



Statement of Performance Expectations 2026/27

Tauākī Kawatau



Statement of Performance Expectations for the year ending

30 June 2027

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, Audit & Risk Committee

30 June 2026

Contents | He Rārangi Take

From the Board He Tauākī Nā Te Poari.....	4
Who we are Mō Mātou	5
Strategic Framework Anga Rautaki	11
Funding Streams Ngā Aho Pūtea.....	12
Measuring our Performance / Te Ine Tutukinga	13
Forecast Financial Statements / He Tirohanga Whakamua Mō Te Pūtea.....	21
Statement of Accounting Policies Tauākī Mahere Mahi Moni	24



Katies Kuri, The Sweet Shop Entertainment

From the Board | He Tauāki Nā Te Poari

This Statement of Performance Expectations sets out NZ On Air’s work programme in the coming year, our budgets and how they will be allocated to achieve the outcomes and objectives detailed in our Strategic Framework. We also show how we will hold ourselves accountable for the achievement of these outcomes, against a refreshed set of performance measures.

Our Statement of Intent 2026 -2030 (SOI) explains at a high level our agency’s objectives and how these align with government priorities as articulated in *Amplify: A creative and cultural strategy for New Zealand (Amplify Strategy)*. This Statement of Performance Expectations builds on the SOI with more detailed plans for the 2026/27 year, against which we will report our achievements in the Annual Report 2026/27. It also addresses any specific guidance from the Minister as expressed in his Letter of Expectations.

Our delivery of public media outputs is purchased by the Minister for Media and Communications under the appropriation Public Broadcasting Services¹.

Our delivery of the Game Development Sector Rebate (GDSR) is purchased by the Minister for Science, Innovation and Technology².

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

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

Who we are | Mō Mātou

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

For more than 30 years, NZ On Air has worked with creatives and media platforms to fund quality public media for audiences. Our role is to make sure New Zealand stories, music, and perspectives continue to be heard in a media environment where overseas content is widely available and at low cost.

Grounded by our statutory purpose, our Strategic Framework defines our work around five key pillars: *Engage, Enable, Respond, Inform* and *Elevate*. Investment in creating and delivering public media content, and in supporting and enabling the media sector, is delivered via our funding streams of Creation, Discoverability, Capability and Insights.

Our funding underpins the screen and music sectors and supports the growth of the Game Development sector through the GDSR. Our remit, under the Broadcasting Act, speaks strongly to cultural outcomes. However, alignment with the *Amplify Strategy* allows us to lean further into the economic benefits that come from creating content with international ambitions and being more intentional with investment in growing the skills and capabilities of the sector. Ultimately, this will contribute to creating quality stories and songs that engage local audiences and are also capable of reaching the eyes and ears of global audiences, contributing to greater economic and cultural benefits.

We work closely with counterpart agencies such as Te Māngai Pāho and the New Zealand Film Commission (NZFC), as well as local commercial and public media platforms, and the New Zealand Music Commission to ensure that we deliver value for money. We encourage co-investment that brings millions of dollars into the screen funding ecosystem alongside our funding.

Our agency is lean and efficient, using just 4% of the overall budget to provide the administrative services that assess hundreds of funding applications a year, and manage more than a thousand live contracts in a year. We value and support our people through fair recruitment, training, and safe working environments. We are guided by our values:



MANAAKITANGA – CARE

Prioritise people - staff and stakeholders - with respect, inclusivity, empathy.

KAITIAKITANGA – GUARDIANSHIP

Nurturing creative talent and ensuring funded content authentically reflects Aotearoa, with professionalism and transparency.

MĀIA – COURAGE

Embrace purposeful risk-taking, act with integrity, and lead change when needed.

We have two defined classes of output:

Output One: manage and distribute public funding through contracts with content creators, service providers, and platforms. The Board is the primary monitor, and we report our performance to the Minister for Media and Communications through Manatū Taonga.

Output Two: administer the Game Development Sector Rebate Scheme. The Board is the primary monitor, and we report to the Minister for the Digital Economy and Communications through the Ministry of Business Innovation and Employment.

Current Operating Context | Horopaki Whakahaere o Nāianeī

The ongoing challenges in local media continue to place greater demands on NZ On Air funding. We are now asked to support screen content that was previously commercially viable, while platforms have also reduced their contributions to funded content.

Local music also faces steady headwinds. The percentage of local songs played on commercial radio continues to undershoot the 20% voluntary 'code' agreement, while discovery of local songs on major streaming platforms is challenged by the sheer volume of global content and algorithms. In this environment, initiatives such as the New Music Project Touring Fund – introduced in 2025 as a pilot – provide an opportunity to promote local music and increase chances of success by going directly to the audience.

Funded public media platforms deliver crucial and significant outcomes for audiences, but static or declining funding will likely continue to provide operational challenges. In this environment, a 2% reduction in our baseline funding will be felt; however, we will do everything we can to limit the impact.

The sector bucking the trends is Game Development, which, with the GDSR backing, has been growing at a faster pace than the game development sector in most other countries.

NZ On Air is equipped with a flexible funding model that can respond to challenges as they arise. We will manage our funding streams efficiently within budgetary constraints, while at the same time nurturing ambition, innovation and creativity.

Areas of focus this year:

- Deliver a strong and diverse slate of local content, ensuring investment decisions maximise cultural impact and contribute to the goals of *Amplify* by strengthening New Zealand's creative and cultural identity.
- Strengthen the creative talent pipeline by investing in capability-building, career pathways and early-to-mid-career development opportunities in line with *Amplify's* focus on nurturing talent.
- Improve content discoverability through consistent, strategic marketing and release planning across all funded content, helping audiences more easily find and enjoy local stories and songs.
- Support music artists in growing their craft and fanbases through the New Music Project Touring Fund and other initiatives
- Investigate additional strategies and support to aid the discoverability of new local songs
- Deepen cross-agency collaboration through Mahi Tahi with NZFC and Te Māngai Pāho to improve system efficiency, reduce duplication, and better deliver cultural and economic benefits
- Launch and implement *Te Pae Matarau - The Everyone Project Aotearoa* with NZFC and Te Māngai Pāho to gather high-quality workforce data that strengthens the evidence base for investment decisions

- Revamp our leading *Where Are The Audiences* research to provide more insights on content preferences alongside audience behaviours, and more frequent targeted audience reports.
- Grow the ambition, scale and global reach of New Zealand content by supporting co-investment, co-production, international market pathways and additional revenue sources.
- Support the Game development sector to develop and thrive, including through partnerships, capability initiatives and international publisher engagement that strengthens sector sustainability and future growth.



Small Town Scandal, Miss Scandal Limited

Contribution to Government priorities | Tāpaetanga Whakaarotau a te Kāwanatanga

NZ On Air plays an important role in delivering government outcomes and priorities for Arts, Culture and Heritage and Economic Growth.

Cultural Sector Outcomes

We contribute to the Manatū Taonga vision of “Our culture is thriving, our people are well.” In particular, we contribute to the strategic priorities:

Active participation – recognising that media has an important place in creating social inclusion, and creating access to arts, culture and different perspectives.

Increasing understanding of our unique identity – core to our purpose, as reflected in the Broadcasting Act, to reflect and develop New Zealand’s identity and culture.

Strengthening the cultural system – by investing in stories and songs that reflect and develop our identity and culture, we provide a backbone of support for the media creative sector.

We also contribute to the objectives of *Amplify: A Creative and Cultural Strategy for New Zealand*, as expressed in our Strategic Framework (pg 11).

Economic Outcomes

The Government has made a priority of building a stronger, more productive economy that lifts incomes and increases opportunities for New Zealanders.

The five pillars of the *Going For Growth* approach are:

- Developing talent
- Competitive business settings
- Promoting global trade and investment
- Innovation, technology and science
- Infrastructure for growth

NZ On Air supports and develops talent among content creators, supports innovation in content creation, and enables businesses to attract international co-investment for their screen projects by investing alongside the Screen Production Rebate. Our administration of the GDSR is growing the game development sector, creating jobs and opportunities.

Minister's Letter of Expectations

The Minister for Media and Communications writes to our agency each year outlining the Government's expectations of us for the coming year. In the 2026/27 Letter of Expectations to NZ On Air, we are asked to:

- Continue to collaborate with the NZ Film Commission and Te Māngai Pāho to optimise resources, share research and deliver innovative funding and development models that strengthen the sector's strategic potential;
- Continue to support the local media sector and important factual content by funding reporting on public institutions;
- Ensure funded content is of a high quality so that it appeals to and engages modern New Zealand audiences, and contributes to growing opportunities for New Zealand stories to reach global audiences;
- Uphold strong decision-making criteria aligned with NZ On Air's strategic intentions, ensuring political neutrality and confidence in funding processes; and
- Support the Ministry to undertake policy work on strategy, legislative and regulatory reforms, as required.

NZ On Air is committed to delivering on these expectations, which are embedded in our work programme for the year.

Enduring Letter of Expectations for Statutory Crown Entities

In the 2024 letter to Crown Entity Board Chairs outlining expectations of Crown Entity Boards, the Minister of Finance and Minister for the Public Service, Hon. Nicola Willis, instructed our Board to:

- drive greater value from funds you receive and public assets you manage, understanding that reprioritisation should be used as a tool for achieving better results for the people you serve
- have a full understanding of your entity's cost drivers and performance against key outcomes, and be able to clearly account for these in reporting to your responsible Minister, monitoring department and the public
- take a continuous improvement approach to the activities and programmes you deliver, incorporating strong evidence and evaluation practices and seeking to improve the efficiency and responsiveness of the services you deliver.

NZ On Air manages its activities within a modest administration overhead of less than 4% of its budget. Even with this level of efficiency, we continue to look for savings in order to ensure the majority of funding passes through to the sectors we support. In addition, our performance measures have been updated to be clearer about the outcomes we influence, informed by increasingly robust data, such as audiences reached.

Strategic Framework | Anga Rautaki

Our Strategy guides investment decisions, operational priorities and sector engagement.

TĀ MĀTOU ANGA RAUTAKI Our Strategic Framework



Our Vision

TĀ MĀTOU KITENGA







New Zealanders connected through our stories and songs



Our Purpose

TĀ MĀTOU KORONGA

To reflect and develop New Zealand's identity and culture

<p>Our Pillars Ā MĀTOU POU</p>	 <p>ENGAGE Audiences discover, value and enjoy diverse New Zealand content</p>	 <p>ENABLE Invest in the people and skills that power New Zealand's creative future</p>	 <p>RESPOND Ensure funding models are adaptive, fit-for-purpose and accessible</p>	 <p>INFORM Deliver trusted insights that enable New Zealand content to flourish</p>	 <p>ELEVATE Increase the ambition, scale, and global reach of New Zealand content</p>
 <p>Our Goals Ā MĀTOU WHĀINGA</p>	<p>Increase audience connection with local content through:</p> <ul style="list-style-type: none"> investment in a strong and diverse slate of content; and strategic discoverability plans across all funded content. 	<p>Strengthen and diversify the creative talent pipeline by:</p> <ul style="list-style-type: none"> supporting quality content creation at different budget levels; and supporting career pathways and skills development. 	<p>Reduce barriers to accessing funding by:</p> <ul style="list-style-type: none"> streamlining processes; and adapting to emerging formats and industry needs. 	<p>Position NZ On Air as the authoritative source for local audience and industry insights by:</p> <ul style="list-style-type: none"> collecting, analysing and publishing content performance data, audience intelligence, and sector trends; and using insights to guide strategic funding decisions and industry wide strategies. 	<p>Increase the quality and ambition of funded content by:</p> <ul style="list-style-type: none"> encouraging co-investment and co-production to scale local content with international ambition; and supporting partnership pathways to support local and international success.
<p>Funding Streams NGĀ AHO PŪTEA</p>	<p>Creation Discoverability</p>	<p>Creation Capability</p>	<p>Discoverability</p>	<p>Insights</p>	<p>Creation Discoverability Capability</p>

Funding Streams | Ngā Aho Pūtea

Our funding streams are the delivery mechanism for supporting the outcomes outlined in our Strategic Pillars. Contestable funding rounds are held regularly throughout the year, with applications grouped under the funding streams **Creation**, **Discoverability**, and **Capability**. Along with a fourth stream, **Insights** (which funds our data and research mahi) these streams allow us to assess applications against similar content, and the allocated budgets are shared with the sector for transparency.

The detail of how this works in practice is set out in our Investment Model - a companion document that describes the purpose of NZ On Air investments and how our funding systems work.

Central to the Investment Model are the four funding streams through which all NZ On Air investment flows. Each stream has a distinct focus and maps to specific Strategic Pillars, but together they work as an interconnected system. The Forecast Financial Statements that follow show funding allocations across the streams.

Creation focuses on investing in a strong and diverse slate of content and working with other funders and third parties to maximise the impact of public funding. It supports Scripted and Non-fiction content across a wide range of genres, budgets, and platforms, and includes funding for content development. It also supports Music funding, including singles and multi-song projects and encourages the use of local music in screen content.

We work in partnership with Te Māngai Pāho to co-fund Māori content for both Māori and general audiences. Projects can also combine NZ On Air funding with the SPR, helping support screen projects with international ambition.

Discoverability includes funding for public media platforms such as RNZ, Pacific Media Network, Samoa Capital Radio, regional access radio stations, and the Student Radio Network. We also fund Able, which provides captioning and audio description, and content discovery platforms NZ On Screen and AudioCulture. Discoverability also focuses on helping audiences find and access the content we fund, across a range of platforms. It supports content promotion and services that make local content visible and easy to discover. This includes the children's YouTube channels KIDOGO and KIDOGO Junior, which provide a safe, easy-to-find home for local children's content on the platform 69% of New Zealand children use daily.

Capability acknowledges the need to fund and design initiatives to better support career pathways and skills development and strengthen the creative talent pipeline. Within this stream, we also appropriate the funds used for the Game Development Sector Rebate that supports the development and growth of this economically significant sector.

Insights addresses the need for increasing investment in research and data-based evidence to better inform our funding decisions, help us identify skills gaps in the industry and provide evidence of both the economic and cultural value of our work. Our Insights mahi also helps the sector understand changing audience behaviour and barriers to access and discovery. Investment in this area includes *Where Are The Audiences*, Diversity Reports and other commissioned research and data capture about the performance of funded content.

Measuring our Performance / Te Ine Tutukinga

The targets and budgets following show how we intend to invest funding and measure our progress in the 2026/27 year. These are all mapped back to our Strategic Framework.

We have taken the opportunity to refine our performance measures, reducing the number of measures and ensuring they are both appropriate and meaningful in the context of the new strategic framework and the changing audience environment. The measures directly align with the pillars in the Strategic framework and show how the funding streams allocated under the Investment Model contribute to the outcomes under each pillar.

As our strategy is designed to be simple, flexible and responsive to the fast-changing media landscape, the funding budgets in this SPE are indicative only. They may change depending on applications received and other market factors.

Summary of forecast revenue and output expenditure

Output One: Publicly funded content

Manage and distribute public funding through contracts with content creators, service providers, and platforms. Appropriation via the Ministry for Cultural and Heritage

		2026/27	2025/26	2025/26	2024/25
		Budget	Budget	Forecast	Actual
		\$,000	\$,000	\$,000	\$,000
Revenue					
Crown Funding -					
MCH		163,294	166,766	166,766	169,766
Other Income		2,627	3,170	3,842	5,465
Total Revenue		165,921	169,936	170,608	175,231
Output Expenses %					
Funding					
expenditure	96.40%	161,781	166,183	171,553	173,171
Total Funding	96.40%	161,781	166,183	171,775	173,171
Administration					
services	3.46%	5,800	5,921	5,853	5,704
Depreciation	0.14%	240	247	150	192
Total output					
expenses	100%	167,821	172,351	176,956	179,067
Surplus/(deficit)		(1,900)	(2,415)	(6,948)	(3,836)




Output Two: Game Development Sector Rebate Scheme

Administer the Game Development Sector Rebate Scheme (NZGDSR), reporting on this to the Minister for the Digital Economy and Communications. Appropriation via the Ministry of Business Innovation and Employment.



		2026/27	2025/26	2025/26	2024/25
		Budget	Budget	Forecast	Actual
		\$,000	\$,000	\$,000	\$,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)	96.25%	38,150	38,150	38,150	22,264
Total Funding	96.25%	38,150	38,150	38,150	22,264
Administration					
services	3.60%	1,428	1,307	1,307	1,137
Depreciation	0.15%	60	50	50	5
Total output					
expenses	100%	39,638	39,507	39,507	23,598
Surplus/(deficit)		254	385	385	600

Measures / Ngā Inenga

We will report against these measures in the 2026/27 Annual Report.

 Our Vision TĀ MĀTOU KITENGA					New Zealanders connected through our stories and songs				
TARGET		2026/27		2025/26		COMMENT			
1	New Zealanders felt connected through our stories and songs	<i>New Measure</i> 70%		-		Annual			
 Engage Ensure New Zealand audiences discover, value and enjoy diverse content		 GOAL Increase audience connection with local content through: <ul style="list-style-type: none"> • investment in a strong and diverse slate of content; and • strategic discoverability plans across all funded content. 							
2	NZ On Air funds a strong slate of music and screen content for broadcast and online	<i>New Measure</i> A minimum of 40,000 minutes of scripted and non-fiction content funded across a range of genres and formats ³ Achieve/Not Achieve		-		Quarterly			
		Number of individual singles funded through Single, Focus and Project applications >300		>300					
3	NZ On Air funds content intended for targeted audiences, including s36(1)(c) audiences	>25%		≥25%		Quarterly			
4	NZ On Air achieves 80% of the goals outlined in its Rautaki Māori	<i>New Measure</i> Achieve / Not Achieve		-		Annual			
5	NZ On Air supports content that is important to New Zealanders	>75%		Achieve		Annual			
6	NZ audiences value the diversity of content formats and platforms funded by NZ On Air.	>75%		Achieve		Annual			

³ Excluding Development and platforms such as RNZ, Access Radio.

7	NZers engage with NZ On Air-funded screen and audio content	NZ On Air funded linear TV content broadcast in the period reached 65% (AP5+) ⁴ Achieve/ Not Achieve	Achieve	Annual
		<i>New Measure</i> NZ On Air funded screen content ⁵ uploaded in the period was streamed OnDemand or on YouTube 30 million times Achieve / Not Achieve	-	
8	NZ On Air funded platforms deliver contracted outcomes. ⁶	<i>New Measure</i> >80%	-	Annual
9	NZ On Air funded music achieves target levels of representation across commercial radio ⁷ , alternative radio, and streaming services	Commercial radio: 20%	20%	Quarterly
		Alternative radio: >50%	≥50%	
		Streaming services: 8%	8%	
	Enable Invest in the people and skills that power New Zealand's creative future		GOAL Strengthen and diversify the creative talent pipeline by: <ul style="list-style-type: none"> • supporting content creation at different budget levels; and • supporting career pathways and skills development. 	
TARGET		2026/27	2025/26	COMMENT
10	Screen and music funding is allocated across a range of distinct budget tiers	<i>New Measure</i> Achieve/Not Achieve	-	Annual
11	NZ On Air supports pathways to develop talent and skills ⁸	<i>New Measure</i> Achieve/Not Achieve	-	Quarterly

⁴ Reach of NZ On Air funded linear TV content is expected to decline over time as audiences continue to shift from broadcast television to on-demand and streaming platforms. This reflects a structural industry trend rather than a reduction in the quality or volume of funded content.

⁵ Screen content is limited to episodic content and excludes promotional or additional content such as behind-the-scenes content.

⁶ Platforms include: RNZ, Able, Pacific Media Network, Access Radio, Student Radio Network, Samoa Capital Radio

⁷ Target agreed by the Minister and the Radio Broadcasters Association

⁸ This is measured per round

		>\$1M per annum is invested in Capability initiatives via baseline funding and/or third-party partnership investment Achieve/Not Achieve		
		New studios are accessing the GDSR each year Achieve/Not Achieve	-	Annual
		NZ On Air funds at least 3 capability-building initiatives across screen and music that support content creators to achieve international success Achieve/Not Achieve	-	Annual
12	NZ On Air funding encourages employment <i>New Measures</i>	Number of cast and crew employed on NZ On Air funded content per round ⁹ Achieve/Not Achieve Number Reported	-	Quarterly
		Number of Artists funded per round (Music) Achieve/Not Achieve Number Reported	-	Quarterly
		Number of employees supported by the GDSR increases each round Achieve/Not Achieve Number Reported	-	Annual

	<p>Respond Ensure funding models are adaptive, fit-for-purpose and accessible</p>		<p>GOAL Reduce barriers to accessing funding by:</p> <ul style="list-style-type: none"> streamlining processes; and adapting to emerging formats and industry needs.
---	--	---	---

	TARGET	2026/27	2025/26	COMMENT
13	Stakeholders have trust and confidence that NZ On Air's funding processes are fair and impartial	<i>New Measure</i> >65%	-	Annual
14	NZ On Air has robust decision-making criteria in place to uphold political impartiality	<i>New Measure</i> Achieve/Not Achieve	-	Annual
15	NZ On Air operates efficiently and prudently	NZ On Air's administration costs are no more than 5% of the funds available to administer	Achieve	Quarterly

⁹ This is an indicative number derived from applicant information at the time of funding approval and may change over the course of productions.



16	NZ On Air operates effectively	Payments are correctly made within 10 working days ¹⁰ Funding decisions notified within 5 working days	Achieve Achieve	Quarterly
----	--------------------------------	--	------------------------	-----------



Inform

Deliver trusted insights that enable New Zealand content to flourish



GOAL

Position NZ On Air as the authoritative source for local audience and industry insights by:

- Collecting, analysing and publishing content performance data, audience intelligence, and sector trends; and
- Using insights to guide strategic funding decisions and industry-wide strategies.

TARGET	2026/27	2025/26	COMMENT
--------	---------	---------	---------

17	NZ On Air provides research data that informs its decisions and supports the media sector	At least two major research projects published	Achieve	Annual
----	---	--	---------	--------

18	NZ On Air provides opportunities for stakeholder engagement	<i>New Measure</i> ≥ 4 engagements ¹¹	-	Quarterly
----	---	---	---	-----------

19	Stakeholders believe NZ On Air communicates frequently, and with openness and clarity	<i>New Measure</i> >70%	-	Annual
----	---	----------------------------	---	--------



Elevate

Increase the ambition, scale, and global reach of New Zealand content



GOAL

Increase the quality and ambition of funded content by:

- encouraging co-investment and co-production to scale local content with international ambition; and
- supporting partnership pathways to support local and international success.

TARGET	2026/27	2025/26	COMMENT
--------	---------	---------	---------

20	NZ On Air supports content with international potential <i>New Measures</i>	The proportion of total production budget for NZ On Air-funded screen content sourced from non-government finance is at least 20%	-	Quarterly
		<i>New Measure</i> Achieve/Not Achieve Report Number		

		At least one Music project is invested in with international commitment	-	Quarterly
		<i>New Measure</i>		

¹⁰ On receipt of a valid invoice once contract conditions are met

¹¹ Includes webinars, showcases and newsletters

		Achieve/Not Achieve		
		GDSR funded games intended for international release increase YOY <i>New Measure</i> Achieve/Not Achieve	-	Annual
		Number of NZ On Air-funded screen projects that secure international distribution <i>New Measure</i> >10	-	Annual
21	NZ On Air-funded projects achieve domestic and international recognition <i>New Measure</i>	YOY increase for NZ On Air funded projects across screen, audio, music and games that receive critical acclaim through awards nominations/wins, festival selection etc. <i>New Measure</i> Achieve/Not Achieve Report Number	-	Annual

Forecast Financial Statements / He Tirohanga Whakamua Mō Te Pūtea

Statement of Forecast Comprehensive Revenue and Expense for the year ending 30 June 2027

	2026/27 Budget	2025/26 Budget	2025/26 Forecast
	\$,000	\$,000	\$,000
Crown Funding – MCH	163,294	166,766	166,766
Crown Funding - MBIE	39,892	39,892	39,892
Other Income	2,627	3,170	3,842
Total Revenue	205,813	209,828	210,500
Operating expenditure			
Administration services	7,228	7,325	7,310
Depreciation	300	200	297
Total operating expenditure	7,528	7,525	7,607
Creation	78,668	81,608	87,008
Discoverability	81,034	82,675	82,628
Capability	1,100	900	863
Insights	980	1,000	1,053
Total Funding Expenditure	161,781	166,183	171,553
Game Development Sector Rebate (GDSR)	38,150	38,150	38,150
Total Expenditure	207,459	211,858	217,309
Net Surplus/(Deficit)^{12 *}	(1,646)	(2,030)	(6,810)
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense	(1,646)	(2,030)	(6,810)

¹² The budget deficit is managed by the previous year's cumulated equity

Statement of Forecast Financial Position as at 30 June 2027

	2026/27 Budget	2025/26 Budget	2025/26 Forecast
	\$,000	\$,000	\$,000
Current assets			
Cash and cash equivalents	3,000	1,793	2,750
Investments	70,000	70,000	70,000
Debtors and other receivables - interest	1,000	1,000	1,000
Debtors and other receivables - other	27,000	2,000	27,000
Total current assets	101,000	74,793	100,750
Non-current assets			
Property, plant and equipment	392	401	337
Intangible assets	680	887	880
Total non-current assets	1,072	1,288	1,217
Total assets	102,072	76,081	101,967
Current Liabilities			
Trade and other payables	1,600	200	1,600
Employee entitlements	150	150	150
Funding liabilities	95,183	71,227	93,432
Total current liabilities	96,933	71,577	95,182
Net assets	5,139	4,504	6,785
Equity			
Equity at 30 June	5,139	4,504	6,785
Total Equity	5,139	4,504	6,785

Statement of Forecast Changes in Equity for the year ending 30 June 2027

	2026/27 Budget	2025/26 Budget	2025/26 Forecast
	\$,000	\$,000	\$,000
Balance at 1 July	6,785	6,534	13,595
Total comprehensive revenue and expense for the year	(1,646)	(2,030)	(6,810)
Balance at 30 June	5,139	4,504	6,785

Statement of Forecast Cash flow for the year ending 30 June 2027

	2026/27 Budget	2025/26 Budget	2025/26 Forecast
	\$,000	\$,000	\$,000
Cash flows from operating activities			
Receipts from the Crown	203,186	206,658	206,658
Receipts from other revenue	1,000	1,000	726
Interest received	1,627	2,176	2,698
Payments to funded activities	(198,180)	(196,966)	(200,901)
Payments to suppliers and employees	(7,528)	(7,525)	(7,671)
Net GST	300	200	15
Net cash from operating activities	405	5,543	1,526
Cash flows from investing activities			
Net receipts from investments	-	(6,000)	(6,000)
Purchase of intangible assets	-	(400)	(400)
Purchase of property, plant and equipment	(155)	(100)	(65)
Net cash flows from investing activities	(155)	(6,500)	(6,465)
Net increase in cash and cash equivalents	250	(957)	(4,939)
Cash and cash equivalents at 1 July	2,750	2,750	7,689
Cash and cash equivalents at 30 June	3,000	1,793	2,750

Statement of Accounting Policies | Tauākī Mahere Mahi Moni

for the year ending 30 June 2027

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 2027.

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 a 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.

Content Revenue

Our share of net revenue from sales of content 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 all the risks and rewards incidental to ownership of an asset are substantially 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 its useful life. 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 are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is 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 their recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or 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 the 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 based on 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%
---------------------------------------	---------	-----

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 the balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the balance date, annual leave earned to, but not yet taken at the 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 the 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 the 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 the 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 include cash in hand and deposits held with banks with original maturities of three months or less.

Operating activities include cash received from income sources excluding interest, and record 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).

CONTACT US

HEAD OFFICE

Level 2, 119 Ghuznee St
PO Box 9744
Wellington
New Zealand
T: +64 4 382 9524
E: info@nzonair.govt.nz
W: www.nzonair.govt.nz

AUCKLAND OFFICE

Unit A1, One Beresford Square
Newton, Auckland
New Zealand



Myshaan performs at an NZ On Air Music Showcase