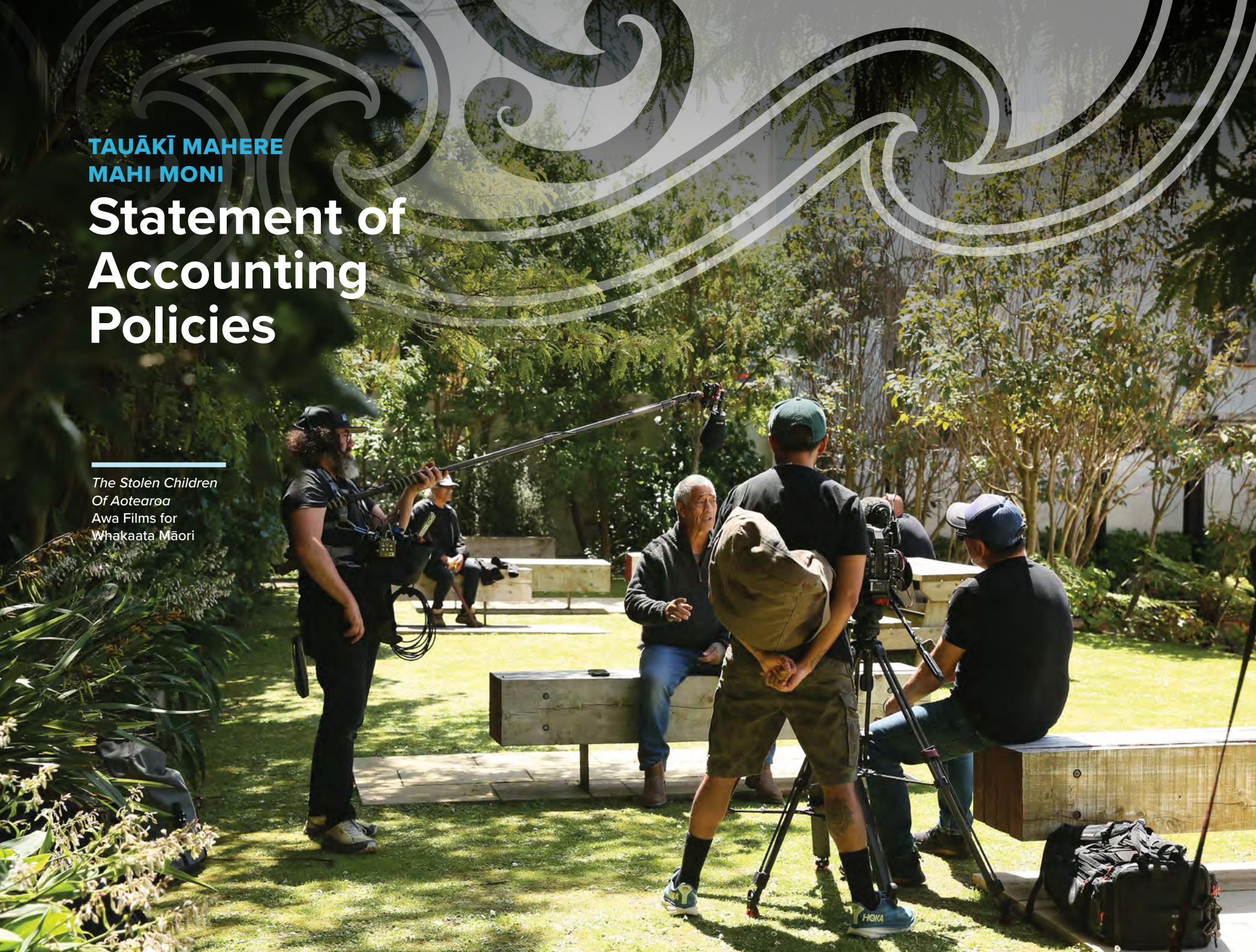
For the year ending 30 June 2026

	2025/26 Budget \$000	2024/25 Budget \$000	2024/25 Estimate \$000
Cash flows from operating activities			
Receipts from the Crown	206,658	209,658	209,658
Receipts from other revenue	1,000	1,078	1,014
Interest received	2,176	4,200	4,772
Payments to funded activities	(196,966)	(205,291)	(232,266)
Payments to suppliers and employees	(7,525)	(7,535)	(7,901)
Net GST	200	0	(792)
Net cash from operating activities	5,543	2,110	(25,515)
Cash flows from investing activities			
Net receipts from investments	(6,000)	0	16,000
Purchase of intangible assets	(400)	(1,000)	(600)
Purchase of property, plant and equipment	(100)	(110)	(50)
Net cash flows from investing activities	(6,500)	(1,110)	15,350
Net increase in cash and cash equivalents	(957)	1,000	(10,165)
Cash and cash equivalents at 1 July	2,750	1,000	12,915
Cash and cash equivalents at 30 June	1,793	2,000	2,750

TAUĀKĪ MAHERE
MAHI MONI

Statement of Accounting Policies

*The Stolen Children
Of Aotearoa*
Awa Films for
Whakaata Māori



STATEMENT OF ACCOUNTING POLICIES

For the year ending 30 June 2026

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.



Tami Neilson
New Music project
funded artist

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 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:

- (a) The expenditure has been formally approved.
- (b) The funding recipient has been advised.

- (c) There are no substantive contractual conditions for the funding recipient to fulfil.
- (d) 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

NZ On Air has determined the cost of outputs using the cost allocation system outlined below:

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on the proportion of direct costs for each output of total direct costs.

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.

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).

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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

