

# YOUR TRUSTED VOICE



**NZ Youth Orchestra & Choir Anniversaries**

July 2009

Live broadcast of concerts celebrating the New Zealand Youth Orchestra's 50th anniversary and the New Zealand Youth Choir's 30th anniversary.

**Tongan Ferry Disaster**

5.8.2009

Extended coverage by Radio New Zealand and Radio New Zealand International journalists.



**Contents**

---

CHAIR'S REPORT	2	PERFORMANCE MANAGEMENT	6
CHIEF EXECUTIVE REPORT	3	FINANCIAL PERFORMANCE	17
OUR CHARTER	4	STATEMENT OF SERVICE PERFORMANCE	49
OUR PERFORMANCE BASED ON PUBLIC VALUE AND OUR CHARTER OBJECTIVES	5	DIRECTORY	57

**Samoa Tsunami**

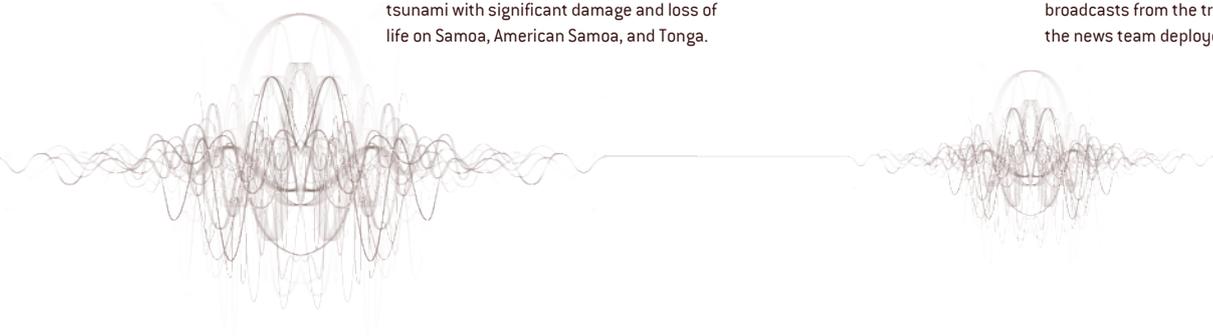
30.9.2009

Magnitude 8 earthquake generates a tsunami with significant damage and loss of life on Samoa, American Samoa, and Tonga.

**Waitangi Day**

6.2.2010

Waitangi Day celebrations, including live broadcasts from the treaty grounds by the news team deployed there.



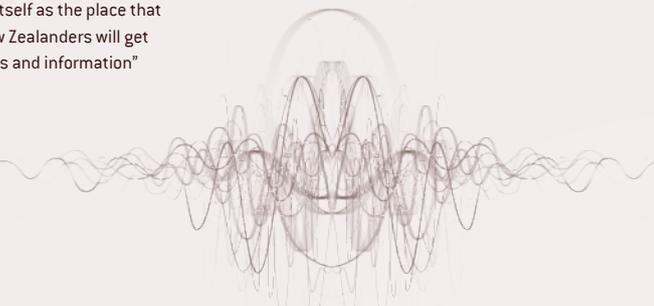
THE EVENTS OF THE PAST 12 MONTHS  
HAVE HAD SIGNIFICANT IMPACT, BOTH  
GLOBALLY AND LOCALLY.

THROUGHOUT THIS PERIOD RADIO  
NEW ZEALAND HAS DELIVERED A  
CONSISTENTLY UNWAVERING SERVICE  
WITH A DEDICATION TO QUALITY.

# CHAIR'S REPORT

Radio New Zealand carries a unique responsibility to provide independent public service broadcasting for the people of New Zealand.

"Radio New Zealand seeks to position itself as the place that more New Zealanders will get their news and information"



No other broadcaster in the country operates to a parliamentary Charter with an exclusive mandate to serve the public interest.

Difficult economic conditions over the past 12 months and fundamental changes in traditional media business models are combining to put increasing pressure on many commercial news organisations. Lower advertising revenues and increased competition from online media have led to a significant reduction in the newsgathering capacity of many newspapers, television and radio services.

While the rapid growth of new media platforms and online media has led to a proliferation of websites, blogs and other digital outlets providing news and information, much of this material is either opinion-based or repetition which can be traced back to a diminishing number of original mainstream media sources.

In light of these industry trends, Radio New Zealand is very conscious of the important role it plays in providing New Zealanders with a trusted source of independently verified news and information, enabling them to form their own opinions and to make independent decisions.

Radio New Zealand has embraced the new platforms and seeks to ensure that it remains at the forefront of new media developments. This will ensure it is able to maximize value for the funding it receives, while enhancing its unique position and its assets – its rich content and in depth news and commentary.

Radio New Zealand seeks to position itself as the place that more New Zealanders will get their news and information and the place that the rest of the world looks to as the source of accurate and reliable information about what is happening in New Zealand and the Pacific. It will ensure that the value of Radio New Zealand content is maximized for current audiences and unlocked for the benefit of future generations.

Radio New Zealand is also feeling the impact of the current economic climate. Funding was frozen in the 2009 and 2010 Budgets and this will be the case for the foreseeable future.

Radio New Zealand has risen to that financial challenge and continues to provide New Zealanders both here and abroad with world class public service broadcasting. Wherever possible, savings are being achieved in non-programme related areas which do not undermine our ability to meet our Charter obligations. Attention is also being focused on increasing ancillary revenue.

In the year under review, traditional live radio audiences remained at high levels while the popularity of our on-demand services through the internet continued to grow exponentially. Public support for Radio New Zealand is at an all-time high.

Several civil defence emergencies during the past year highlighted the vital role played by Radio New Zealand, both as a public service broadcaster and as a national lifeline utility. In its response to threats from tsunami events in Samoa, Vanuatu, Tonga and Chile, Radio New Zealand was widely commended for the timely, accurate and reliable information it provided to audiences in New Zealand and across the Pacific and for the high quality of its comprehensive news coverage of these events. In more recent times, similarly strong praise was received from New Zealanders here and around the world for our coverage of the devastating Canterbury Earthquake.

Stringent financial management allowed Radio New Zealand to operate within budget for the year, returning a small surplus of \$ 18,000 before tax. In keeping with past practice, Shareholding Ministers have again waived their right to a dividend.

Rising to the challenge of such difficult times is very much a team effort and I would like to acknowledge the important contributions over the past year of the Radio New Zealand Board of Governors, the Chief Executive and other senior managers.

I would also like to acknowledge the significant contribution made by Alison Timms who retired from the Board in October after eight years as Deputy Chair and two other retiring Board members, Steve Murray and Sifa Taumoepeau.

In particular though I would like to thank the programme-makers, journalists and support staff at Radio New Zealand who remain dedicated to the fundamental principles of public service broadcasting and continue to produce outstanding radio under increasingly difficult conditions.

While we will face more financial challenges in the year ahead, Radio New Zealand remains committed to the task of continuing to provide New Zealanders with the high standards of public service broadcasting they have come to expect.

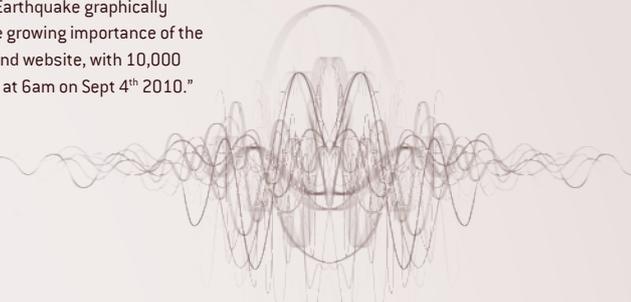


CHRISTINE GRICE – Chair

# CHIEF EXECUTIVE REPORT

The trend away from traditional media consumption has continued apace over the past 12 months.

“Major events in New Zealand such as the Canterbury Earthquake graphically demonstrate the growing importance of the Radio New Zealand website, with 10,000 visitors per hour at 6am on Sept 4<sup>th</sup> 2010.”



As broadband internet penetration in New Zealand climbs steadily, more and more people are turning to the internet to access news, information and entertainment on demand.

In recent years Radio New Zealand has wholeheartedly embraced the opportunities presented by new technology and is now very much at the forefront of online broadcasting.

Virtually all of our spoken word content is made available on demand through our website and as each day passes we are building a very rich and diverse online library of programming both for our current listeners and for future generations. Content which in the past might have been broadcast only once or twice will now be accessible to the public indefinitely, adding exponential value to the work we produce.

Already we have amassed a collection of 45,000 audio items totalling more than 8,500 hours of on-demand programming including news and current affairs, feature-length interviews, documentaries, children's stories and specialist programmes covering arts, science, health, sport, Māori and Pacific issues.

Even listening for 24 hours a day, seven days a week, it would take almost a full year to get through the current online programme library. And we're adding to that library at the rate of about 2,500 hours of programming every year.

Major events in New Zealand such as the Canterbury Earthquake graphically demonstrate the growing importance of the Radio New Zealand website in providing a service to the many thousands of New Zealanders living and travelling overseas. In the immediate aftermath of the earthquake, many of the text messages and emails received by Radio New Zealand were from people listening to our coverage around the world, and traffic to the website was running at more than ten times its normal level.

As we have flagged for a number of years now, the phenomenal success of our online broadcasting services has inevitably resulted in a marginal decline in our live radio listening figures. However, this traditional audience measure still remains strong, with more than half a million listeners tuning into Radio New Zealand in an average week.

In some ways, the Radio New Zealand website has been a victim of its own success over the past 12 months. The rate of growth of our digital content library and increasing popularity of on-demand listening has resulted in a substantial growth in our web traffic over the past year, stretching internal resources and fully testing the capacity of our online infrastructure.

A number of urgent technical adjustments were required during the year in order to guarantee continuity of service. Unfortunately a combination of system overloads and the corrective measures required to protect service delivery has temporarily disrupted our ability to extract accurate records of on-demand listening levels. Some traditional online performance measures are therefore not available for inclusion in this year's Annual Report.

However, significant increases in measurable activity such as page impressions, unique browsers and data consumption rates indicates that the popularity of on-demand listening is continuing to grow.

Remedial measures currently being undertaken, including migration of website content to a new content delivery system, should enable a return to more accurate reporting measures in the 2010 – 2011 Annual Report.

A further major issue emerging for online broadcasters such as Radio New Zealand is the growing incidence of online piracy. In recent years there has been a proliferation of content aggregators who cache Radio New Zealand content and deliver it as part of their own services. This practice diverts traffic from the official Radio New Zealand website making it virtually impossible to accurately track the total volume of online listening. We are currently investigating possible technical solutions to this problem; however, it is unlikely to be resolved in the short term.

Our challenge in the year ahead is to maintain the world class quality of our programming and the increasing demand for our online content within tightly constrained financial circumstances.



# OUR CHARTER

Every day, Radio New Zealand captures and reflects the thoughts, opinions and information we want to share as a nation, in programmes that contribute towards our broader collective understanding, help us follow what is going on in our own country and stay in touch with developments in the world around us.

While it was enacted by Parliament, the Radio New Zealand Charter is more than just a piece of legislation. In effect, the Charter is a “living” guide to all that we do. It provides a vision, along with parameters for how our unique range of services fits with our place in New Zealand public life.

Through the programmes it specifically encourages, and the standards that it sets, the Charter also ensures that Radio New Zealand promotes and protects, to the best of its abilities, the fullest possible sense of our national identity. Our Charter states:

## **1** THE FUNCTIONS OF THE PUBLIC RADIO COMPANY SHALL BE TO PROVIDE INNOVATIVE, COMPREHENSIVE, AND INDEPENDENT BROADCASTING SERVICES OF A HIGH STANDARD AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO PROVIDE:

- (a) Programmes which contribute towards intellectual, scientific, cultural, spiritual and ethical development, promote informed debate, and stimulate critical thought; and
- (b) A range of New Zealand programmes, including information, special interest, and entertainment programmes, and programmes which reflect New Zealand's cultural diversity, including Māori language and culture; and
- (c) Programmes which provide for varied interests and a full range of age groups within the community, including information, educational, special interest, and entertainment programmes; and
- (d) Programmes which encourage and promote the musical, dramatic, and other performing arts, including programmes featuring New Zealand and international composers, performers and artists; and
- (e) A nationwide service providing programming of the highest quality to as many New Zealanders as possible, thereby engendering a sense of citizenship and national identity; and
- (f) Comprehensive, independent, impartial and balanced national news services and current affairs, including items with a regional perspective; and

- (g) Comprehensive, independent, impartial, and balanced international news services and current affairs; and
- (h) An international radio service to the South Pacific (Radio New Zealand International) which may include a range of programmes in English and Pacific languages; and
- (i) Archiving of programmes which are likely to be of historical interest in New Zealand.

## **2** IN PROVIDING BROADCASTING SERVICES, THE PUBLIC RADIO COMPANY SHALL TAKE ACCOUNT OF:

- (a) Recognised standards of excellence; and
- (b) Its responsibility as the provider of an independent national broadcasting service to provide a balance between programmes of wide appeal and programmes of interest to minority audiences; and
- (c) The broadcasting services provided by other broadcasters; and
- (d) Surveys, commissioned annually, of persons who are members of its current audiences to establish whether those members consider that the quality and quantity of its services are being maintained in accordance with subsection (1); and
- (e) Surveys, commissioned from time to time, of persons who are not members of its current audiences.

# OUR PERFORMANCE BASED ON PUBLIC VALUE AND OUR CHARTER OBJECTIVES

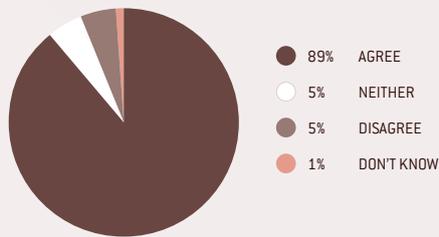
## Chile Earthquake

28.2.2010  
Magnitude 8.8 earthquake in Chile generates a tsunami threat to New Zealand.

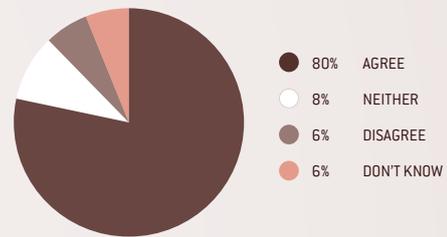
## NZSO Launches New Zealand International Arts Festival

March 2010  
RNZ Concert covers the New Zealand International Arts Festival, starting with a live video-cast on the Radio New Zealand website of the New Zealand Symphony Orchestra.

IT IS IMPORTANT FOR NEW ZEALAND TO HAVE A PUBLIC SERVICE RADIO BROADCASTER

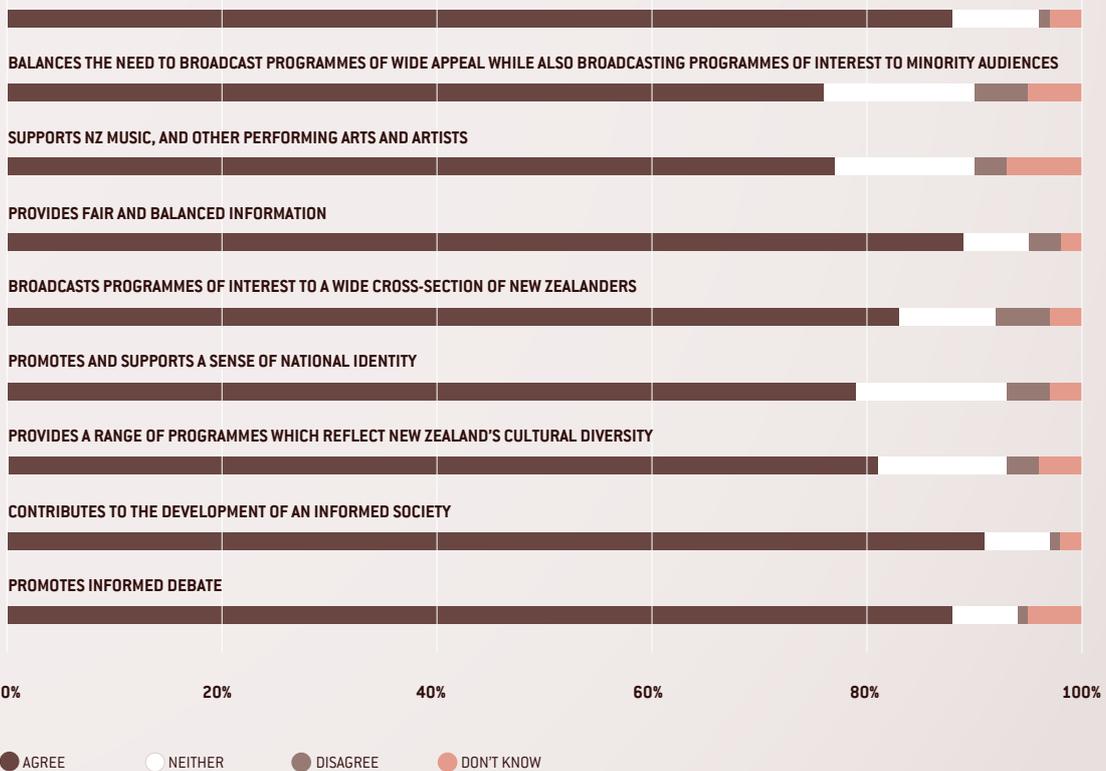


RADIO NEW ZEALAND PROVIDES A VALUABLE SERVICE FOR NEW ZEALANDERS



Source: 2009–2010 Radio New Zealand Value Indices research, conducted by The Nielsen Company among all New Zealanders aged 15+

BROADCASTS PROGRAMMES NOT GENERALLY FOUND ON OTHER RADIO STATIONS



Source: 2009–2010 Radio New Zealand Listener Survey, conducted by The Nielsen Company

# PERFORMANCE MANAGEMENT

## Southland & Queenstown Floods

30.4.2010

Radio New Zealand provides on the spot coverage.

## Political Events in Fiji

5.2010

Two Radio New Zealand International journalists visit Fiji providing comprehensive reports for listeners in Pacific nations.

## OUTCOME

## RESULT

# 1

**NEW ZEALANDERS HAVE A HEALTHY SENSE OF CITIZENSHIP AND NATIONAL IDENTITY.**

Radio New Zealand generated the following impacts which contributed positively to this Outcome:

**Impact 1:** New Zealanders appreciate their ethnic and cultural diversity.

Achieved

**Impact 2:** New Zealanders value and enjoy their sound heritage and appreciate where they come from.

Partially Achieved

**Impact 3:** New Zealanders, no matter where they are, feel a sense of connection with and belonging to New Zealand.

Partially Achieved

# 2

**NEW ZEALAND SOCIETY IS INFORMED, ENTERTAINED, EDUCATED AND ENLIGHTENED.**

Radio New Zealand generated the following impacts which contributed positively to this Outcome:

**Impact 1:** New Zealanders are informed about New Zealand and its place in the world.

Achieved

**Impact 2:** New Zealanders fully participate in society's intellectual, democratic and cultural debate.

Achieved

**Impact 3:** New Zealanders enjoy and engage in a diverse vibrant artistic, musical and entertainment culture.

Achieved

# 3

**PACIFIC PEOPLES VALUE THEIR RELATIONSHIP WITH NEW ZEALAND AND ARE INFORMED ABOUT ISSUES AFFECTING THEM.**

Radio New Zealand generated the following impact which contributed positively to this Outcome:

**Impact 1:** Pacific peoples are informed about their region and its place in the world.

Achieved

# 1

## OUTCOME: NEW ZEALANDERS HAVE A HEALTHY SENSE OF CITIZENSHIP AND NATIONAL IDENTITY.

### IMPACT 1:

#### NEW ZEALANDERS APPRECIATE THEIR ETHNIC AND CULTURAL DIVERSITY.

##### MAIN MEASURES/INDICATORS

###### Specific indicators/targets are:

Radio New Zealand listeners agree that Radio New Zealand promotes and supports a sense of national identity:

82% (2009 actual), 70% (2010), 70% (2011), 70% (2012)<sup>1</sup>

Radio New Zealand listeners agree that Radio New Zealand provides a range of programmes which reflects New Zealand's cultural diversity:

82% (2009 actual), 75% (2010), 75% (2011), 75% (2012)<sup>1</sup>

Radio New Zealand National and Radio New Zealand Concert broadcast programming that is predominantly and distinctively of New Zealand:

9,444 hours (2009 actual), 9,285 hours (2010), 9,285 hours (2011), 9,311 hours (2012)

Radio New Zealand National and Radio New Zealand Concert broadcast programmes that reflect New Zealand's cultural identity, including Māori language and culture:

9,444 hours (2009 actual), 9,285 hours (2010), 9,285 hours (2011), 9,311 hours (2012)

##### STATUS: ACHIEVED

Key programming facts and figures:

- 79% of listeners agreed Radio New Zealand promotes and supports a sense of national identity;
- 81% of listeners agreed Radio New Zealand provides a range of programmes which reflects New Zealand's cultural diversity;
- 9,508 hours of programming that was predominantly and distinctively of New Zealand were broadcast by Radio New Zealand National and Radio New Zealand Concert; and
- 9,508 hours of programming that reflects New Zealand's cultural identity, including Māori language and culture were broadcast by Radio New Zealand National and Radio New Zealand Concert.

Programming of significance included:

- *Country Life*;
- *Spectrum*;
- book readings, original drama, short stories and children's stories of New Zealand origin;
- *Sounds Historical*;
- *Afternoons with Jim Mora*, coverage from heartland New Zealand;
- music programmes reflecting New Zealand music, e.g. *Waiata*, *New Zealand Live*, *Made in New Zealand* and *Young New Zealand*;
- rural news bulletins;
- *Arts on Sunday*;
- *Asian Report*;
- *Global Sounds*;
- *World Of Music*;
- *WOMAD Taranaki*;
- Radio New Zealand Concert programming including world music, *The Art of Jazz*, *Music Alive* and *New Horizons*;
- *Storytime Treasure Chest* on the Radio New Zealand website;
- Waitangi Day celebrations, including live broadcasts from the Treaty Grounds by the news team deployed there;
- *Māori Language Week*;
- *Te Ahi Kaa*;
- *Waiata*;
- *He Rourou*;
- *Our Changing World*;
- *One in Five*;
- *Auckland and Christchurch Story*;
- *Tagata o te Moana*;
- *Dateline Pacific*; and
- New Zealand focused presentation including greetings and sign-offs in te reo Māori.

1. Source: Radio New Zealand Listener Survey, conducted by The Nielsen Company

**IMPACT 2:****NEW ZEALANDERS VALUE AND ENJOY THEIR SOUND HERITAGE AND APPRECIATE WHERE THEY COME FROM.****MAIN MEASURES/INDICATORS****Specific indicators/targets are:**

Sound Archives/Ngā Taonga Kōrero will acquire material to archive:  
1,767 hours (2009 actual), 1,500 hours (2010), 1,900 hours (2011), 1,900 hours (2012)

Sound Archives/Ngā Taonga Kōrero will preserve material to the archives:  
1,889 hours (2009 actual), 1,300 hours (2010), 1,300 hours (2011), 1,300 hours (2012)

Requests for archived sound recordings will be processed to an agreed turnaround standard:

10 to 15 days (2009 actual), 10 to 15 days (2010), 10 to 15 days (2011), 10 to 15 days (2012)

**STATUS: PARTIALLY ACHIEVED**

Key archives facts and figures<sup>2</sup>:

- 1,211 hours of material were acquired by Sound Archives/Ngā Taonga Kōrero;
- 2,138 hours of material were preserved to the archives of Sound Archives/Ngā Taonga Kōrero; and
- Requests for archived sound recordings were processed in under 30 days.

Refer to footnote 2 on page 9 for an explanation of the 2009–2010 target figures. The under-achievement of 89 hours against the acquisition forecast equates to 7%. Sound Archives/Ngā Taonga Kōrero implemented a new collection management system requiring a planned shutdown period during December 2009 to January 2010 affecting the achievement of the acquisition target. Additional resources were, however, available for preservation activities during the period in order to clear the increasing backlog and to undertake a mass digitisation project.

**IMPACT 3:****NEW ZEALANDERS, NO MATTER WHERE THEY ARE, FEEL A SENSE OF CONNECTION WITH AND BELONGING TO NEW ZEALAND.****MAIN MEASURES/INDICATORS****Specific indicators/targets are:**

Cumulative live audience figures for Radio New Zealand National:  
473,000 (2009 actual), 431,200 (2010), 422,600 (2011), 414,100 (2012)<sup>3</sup>

Radio New Zealand Concert website requests for live streaming:  
446,000 (2009 actual), 410,000 (2010), 420,000 (2011), 430,000 (2012)

Cumulative live audience figures for Radio New Zealand Concert:  
138,000 (2009 actual), 137,000 (2010), 134,000 (2011), 132,000 (2012)<sup>4</sup>

Radio New Zealand website podcast requests:  
4.7 million (2009 actual), 3.2 million (2010), 3.4 million (2011), 3.6 million (2012)

Website access to radionz.co.nz<sup>5</sup>  
10.0 million (2009 actual), 10.0 million (2010), 10.5 million (2011), 11 million (2012)

Radio New Zealand website audio-on-demand requests:  
3.3 million (2009 actual), 3.5 million (2010), 3.9 million (2011), 4.5 million (2012)

Radio New Zealand National website requests<sup>6</sup> for live streaming:  
1.3 million (2009 actual), 1.3 million (2010), 1.5 million (2011), 1.7 million (2012)

Radio New Zealand International broadcasts are relayed throughout the Pacific region consistent with the achievement of Outcome 3.

**STATUS: PARTIALLY ACHIEVED**

Key audience facts and figures:

- the cumulative live audience for Radio New Zealand National was 462,000 people aged 15+ years;
- the cumulative live audience for Radio New Zealand Concert was 119,000 people aged 15+ years;
- the radionz.co.nz website was accessed 11.3 million<sup>7</sup> times; and
- 17 Pacific radio stations relayed the Radio New Zealand International transmission.

The decline in Radio New Zealand Concert listenership reflects the fact that no promotion of the network has been undertaken in over four years and also the general decline in radio listening affecting the whole radio industry.

The Radio New Zealand website experienced a substantial growth in traffic during 2009–2010. As a result of the high demand and increased load on web servers Radio New Zealand introduced some urgent system upgrades to ensure continuity of service. System overloads and the measures undertaken to protect service delivery meant that accurate logging of on-demand traffic was not possible. Measurement for page impressions and unique browsers was maintained and has been accurately reported. Based on figures available, overall use of the website has grown in line with expectations. Projections, based on overall data consumption, indicate use of Radio New Zealand's online audio services, live streaming, audio-on-demand and podcasts has continued to increase during the year.

Migration to a new content delivery network has been completed and Radio New Zealand expects to have robust measures for podcasts and on-demand traffic available for the 2010–2011 Annual Report.

## IMPACT 1:

NEW ZEALANDERS ARE INFORMED ABOUT NEW ZEALAND AND ITS PLACE IN THE WORLD.

## MAIN MEASURES/INDICATORS

<p><b>Specific indicators/targets are:</b></p> <p>Radio New Zealand listeners agree that Radio New Zealand contributes to the development of an informed society: 93% (2009 actual), 80% (2010), 80% (2011), 80% (2012)<sup>8</sup></p> <p>Radio New Zealand listeners agree that Radio New Zealand provides fair and balanced information: 90% (2009 actual), 80% (2010), 80% (2011), 80% (2012)<sup>8</sup></p> <p>Radio New Zealand National listeners agree that Radio New Zealand provides in-depth news and current affairs about New Zealand: 93% (2009 actual), 85% (2010), 85% (2011), 85% (2012)<sup>8</sup></p> <p>Radio New Zealand listeners agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders: 86% (2009 actual), 75% (2010), 75% (2011), 75% (2012)<sup>8</sup></p> <p>Radio New Zealand listeners agree that Radio New Zealand balances the need to broadcast programmes of wide appeal while also broadcasting programmes of interest to minority audiences: 76% (2009 actual), 65% (2010), 65% (2011), 65% (2012)<sup>8</sup></p>	<p>Radio New Zealand listeners agree that Radio New Zealand broadcasts programmes not generally found on other radio stations: 86% (2009 actual), 80% (2010), 80% (2011), 80% (2012)<sup>8</sup></p> <p>Radio New Zealand National broadcasts a balance of programmes of special interest with those of wide appeal recognising the interests of all age groups: 8,412 hours (2009 actual), 8,409 hours (2010), 8,409 hours (2011), 8,423 hours (2012)</p> <p>Radio New Zealand National broadcasts programmes that are comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs: 4,268 hours (2009 actual), 4,117 hours (2010), 4,117 hours (2011), 4,128 hours (2012)</p> <p>Radio New Zealand National and Radio New Zealand Concert broadcast programming that provides awareness of the world and of New Zealand's place in it: 6,816 hours (2009 actual), 6,832 hours (2010), 6,832 hours (2011), 6,851 hours (2012)</p>
--	--

## STATUS: ACHIEVED

Key programming facts and figures:

- 91% of Radio New Zealand listeners agreed that Radio New Zealand contributes to the development of an informed society;
- 89% of Radio New Zealand listeners agreed that Radio New Zealand provides fair and balanced information;
- 92% of Radio New Zealand National listeners agreed that Radio New Zealand provides in-depth news and current affairs about New Zealand;
- 83% of Radio New Zealand listeners agreed that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders;
- 76% of Radio New Zealand listeners agreed that Radio New Zealand balances the need to broadcast programmes of wide appeal while also broadcasting programmes of interest to minority audiences;
- 88% of Radio New Zealand listeners agreed that Radio New Zealand broadcasts programmes not generally found on other radio stations;
- 8,419 hours of programmes that were a balance of special interest with those of wide appeal recognising the interests of all age groups were broadcast by Radio New Zealand National;
- 4,307 hours of programmes that were comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs were broadcast by Radio New Zealand National;
- 6,834 hours of programming that provided awareness of the world and of New Zealand's place in it were broadcast by Radio New Zealand National and Radio New Zealand Concert; and
- News – regular hourly and at peak times twice-hourly bulletins.

2. An error in the published 2009–2010 Statement of Intent led to a transposing between the acquisition and preservation measure indicators.

The forecast for 2009–2010 acquisition hours should have read 1,300 and the preservation hours should have read 1,900.

3. For more information refer to the Statement of Service Performance for Radio New Zealand National on page 52.

4. For more information refer to the Statement of Service Performance for Radio New Zealand Concert on page 53.

5. Calculated from the number of daily unique browsers.

6. Calculated from standard server logs. Radio New Zealand intends to move to a more robust methodology in the future.

Figures may be subject to some variability due to known issues with server logs.

7. Calculated from the number of page impressions.

8. Source: Radio New Zealand Listener Survey, conducted by The Nielsen Company.

Coverage of significant news and current affairs events included:

- extensive coverage of the tsunami threat to New Zealand following the Chilean earthquake – the coverage included a widely acclaimed special programme to warn New Zealanders of the threat, fulfilling our legal lifeline utility Civil Defence obligations;
- resignation of Cabinet Minister Phil Heatley;
- Northland and Waikato droughts;
- Southland and Queenstown floods;
- an hour-long news special programme of the Key Government's second Budget and raising of GST;
- Government's sacking of the Canterbury Regional Council and replacement with Government appointees;
- controversy over the Government's national park mining plans;
- coverage of the ANZAC Day RNZAF helicopter tragedy;
- rower Shaun Quincey's landing on 90 Mile Beach, marking his successful crossing of the Tasman Sea; and
- the continuing impact on the domestic economy of the international financial crisis.

Radio New Zealand deployed news staff to cover the following international stories and events:

- the Tongan ferry disaster;
- the Samoa earthquake and tsunami tragedy; and
- Prime Minister John Key's attendance at the Nuclear Security Summit in Washington (covered by Feature Story, Radio New Zealand's news supply agency in the United States).

Awards and recognition:

- Radio New Zealand News won the Telecommunications Users Association (Tuanz) Technology Media Award for 2009.
- The Institute of Public Administration awarded *Morning Report* the 2010 Public Sector Media Excellence Award.
- Radio New Zealand International was shortlisted in the final top four entries of the Association of International Broadcasting Awards for its coverage of Fiji's overthrow of a constitutional order, 2009.

Programming of diversity and significance included:

- *Morning Report*;
- *Checkpoint*;
- *Nine to Noon with Kathryn Ryan*;
- *Nights with Bryan Crump*;
- *Saturday Morning with Kim Hill*;
- *Sunday with Chris Laidlaw*;
- *Mediawatch*;
- *Arts on Sunday*;
- *This Way Up*;
- *Afternoons with Jim Mora*;
- *Ideas*;
- *Our Changing World*;
- *Spectrum*;
- *Country Life*;
- *One in Five*;
- Jazz programmes including *The Art of Jazz*;
- *Global Sounds*;
- *New Horizons*;
- *Sound Lounge*;
- *Vintage Years*;
- *Sounds Historical*;
- *Young New Zealand*, including 52 broadcasts of young musicians recorded around the country;
- *Insight and Focus on Politics*;
- *Storytime*;
- *Music 101*;
- *'Round Midnight*;
- *World Of Music*; and
- *The Music Mix*.

**MAIN MEASURES/INDICATORS**
**Specific indicators/targets are:**

Radio New Zealand listeners agree that Radio New Zealand promotes informed debate:<sup>9</sup>

90% (2009 actual), 80% (2010), 80% (2011), 80% (2012)

Radio New Zealand National broadcasts programmes that contribute towards intellectual and spiritual development:

7,530 hours (2009 actual), 7,446 hours (2010), 7,446 hours (2011), 7,466 hours (2012)

Radio New Zealand National broadcasts programming that fosters critical thought and informed and wide-ranging debate and thereby contributing to greater tolerance and understanding:

8,412 hours (2009 actual), 8,322 hours (2010), 8,322 hours (2011), 8,344 hours (2012)

**STATUS: ACHIEVED**

Key programming facts and figures:

- 88% of Radio New Zealand listeners agreed that Radio New Zealand promotes informed debate;
- 7,549 hours of programmes that contributed towards intellectual and spiritual development were broadcast by Radio New Zealand National; and
- 8,419 hours of programmes that fostered critical thought and informed and wide-ranging debate and thereby contributing to greater tolerance and understanding were broadcast by Radio New Zealand National.

Programming of significance included:

- *Morning Report* and *Checkpoint* playing a role in defining and reflecting matters of public interest and debate;
- extensive in-depth coverage of politics, including *Focus on Politics*;
- *Nine to Noon*;
- *Upbeat*;
- *Afternoons with Jim Mora*, including *The Panel*;
- *This Way Up*;
- *Arts on Sunday*;
- *Saturday Morning with Kim Hill*;
- *Sunday Morning with Chris Laidlaw* including *Insight*, *Mediawatch*, *Sunday Group* and *Ideas*;
- *Sunday 4 'til 8* programme profiling public events, debates and lectures including the Waitangi Rua Rau Tau Lecture, the Te Papa Debates, the University of Canterbury's Macmillan Brown lectures and coverage of the New Zealand Post Writers and Readers Week, and the Auckland Writers and Readers Festival;
- debate over creation of an Auckland super city;
- programming on spiritual and philosophical themes, including *Spiritual Outlook*, *Hymns on Sunday*, and church services; and
- *Our Changing World*.

9. Source: Radio New Zealand Listener Survey, conducted by The Nielsen Company.

**MAIN MEASURES/INDICATORS**
**Specific indicators/targets are:**

Radio New Zealand listeners agree that Radio New Zealand supports New Zealand music and other performing arts and artists:<sup>10</sup>

80% (2009 actual), 75% (2010), 75% (2011), 75% (2012)

Radio New Zealand National and Radio New Zealand Concert broadcast programmes that stimulate, support and reflect the diversity of cultural expression including drama, comedy, literature and the performance arts:

16,148 hours (2009 actual), 16,118 hours (2010), 16,118 hours (2011), 16,162 hours (2012)

Radio New Zealand National and Radio New Zealand Concert broadcast programmes that stimulate, support and reflect a wide range of music including New Zealand composition and performance: 9,457 hours (2009 actual), 9,373 hours (2010), 9,373 hours (2011), 9,398 hours (2012)

**STATUS: ACHIEVED**

Key programming facts and figures:

- 77% of Radio New Zealand listeners agreed that Radio New Zealand supports New Zealand music and other performing arts and artists;
- 16,122 hours of programmes that stimulate, support and reflect the diversity of cultural expression including drama, comedy, literature and the performance arts were broadcast by Radio New Zealand National and Radio New Zealand Concert; and
- 9,395 hours of programmes that stimulate, support and reflect a wide range of music including New Zealand composition and performance were broadcast by Radio New Zealand National and Radio New Zealand Concert.

Programming of significance included:

- *WOMAD Taranaki*;
- *Music 101*;
- *The Music Mix*;
- *Musical Chairs*;
- *Access All Areas*;
- *The Sampler*;
- *Arts on Sunday*;
- *Afternoons with Jim Mora* – including *New Zealand Live*;
- book readings, original drama, short stories and children's stories of New Zealand origin;
- *Sounds Historical*;
- *Upbeat*;
- coverage of New Zealand jazz, chamber music and choral festivals;
- coverage of New Zealand violin, piano, cello, chamber music, choral and opera aria competitions;
- extensive and authoritative book reviews;
- coverage of the New Zealand National Youth Orchestra and Youth Choirs;
- coverage of the New Zealand International Arts Festival;
- *Sound Lounge*;
- *Made in New Zealand*;
- *Music Alive*, including 260 broadcasts of concerts recorded in New Zealand;
- *Young New Zealand*, including 52 broadcasts of concerts recorded in New Zealand;
- *Saturday Concert*;
- increased New Zealand music availability online via Radio New Zealand podcasts including monthly *Podcast Classics*, *Musical Chairs*, *Music 101 live sessions*;
- *Saturday Night with Peter Fry*; and
- *Appointment*.

10. Source: Radio New Zealand Listener Survey, conducted by The Nielsen Company.

# 3

**OUTCOME: PACIFIC PEOPLES VALUE THEIR RELATIONSHIP WITH NEW ZEALAND AND ARE INFORMED ABOUT ISSUES AFFECTING THEM.**

## IMPACT 1:

**PACIFIC PEOPLES ARE INFORMED ABOUT THEIR REGION AND ITS PLACE IN THE WORLD.**

### MAIN MEASURES/INDICATORS

#### Specific indicators/targets are:

Radio New Zealand International will broadcast to the Pacific original programming and also re-broadcast selected programming from Radio New Zealand National:

#### Number of morning sessions:

not measured in 2009, 305–310 (2010), 305–310 (2011), 305–310 (2012),

#### Number of afternoon and evening sessions:

not measured in 2009, 238–240 (2010), 238–240 (2011), 238–240 (2012)

#### Number of hours of original programming:

not measured in 2009, 2,355–2,380 hours (2010), 2,355–2,380 hours (2011), 2,360–2,385 hours (2012)

#### Number of hours of rebroadcast Radio New Zealand National programming:

not measured in 2009, 6,380–6,405 hours (2010), 6,380–6,405 hours (2011), 6,395–6,420 hours (2012)

### STATUS: ACHIEVED

Key programming facts and figures:

- 307 morning sessions were broadcast by Radio New Zealand International;
- 239 afternoon and evening sessions were broadcast by Radio New Zealand International;
- 2,370 hours of original programming were broadcast by Radio New Zealand International;
- 6,390 hours of Radio New Zealand National programming were re-broadcast by Radio New Zealand International;

Programming of significance included:

Radio New Zealand International originated content:

- *Dateline Pacific*;
- *Tagata o te Moana*;
- *Trade Winds*;
- *Pacific Correspondent*;
- Pacific, world, New Zealand, sports and business news bulletins; and
- Pacific current affairs, information and music.

Re-broadcasts of Radio New Zealand National included:

- *Checkpoint*;
- *Midday Report*;
- *Late Edition*;
- parts of *Morning Report*;
- *Insight*;
- Māori programming; and
- Radio New Zealand news bulletins.

## Good Employer and Equal Employment Opportunities Reporting:

ORGANISATIONAL IMPACTS	ACTIVITY
<p>BUILD AND MAINTAIN RADIO NEW ZEALAND'S WORKFORCE CAPABILITY TO SUPPORT ACHIEVEMENT OF ITS BUSINESS PLANS AND STRATEGIC OBJECTIVES.</p>	<p>Radio New Zealand workforce information will be collected, analysed and reported.</p> <p>Robust human resources systems, based upon analysis of business information, and recognised "Good Business Practice" will be maintained.</p> <p>An equitable and transparent remuneration system will be implemented and Radio New Zealand will report annually on its remuneration levels in relation to the market and within the organisation across gender and ethnicity.</p> <p>Radio New Zealand will implement a learning and development framework and report annually on staff participation in learning and development opportunities.</p> <p>Flexibility in work design will be measured and reported by level of staff participation in multi-skilling job opportunities.</p> <p>Radio New Zealand will ensure a healthy and safe working environment and ACC Workplace Safety Management Practices audit standards will be met to at least primary level.</p>
<p>RADIO NEW ZEALAND'S HUMAN RESOURCES SYSTEMS, POLICIES AND PROCESSES ARE ALIGNED WITH "GOOD EMPLOYER" PRACTICE (AS DEFINED IN SECTION 118 OF THE CROWN ENTITIES ACT 2004)</p>	<p>Radio New Zealand will review its human resources systems in 2009–2010 and conduct an internal audit reporting on alignment of policies and processes with Good Employer principles.</p> <p>Radio New Zealand will monitor and report annually on its Equal Employment Opportunity Plan.</p>

### STATUS: PARTIALLY ACHIEVED

The annual staff turnover within Radio New Zealand to 30 June 2010 reduced to a level of 6.2%. This continues the downward trend recorded in Radio New Zealand turnover in the previous four years; turnover for the years ended 30 June 2009 (8.1%), 30 June 2008 (11.3%) and 30 June 2007 (11.6%).

The Public Sector average turnover for the year to 30 June 2010 was not available at the time of publication. It is predicted to be below the 10.7% recorded for the Public Sector in the year ended 30 June 2009.

A revised remuneration structure was implemented from 1 January 2009. The remuneration structure better supports transparent progression and was accepted by staff as fair and equitable, while having regard to internal and external relativities, affordability, and recruitment and retention.

The revised salary framework is structured in salary bands and has been based on Public Sector median base salaries. In all salary bands, the average base salaries of Radio New Zealand employees lag behind Public Sector medians, a lag of 4% to 12% depending on salary band.

The gender pay gap as at 30 June 2009 was 5% (female lag behind male). The gender pay gap in the Public Service for this period was 15.4%.

Participation in multi-skilling job opportunities was taken up by 7% of Radio New Zealand employees who had roles in addition to their substantive positions.

A high level of commitment to health and safety has been maintained. Over 10% of employees held Workplace First Aid qualifications. All employees had access to health and safety professional services including individual worksite assessments, hearing tests and confidential, independent, employee assistance programmes.

External audit of Workplace Safety Management and Human Resources systems alignment with Best Practice were not conducted as planned during the period.

RADIO NEW ZEALAND'S EQUAL EMPLOYMENT OPPORTUNITIES SUPPORT THE SEVEN ELEMENTS OF GOOD EMPLOYER REPORTING:

ELEMENT	RADIO NEW ZEALAND ACTIVITY
<b>1</b> LEADERSHIP, ACCOUNTABILITY AND CULTURE	Ongoing development of a Learning and Development framework which supports and promotes the involvement of all employees. It acknowledges cultural and ethnic diversity while supporting business needs.
<b>2</b> RECRUITMENT, SELECTION AND INDUCTION	Ongoing collection of information relating to Equal Employment Opportunities. Focus during the year has been on identifying potential system improvements to data capture and analysis.  Analysis of recruitment and selection processes to identify Equal Employment Opportunities and diversity trends.
<b>3</b> EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT	Continued use of traineeships where possible to strengthen ethnic diversity.  Internal rotation and career development opportunities identified, advertised and filled internally.  Exit surveys routinely distributed, personal interviews held on request.
<b>4</b> FLEXIBILITY AND WORK DESIGN	Increase in level of staff participation in multi-skilled job opportunities.  Continue to evaluate all requests for flexible working conditions on a case-by-case basis.  Equal Employment Opportunities and diversity competencies included in performance assessments and have been progressively added to job descriptions.
<b>5</b> REMUNERATION, RECOGNITION AND CONDITIONS	Ongoing development of a fair and transparent remuneration system, which better aligns with level of remuneration and benefits applying elsewhere in the industry, subject to baseline funding.
<b>6</b> HARASSMENT AND BULLYING PREVENTION	Continued promotion of the Dignity at Work policy to all staff through posters, newsletters and induction training.  Continued promotion of a confidential external Employee Assistance Programme.
<b>7</b> SAFE AND HEALTHY ENVIRONMENT	Providing access to Health and Safety professional services in the workplace.  Early identification and immediacy of action of Occupational Safety and Health issues.

RADIO NEW ZEALAND WORKFORCE PROFILE AS AT 30 JUNE 2010

**STAFF NUMBERS**

Headcount	298
Full-time equivalent	275

**LENGTH OF SERVICE**

Under 3 years	29%
3 to 10 years	33%
Over 10 years	38%

**AGE PROFILE**

Under 30 years	9%
30–40 years	26%
40–50 years	28%
Over 50 years	37%

**GENDER**

Female	47%
Male	53%

**ETHNICITY (OF THOSE REPORTED)**

Māori	5%
NZ European/ Pakeha	77%
Pacific	3%
Asian	3%
Other	12%



# Financial Performance

FOR THE YEAR ENDED 30 JUNE 2010

---

STATEMENT OF CORPORATE GOVERNANCE .....	18
STATEMENT OF RESPONSIBILITY .....	19
AUDIT REPORT .....	20
STATEMENT SPECIFYING FINANCIAL PERFORMANCE .....	22
STATEMENT OF COMPREHENSIVE INCOME .....	23
STATEMENT OF CHANGES IN EQUITY .....	23
STATEMENT OF FINANCIAL POSITION .....	24
CASH FLOW STATEMENT .....	25
NOTES TO THE FINANCIAL STATEMENTS .....	26
1 STATEMENT OF ACCOUNTING POLICIES .....	26
2 GOVERNMENT FUNDING AND FEES .....	31
3 OTHER INCOME .....	31
4 OPERATING EXPENSES .....	31
5 DEPRECIATION AND AMORTISATION .....	31
6 TAXATION .....	32
7 CASH AND CASH EQUIVALENTS .....	33
8 DEBTORS .....	33
9 INTANGIBLE ASSETS .....	34
10 PROPERTY, PLANT AND EQUIPMENT .....	35
11 CREDITORS AND OTHER PAYABLES .....	37
12 EMPLOYEE ENTITLEMENTS .....	37
13 BANK LOAN .....	37
14 PROVISIONS .....	38
15 REDEEMABLE PREFERENCE SHARES .....	38
16 EQUITY .....	39
17 RECONCILIATION OF THE NET SURPLUS/ (DEFICIT) FROM OPERATIONS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES .....	40
18 COMMITMENTS .....	41
19 CONTINGENT LIABILITIES .....	41
20 CONTINGENT ASSETS .....	41
21 RELATED PARTY TRANSACTIONS, KEY MANAGEMENT PERSONNEL AND EMPLOYEE REMUNERATION .....	42
22 BOARD MEMBER REMUNERATION AND INTERESTS .....	43
23 FINANCIAL INSTRUMENTS .....	46
24 SUBSEQUENT EVENTS .....	46
25 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET .....	47

# Statement of Corporate Governance

## ROLE OF THE BOARD

Radio New Zealand's Shareholding Ministers, the Minister Responsible for Radio New Zealand and the Minister of Finance, appoint a governing board of directors. The Radio New Zealand constitution sets the size of the Board at a minimum of two and a maximum of nine directors.

There were six directors appointed as at 30 June 2010.

The Board is responsible under the company's constitution to manage, direct and supervise the company's business and affairs in accordance with the Radio New Zealand Charter set out in Section 7 of The Radio New Zealand Act 1995 (dealing with programming) and the Principles of Operation of the company as provided for in Section 8. In practice, day-to-day management of the company is delegated to the Chief Executive Officer/Editor-in-Chief.

The Board, on the advice of the Executive, establishes the company's strategic, business and programming plans, ratifies annual budgets and monitors management's performance against established goals. The Board also considers and approves new policies and business initiatives, authorises transactions outside prescribed delegated authorities of management and appoints the Chief Executive/Editor-in-Chief. Procedures are in place at Board, corporate and business unit levels to safeguard the company's assets and its wider commercial interests. A well-established regime of regular reporting is designed to maintain a high standard of internal communication and to ensure the Board remains appropriately informed of all aspects of the company's business and activities. Board fees are set by the Shareholding Ministers each year.

## BOARD CHANGES

During the year three directors completed their terms – Alison Timms retired on 31 October 2009, Steve Murray and Sifa Taumoepeau both retired on 30 April 2010. Three new directors were appointed during the year – Gary Monk on 1 October 2009, Josh Easby and Richard Griffin, both on 17 May 2010.

## SUBSIDIARY

A fully owned subsidiary company, Sound Archives/Ngā Taonga Kōrero Limited, was incorporated in August 1998. The subsidiary's directors are the Radio New Zealand Chief Executive (Peter Cavanagh) and Chair of the Board, Ms Christine Grice. The subsidiary receives funding from NZ On Air and purchases services from Radio New Zealand to run the archives.

## BOARD COMMITTEES

The Board has formally constituted an Audit Committee to focus on audit and risk management issues. All members of the Board are on this committee. This committee met on four occasions during the year. The Board has also established a Remuneration Committee to advise on remuneration, performance and other employment-related issues for the Chief Executive and senior staff. Three Board members served on this committee and it met on two occasions during the year.

## BOARD MEETINGS

The Board met on 10 scheduled occasions this year and convened for four special meetings.

TABLE OF ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2010	BOARD MEETINGS SCHEDULED	BOARD MEETINGS OTHER	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Christine Grice CNZM – Chair	10	4	4	2
Rt Hon. Paul East QC CNZM	10	4	4	–
Yvonne Sharp	10	4	3	1
Gary Monk – appointed 1 October 2009	7	4	3	–
Josh Easby – appointed 17 May 2010	2	–	1	–
Richard Griffin – appointed 17 May 2010	2	–	1	–
Alison Timms – retired 31 October 2009	2	–	1	1
Steve Murray – retired 30 April 2010	8	3	3	2
Sifa Taumoepeau – retired 30 April 2010	8	3	3	–

---

## MANAGEMENT AND OPERATING STRUCTURE

Radio New Zealand's organisational structure reflects its core business activities. The structure is reviewed regularly and adjusted where necessary to accommodate new business and to ensure that it remains relevant to a changing trading and operational environment.

The Chief Executive is responsible for the management leadership of the company, its organisational structures, developing and recommending initiatives to the Board, implementing Board decisions and policies, achieving objectives, ensuring the company is properly equipped with skilled personnel, and for various interfaces between the company, its stakeholders and the public. The Chief Executive has a dual role as Editor-in-Chief. In that role he is responsible to the Board for Radio New Zealand's editorial matters.

The Board and the Chief Executive/Editor-in-Chief have acknowledged their responsibility by signing the Statement of Responsibility in this report.

## AUDITOR

Audit New Zealand, acting on behalf of the Controller and Auditor-General, is the auditor of Radio New Zealand Limited in accordance with section 32 of the Public Audit Act 2001.

## LEGISLATIVE COMPLIANCE

The Board acknowledges its responsibility to ensure the organisation complies with all legislation. The Board has delegated responsibility to the Chief Executive for the development and operation of a programme to systematically identify compliance issues and ensure staff are aware of relevant legislative requirements.

# Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2010

---

Pursuant to the Crown Entities Act 2004, the Board and management of Radio New Zealand Limited accepts responsibility for:

- The preparation of the financial statements and the Statement of Service Performance for the judgements used therein;
- The establishment and maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial statements and non-financial reporting.

In the opinion of Radio New Zealand, the financial statements for the year ended 30 June 2010 fairly reflect the financial position and operations of Radio New Zealand Limited.

The audit opinion on these financial statements is on page 20–21.



CHRISTINE GRICE  
*Chair*  
29 October 2010



GARY MONK  
*Audit Committee Chairman and Board Member*  
29 October 2010



PETER CAVANAGH  
*Chief Executive and Editor-in-Chief*  
29 October 2010

## TO THE READERS OF RADIO NEW ZEALAND LIMITED AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

The Auditor-General is the auditor of Radio New Zealand Limited (the Company) and Group. The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Company, on her behalf, for the year ended 30 June 2010.

### UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Company on pages 22 to 47:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of:
    - the Company's financial position as at 30 June 2010; and
    - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the company on pages 49 to 55:
  - complies with generally accepted accounting practice in New Zealand; and
  - gives a true and fair view of, for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.
- Based on our examination the Company kept proper accounting records

The audit was completed on 29 October 2010, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

### BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

---

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

#### **RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE AUDITOR**

The Board of Directors is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the Company as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must give a true and fair view of, for each class of outputs, the Company's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board of Directors' responsibilities arise from the Financial Reporting Act 1993 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

#### **INDEPENDENCE**

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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



#### **LEON PIETERSE**

*Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand*

#### **MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE**

This audit report relates to the financial statements and statement of service performance of Radio New Zealand Limited and group for the year ended 30 June 2010 included on Radio New Zealand Limited and group's website. Radio New Zealand Limited and group's board is responsible for the maintenance and integrity of Radio New Zealand Limited and group's website. We have not been engaged to report on the integrity of Radio New Zealand Limited and group's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 29 October 2010 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

## Statement Specifying Financial Performance

FOR THE YEAR ENDED 30 JUNE 2010

The Board agreed financial targets with the Crown at the beginning of the year.

Budget figures are based on the high-level budget set out in the 2009–2010 Statement of Intent.

	BUDGET \$000	ACHIEVEMENT \$000
INCOME	38,381	38,375
EXPENDITURE	38,326	38,357
OPERATING SURPLUS/ (DEFICIT) BEFORE TAXATION	55	18
TAXATION EXPENSE/ (BENEFIT)	17	516
<b>NET SURPLUS/ (DEFICIT) AFTER TAXATION</b>	<b>38</b>	<b>(498)</b>
EQUITY	52,561	51,856
WORKING CAPITAL RATIO (Current assets as percentage of current liabilities)	66.8%	83.6%
RATIO OF EQUITY TO TOTAL ASSETS (Equity as percentage of total assets)	87.3%	83.9%

Radio New Zealand has met its Charter service delivery targets within operating budgets. Both operating revenue and expenses are within 5% material variance limits of budget. Minor variances combine to yield a net surplus before tax of \$18,000 compared to a budget surplus before tax of \$55,000.

The 2010 Government Budget signalled that tax depreciation on buildings will no longer be permitted from 1 April 2011. This has resulted in a deferred tax expense of \$516,000 in the current year. In addition with a reduction of the corporate tax rates from 30% to 28%, a revaluation adjustment of \$58,000 is required. Together these adjustments result in a deferred tax liability of \$574,000.

## Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	GROUP BUDGET 2010 \$000	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Government funding and fees	2	35,441	35,569	35,414	34,765	34,666
Interest income		40	145	146	145	146
Other income	3	2,900	2,661	2,640	3,691	3,627
<b>Total income</b>		<b>38,381</b>	<b>38,375</b>	<b>38,200</b>	<b>38,601</b>	<b>38,439</b>
Operating expenses	4	34,852	34,842	34,834	35,005	34,998
Depreciation & amortisation	5	3,450	3,422	3,353	3,422	3,353
Financing costs		24	93	0	93	0
<b>Total expenditure</b>		<b>38,326</b>	<b>38,357</b>	<b>38,187</b>	<b>38,520</b>	<b>38,351</b>
Net operating surplus/(deficit) before taxation		55	18	13	81	88
Income tax expense/(benefit)	6	17	516	0	516	0
<b>Net surplus/(deficit) after taxation</b>		<b>38</b>	<b>(498)</b>	<b>13</b>	<b>(435)</b>	<b>88</b>
Revaluation of property, plant and equipment		0	0	(86)	0	(86)
Revaluation due to change of tax rate		0	(58)	0	(58)	0
Total other comprehensive income		0	0	0	0	0
<b>Total Comprehensive Income</b>		<b>38</b>	<b>(556)</b>	<b>(73)</b>	<b>(493)</b>	<b>2</b>

## Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2010

	GROUP BUDGET 2010 \$000	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Balance at 1 July	52,523	52,412	52,485	51,782	51,780
Total comprehensive income	38	(556)	(73)	(493)	2
<b>Balance at 30 June</b>	<b>52,561</b>	<b>51,856</b>	<b>52,412</b>	<b>51,289</b>	<b>51,782</b>

# Statement of Financial Position

AS AT 30 JUNE 2010

	NOTE	GROUP BUDGET 2010 \$000	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Share capital	16	16,692	16,692	16,692	16,692	16,692
Revaluation reserve	16	30,500	30,352	30,410	29,552	29,610
Retained earning	16	5,369	4,812	5,310	5,045	5,480
<b>Total equity</b>		<b>52,561</b>	<b>51,856</b>	<b>52,412</b>	<b>51,289</b>	<b>51,782</b>
Creditors & other payables	11	921	1,678	1,602	1,345	1,372
Employee entitlements	12	1,399	2,018	2,162	2,018	2,162
Provision for tax		17	0	0	0	0
Revenue received in advance		800	558	562	558	562
Preference shares	15	4,120	4,120	4,120	4,120	4,120
<b>Total current liabilities</b>		<b>7,257</b>	<b>8,374</b>	<b>8,446</b>	<b>8,041</b>	<b>8,216</b>
Employee entitlements	12	20	54	45	54	45
Deferred tax	6	0	574	0	574	0
Revenue received in advance		20	6	63	6	63
Provisions	14	360	915	822	915	822
<b>Total non-current liabilities</b>		<b>400</b>	<b>1,549</b>	<b>930</b>	<b>1,549</b>	<b>930</b>
<b>Total liabilities and equity</b>		<b>60,218</b>	<b>61,779</b>	<b>61,788</b>	<b>60,879</b>	<b>60,928</b>
Cash & cash equivalents	7	3,500	5,758	4,513	5,663	4,454
Debtors	8	700	663	667	658	667
Provision for tax		0	0	4	0	4
Other receivables		490	419	277	419	276
Intangibles		160	160	178	160	178
<b>Total current assets</b>		<b>4,850</b>	<b>7,000</b>	<b>5,639</b>	<b>6,900</b>	<b>5,579</b>
Intangibles	9	648	371	572	371	572
Property, plant and equipment	10	54,720	54,408	55,577	53,608	54,777
<b>Total non-current assets</b>		<b>55,368</b>	<b>54,779</b>	<b>56,149</b>	<b>53,979</b>	<b>55,349</b>
<b>Total Assets</b>		<b>60,218</b>	<b>61,779</b>	<b>61,788</b>	<b>60,879</b>	<b>60,928</b>

For and on behalf of the Board



CHRISTINE GRICE  
Chair  
29 October 2010



GARY MONK  
Audit Committee Chairman and Board Member  
29 October 2010

# Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	GROUP BUDGET 2010 \$000	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Cash was provided from:						
Receipts from customers		2,772	2,758	3,467	2,643	3,377
Government funding & fees		35,569	35,569	35,414	34,765	34,666
Interest earned		40	145	148	145	148
		<b>38,381</b>	<b>38,472</b>	<b>39,029</b>	<b>37,553</b>	<b>38,191</b>
Cash was applied to:						
Payments to employees		22,047	21,019	20,921	21,019	20,921
Payments to suppliers		14,209	14,144	14,634	13,261	13,799
Interest expense		24	0	0	0	0
GST (net)		101	21	23	21	23
		<b>36,381</b>	<b>35,184</b>	<b>35,578</b>	<b>34,301</b>	<b>34,743</b>
<b>Net cash inflow/(outflow) from operating activities</b>	17	<b>2,000</b>	<b>3,288</b>	<b>3,451</b>	<b>3,252</b>	<b>3,448</b>
Cash was provided from:						
Proceeds from sale of fixed assets		0	9	0	9	0
		0	9	0	9	0
Cash was applied to:						
Purchases of intangible assets		100	110	82	110	82
Purchase of property, plant & equipment		2,400	1,942	1,720	1,942	1,720
		<b>2,500</b>	<b>2,052</b>	<b>1,802</b>	<b>2,052</b>	<b>1,802</b>
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(2,500)</b>	<b>(2,043)</b>	<b>(1,802)</b>	<b>(2,043)</b>	<b>(1,802)</b>
Cash was provided from:						
Increase in capital		0	0	0	0	0
Increase in loan	13	400	0	230	0	230
		<b>400</b>	<b>0</b>	<b>230</b>	<b>0</b>	<b>230</b>
Cash was applied to:						
Repayment of loan	13	400	0	230	0	230
		<b>400</b>	<b>0</b>	<b>230</b>	<b>0</b>	<b>230</b>
<b>Net cash inflow/(outflow) from financing activities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net increase/(decrease) in cash & cash equivalents		(500)	1,245	1,649	1,209	1,646
Add opening bank balance at 1 July		4,000	4,513	2,864	4,454	2,808
<b>Cash &amp; cash equivalents year end</b>	7	<b>3,500</b>	<b>5,758</b>	<b>4,513</b>	<b>5,663</b>	<b>4,454</b>
Comprising:						
Cash & cash equivalents		3,500	5,758	4,513	5,663	4,454
Demand deposits		0	0	0	0	0
<b>Closing cash &amp; cash equivalents</b>		<b>3,500</b>	<b>5,758</b>	<b>4,513</b>	<b>5,663</b>	<b>4,454</b>

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

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

## 1 STATEMENT OF ACCOUNTING POLICIES

### A REPORTING ENTITY

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

The group consists of Radio New Zealand Limited and its subsidiary Sound Archives/Ngā Taonga Kōrero Limited (SANTK) which is 100% owned. Sound Archives/Ngā Taonga Kōrero Limited was incorporated in August 1998 and has operated the archive since 1 October 1998.

Radio New Zealand has been designated a Public Benefit Entity (PBE) under NZ International Financial Reporting Standards (NZ IFRS) and as such the potential conflict between the pursuits of core public service objectives set out in Radio New Zealand's Charter and more commercial profit-maximisation objectives is minimised.

Government and Shareholding Ministers have confirmed and strengthened Radio New Zealand's role as a public service broadcaster. They have waived the requirement for Radio New Zealand to pay a dividend and approved the Statement of Intent with minimal profit goals while still insisting on sound financial management.

#### Standards, amendments and interpretations issued that have been adopted.

Standards, amendments and interpretations issued that have been adopted, and which are relevant to Radio New Zealand in the current year include:

- *NZ IAS 1 Presentation of Financial Statements (revised 2007)* replaces *NZ IAS 1 Presentation of Financial Statements (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with the Crown in its capacity as "owner". The revised standard gives Radio New Zealand the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income).

Radio New Zealand has adopted this standard for the year ending 30 June 2010, and has decided to prepare a single statement of comprehensive income.

- *NZ IAS 23 Borrowing Costs (revised 2007)* replaces *NZ IAS 23 Borrowing Costs (issued 2004)* and is effective for reporting periods commencing on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Radio New Zealand has adopted this standard for the year ending 30 June 2010.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted and which are relevant to Radio New Zealand, are:

- *NZ IAS 24 Related Party Disclosures (Revised 2009)* replaces *NZ IAS 24 Related Party Disclosures (Issued 2004)* and is effective for reporting periods commencing on or after 1 January 2011.

The revision to NZ IAS 24 Related Party Disclosures removes some inconsistencies with the definition of a related party and modifies some of the disclosure requirements for government related entities. It clarifies related party transactions to include commitments with related parties. The clarification could result in additional disclosures should there be any related party transactions with Ministers of the Crown.

- *NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement.*

NZ IAS 39 is being replaced through the following three main phases:

- Phase 1 Classification and Measurement;
- Phase 2 Impairment Methodology; and
- Phase 3 Hedge Accounting.

Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39.

The new standard is required to be adopted for the year ended 30 June 2014. Radio New Zealand has not yet assessed the effect of the new standard and expects it will not be early adopted.

---

## **B BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with NZ International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public entities.

## **C FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Radio New Zealand is New Zealand dollars.

### **I. Basis of Consolidation – Purchase Method**

The consolidated financial statements include the holding company and its subsidiary. The subsidiary is accounted for using the purchase method. All significant inter-company transactions are eliminated on consolidation.

### **II. Budget Figures**

The budget figures are based on the high-level budget approved by the Board in the Statement of Intent set at the beginning of the financial year. These budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements under NZ IFRS.

### **III. Goods and Services Tax (GST)**

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

### **IV. Taxation**

#### **Income Tax**

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

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

### **V. Accounts Receivable**

Accounts receivable are stated at expected fair value after providing for doubtful debts and uncollectable debts.

### **VI. Cash & Cash Equivalents**

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

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### VII. Non-current Assets

Property, plant and equipment are stated at fair value, including library and archival collections. Land and Buildings have been revalued in the financial statements. A formal valuation of Land and Buildings was conducted during the year ending 30 June 2008.

Archival collections are revalued to fair value at least every five years using discounted expected future revenues as an approximation to fair value. Library collection acquisitions are capitalised and depreciated.

The results of revaluing archival collections are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the statement of comprehensive income. To the extent that a revaluation gain reverses a loss previously charged to the statement of comprehensive income, the gain is credited to the statement of comprehensive income.

Other non-current assets such as prepayments are recorded in Radio New Zealand's statement of financial position. These are payments received for services in one period but are recognised in the statement of comprehensive income in future periods.

#### Impairment of assets

At each statement of financial position date, Radio New Zealand assesses whether there is any objective evidence that any group of non-current assets is impaired. Any impairment losses are recognised in the statement of comprehensive income.

### VIII. Depreciation

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

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

Buildings	20 to 40 years
Leasehold improvements	Term of lease
Plant and equipment	5 to 20 years
Motor vehicles	5 years
Computer hardware equipment	3 to 5 years
Furniture, fittings and other	5 to 10 years
Library books and music collection	10 to 15 years

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

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

### IX. Intangible assets

Software that is acquired is included under intangible assets. Also under this category are capital contribution payments made to suppliers for co-siting rights which relate to future periods set out in co-siting contracts.

#### Amortisation

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

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

Computer software	3 to 5 years
Capital contributions	Term of contract
Make good lease commitments	Term of lease

### X. Associates

Radio New Zealand is a party to the formation of Freeview Limited, a joint venture company formed to provide free-to-air digital broadcasting in New Zealand.

---

#### **XI. Redeemable Preference Shares**

Redeemable preference shares held by the Government in Radio New Zealand are to be repaid at the option of the holder and are classified as a current liability in the statement of financial position.

#### **XII. Employee Entitlements**

Provision is made for the company's liability for annual and long service leave. Annual leave has been calculated on an actual entitlement basis at average current rates of pay over the past year in accordance with the Holidays Act 2003, whilst the long service leave provision has been calculated on an actuarial basis. A provision for sick leave is not provided for as Radio New Zealand does not carry forward sick leave into future periods. Employee entitlements are classified as short term and long term in the statement of financial position.

#### **XIII. Provisions**

Radio New Zealand recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount.

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

#### **XIV. Superannuation schemes**

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the income statement as incurred. Radio New Zealand also contributes to the National Provident Fund which is a multi-employer defined benefit scheme.

#### **XV. Leases**

##### **Finance Leases**

Radio New Zealand had no finance leases.

##### **Operating Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as incurred. Radio New Zealand leases its motor vehicles and the majority of its premises.

#### **XVI. Financial Instruments**

Radio New Zealand is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and loans. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive income.

All financial instruments are shown at their fair value.

#### **XVII. Cash Flow Statement**

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

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

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

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

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### XVIII. Foreign Currency Transactions

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

### XIX. Borrowing Costs

Radio New Zealand has a credit facility arrangement with its banker. Costs relating to the draw down of this facility are recognised in the statement of comprehensive income. No costs are attributed to the acquisition, construction or production of property, plant and equipment or other qualifying assets for the current year.

However, Radio New Zealand has incurred \$93,215 in borrowing costs in relation to the revaluation of its make good provisions of its three leased premises.

### XX. Revenue (Crown and other revenue)

Radio New Zealand Limited derives revenue from the Government through NZ On Air, from the Ministry for Culture and Heritage for specific purposes as outlined in its Charter and Statement of Intent, and Parliamentary Services for the broadcast of parliamentary debates. Other revenue is derived from broadcasting activities and interest from bank deposits. All revenue is measured at the fair value of the consideration receivable.

### XXI. Cost Allocation

Radio New Zealand Limited has derived the net cost of service for each significant activity by using the cost allocation system outlined below.

#### Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity and usage information.

#### Criteria for direct and indirect costs

"Direct costs" are those costs directly attributable to a specific output activity. The percentage of identified direct costs to total costs for the consolidated group is 73.2% (2009: 77.56%).

"Indirect costs" are those costs which are not directly attributable to a specific output activity.

The percentage of identified indirect costs to total costs for the consolidated group is 26.8% (2009: 22.44%).

#### Cost drivers for allocation of indirect costs

The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage of broadcasting infrastructure services and equipment. Business infrastructure costs are allocated according to the number of staff in each cost centre. Occupancy costs are allocated in proportion to the cost of floor area occupied.

## D CHANGES IN ACCOUNTING POLICIES

This is the third year that the prospective financial statements have been prepared in accordance with NZ IFRS. There have been no changes in accounting policies during the year.

## E SIGNIFICANT ASSUMPTIONS

The following significant assumptions underpin the financial statements:

- Government will continue to fund Radio New Zealand's core activities in the future. It is therefore expected that the nature of the operations of Radio New Zealand will not change significantly.
- Shareholding Ministers will not require Radio New Zealand to pay a dividend on their shareholding in the company. This was confirmed by the Minister of Broadcasting for the 2009–2010 income year.
- There has been no withdrawal of capital by Shareholding Ministers.
- The statements have been prepared on a going-concern basis.

## 2 GOVERNMENT FUNDING & FEES

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
NZ On Air	32,490	32,336	31,686	31,588
Ministry for Culture & Heritage	1,900	1,900	1,900	1,900
Parliamentary Services *	1,093	1,092	1,093	1,092
Freeview *	86	86	86	86
<b>Total Government funding and fees</b>	<b>35,569</b>	<b>35,414</b>	<b>34,765</b>	<b>34,666</b>

Radio New Zealand has been provided with funding from the Crown for the specific purposes of Radio New Zealand as set out in its Charter, The Radio New Zealand Act 1995 and The Crown Entities Act 2004. Apart from the restrictions, there are no unfulfilled conditions or conditions attached to government funding (2009:nil).

\* previously categorised as Other Income in 2009

## 3 OTHER INCOME

Rental income from property leases	799	724	799	724
Other	1,862	1,916	2,892	2,903
<b>Total other income</b>	<b>2,661</b>	<b>2,640</b>	<b>3,691</b>	<b>3,627</b>

## 4 OPERATING EXPENSES

Personnel	21,189	21,417	21,189	21,417
Audit fees	72	69	72	69
Directors fees	161	185	161	185
Operating lease expense	1,772	1,671	1,772	1,671
Travel	460	619	460	619
Transmission	4,240	4,197	4,240	4,197
Programming	3,338	3,245	3,338	3,245
Advertising & publicity	489	664	489	664
Other	3,121	2,767	3,284	2,931
<b>Total operating expenses</b>	<b>34,842</b>	<b>34,834</b>	<b>35,005</b>	<b>34,998</b>

## 5 DEPRECIATION & AMORTISATION

Depreciation	3,093	3,008	3,093	3,008
Amortisation	329	345	329	345
<b>Total depreciation and amortisation</b>	<b>3,422</b>	<b>3,353</b>	<b>3,422</b>	<b>3,353</b>

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### 6 TAXATION

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Relationship between tax and accounting profit				
Net surplus/(deficit) before tax	18	13	81	88
Tax @ 30%	5	4	24	26
Plus/(less) the tax effect of:				
Non-deductible expenditure	(124)	(124)	(124)	(124)
Unrecognised temporary differences	19	120	0	98
Non taxable income	(14)	0	(14)	0
Tax rate adjustment	12	0	12	0
Tax loss recognised	(494)	0	(494)	0
Deferred tax adjustment – removal tax dep/buildings	1,348	0	1,348	0
Deferred tax adjustment – other	(236)	0	(236)	0
<b>Tax expense</b>	<b>516</b>	<b>0</b>	<b>516</b>	<b>0</b>
COMPONENTS OF TAX EXPENSE				
Current tax expenses	0	0	0	0
Deferred tax	516	0	516	0
	516	0	516	0

A deferred tax asset has not been recognised in relation to tax losses of nil (2009: deferred tax asset \$884,000).

	PPE \$000	OTHER PROVISIONS \$000	TAX LOSSES \$000	TOTAL \$000
Balance at 1 July 2008	0	0	0	0
Charged to income	(908)	724	184	0
Charged to equity	0	0	0	0
Balance at 30 June 2009	(908)	724	184	0
Balance at 1 July 2009	(908)	724	184	0
Charged to income	(856)	(52)	380	(528)
Tax rate change	67	(17)	(38)	12
Charged to equity	(58)	0	0	(58)
Balance at 30 June 2010	(1,755)	655	526	(574)

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
IMPUTATION CREDIT ACCOUNT				
Balance at 1 July	1,292	1,291	1,289	1,288
Income tax paid	0	0	0	0
Income tax refunded	0	0	0	0
Imputation credits – dividends received	1	1	1	1
<b>Balance at 30 June</b>	<b>1,293</b>	<b>1,292</b>	<b>1,290</b>	<b>1,289</b>

## 7 CASH & CASH EQUIVALENTS

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Cash & call deposits	5,758	4,513	5,663	4,454

The carrying value of call deposits are at fair value.

## 8 DEBTORS

Debtors & other receivables	687	678	682	678
Provision for impairment	(24)	(11)	(24)	(11)
	663	667	658	667

The carrying value of receivables approximate their fair value.

As at 30 June 2010, all overdue receivables have been assessed for impairment and appropriate provision applied as follows:

	2010 GROSS	2010 IMPAIRMENT	2010 NET	2009 GROSS	2009 IMPAIRMENT	2009 NET
Not past due	629	0	629	636	0	636
Past due 1–30 days	0	0	0	25	0	25
Past due 31–60 days	27	0	27	3	0	3
Past due 61–90 days	0	0	0	3	0	3
Past due > 91 days	31	(24)	7	11	(11)	0
	687	(24)	663	678	(11)	667

The provision for impairment has been calculated based on expected losses for Radio New Zealand's pool of debtors. Expected losses have been determined based on an analysis and review of specific debtors.

Movement in the provision for impairment of receivables is as follows:

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Balance at 1 July	11	23	11	23
Provisions made during the year	19	(12)	19	(12)
Receivables written off during the year	(6)	0	(6)	0
Balance at 30 June	24	11	24	11

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### 9 INTANGIBLE ASSETS

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Software	244	223	244	223
Other*	127	349	127	349
	371	572	371	572

\* Other consists of capital contributions paid to Kordia for co-siting services and make good expenses to be incurred in the future on Radio New Zealand's three lease premises in Wellington, Christchurch and Dunedin.

#### MOVEMENTS FOR EACH CLASS OF INTANGIBLE ASSET ARE AS FOLLOWS:

	SOFTWARE 2010	SOFTWARE 2009	OTHER 2010	OTHER 2009
<b>Cost</b>				
Balance at 1 July	3,052	2,970	1,599	1,599
Additions	110	82	0	0
Disposals	0	0	0	0
<b>Balance at 30 June</b>	<b>3,162</b>	<b>3,052</b>	<b>1,599</b>	<b>1,599</b>
<b>ACCUMULATED AMORTISATION</b>				
Balance at 1 July	2,829	2,725	1,072	831
Amortisation expense	89	104	240	241
Disposals/impairment losses	0	0	0	0
<b>Balance at 30 June</b>	<b>2,918</b>	<b>2,829</b>	<b>1,312</b>	<b>1,072</b>
<b>Carrying amounts as at June 2010</b>	<b>244</b>	<b>223</b>	<b>287</b>	<b>527</b>
This is represented by:				
Current	0	0	160	178
Non-current	244	223	127	349

Other includes capital contributions for transmission access on Kordia transmission masts and make good assets on three Radio New Zealand leased premises. The 2009 comparatives have been adjusted to include both classes of assets.

There are no restrictions over the title of the Radio New Zealand's intangible assets pledged as security for liabilities.

## 10 PROPERTY, PLANT AND EQUIPMENT

GROUP	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT AND EQUIPMENT \$000	LIBRARIES \$000	COMPUTER HARDWARE \$000	FURNITURE AND FITTINGS \$000	TOTAL \$000
<b>COST OR VALUATION</b>								
Balance 1 July 2008	33,153	10,002	6,718	22,107	3,277	7,799	2,613	85,669
Additions	0	0	86	1,082	165	370	128	1,831
Revaluation movement	0	(86)	0	0	0	0	0	(86)
Disposals	0	(15)	0	(6)	0	(122)	(1)	(144)
Adjustments – make good lease	0	0	(454)	0	0	0	0	(454)
Work in progress transfer	0	90	(52)	(67)	(3)	(73)	24	(81)
<b>Balance 30 June 2009</b>	<b>33,153</b>	<b>9,991</b>	<b>6,298</b>	<b>23,116</b>	<b>3,439</b>	<b>7,974</b>	<b>2,764</b>	<b>86,735</b>
Balance 1 July 2009	33,153	9,991	6,298	23,116	3,439	7,974	2,764	86,735
Additions	0	0	432	910	142	457	93	2,034
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	0	0	0	(2)	(6)	(59)	(3)	(70)
Adjustments – make good lease	0	0	0	0	0	0	0	0
Work in progress transfer	0	0	(12)	(59)	6	(79)	39	(105)
<b>Balance 30 June 2010</b>	<b>33,153</b>	<b>9,991</b>	<b>6,718</b>	<b>23,965</b>	<b>3,581</b>	<b>8,293</b>	<b>2,893</b>	<b>88,594</b>
<b>ACCUMULATED DEPRECIATION &amp; IMPAIRMENT LOSSES</b>								
Balance 1 July 2008	0	1,982	4,385	13,786	775	5,690	1,901	28,519
Depreciation expense	0	655	471	852	188	613	229	3,008
Eliminate on disposal	0	4	0	(4)	0	(119)	(3)	(122)
Adjustments – make good lease	0	0	(247)	0	0	0	0	(247)
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
<b>Balance 30 June 2009</b>	<b>0</b>	<b>2,641</b>	<b>4,609</b>	<b>14,634</b>	<b>963</b>	<b>6,184</b>	<b>2,127</b>	<b>31,158</b>
Balance 1 July 2009	0	2,641	4,609	14,634	963	6,184	2,127	31,158
Depreciation expense	0	633	486	965	207	582	225	3,098
Eliminate on disposal	0	0	0	(2)	(6)	(59)	(3)	(70)
Adjustments – make good lease	0	0	0	0	0	0	0	0
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
<b>Balance 30 June 2010</b>	<b>0</b>	<b>3,274</b>	<b>5,095</b>	<b>15,597</b>	<b>1,164</b>	<b>6,707</b>	<b>2,349</b>	<b>34,186</b>
<b>CARRYING AMOUNTS</b>								
At 1 July 2008	33,153	8,020	2,333	8,321	2,502	2,109	712	57,150
At 30 June & 1 July 2009	33,153	7,350	1,689	8,482	2,476	1,790	637	55,577
At 30 June 2010	33,153	6,717	1,623	8,368	2,417	1,586	544	54,408

The total amount of property, plant and equipment in the course of construction is \$1,519,000 (2009: \$1,093,000)

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

PARENT	LAND \$000	BUILDINGS \$000	LEASEHOLD IMPROVEMENTS \$000	PLANT AND EQUIPMENT \$000	LIBRARIES \$000	COMPUTER HARDWARE \$000	FURNITURE AND FITTINGS \$000	TOTAL \$000
<b>COST OR VALUATION</b>								
Balance 1 July 2008	33,153	10,002	6,718	22,107	2,477	7,799	2,613	84,869
Additions	0	0	86	1,082	165	370	128	1,831
Revaluation movement	0	(86)	0	0	0	0	0	(86)
Disposals	0	(15)	0	(6)	0	(122)	(1)	(144)
Adjustments – make good lease	0	0	(454)	0	0	0	0	(454)
Work in progress transfer	0	90	(52)	(67)	(3)	(73)	24	(81)
<b>Balance 30 June 2009</b>	<b>33,153</b>	<b>9,991</b>	<b>6,298</b>	<b>23,116</b>	<b>2,639</b>	<b>7,974</b>	<b>2,764</b>	<b>85,935</b>
Balance 1 July 2009	33,153	9,991	6,298	23,116	2,639	7,974	2,764	85,935
Additions	0	0	432	910	142	457	93	2,034
Revaluation movement	0	0	0	0	0	0	0	0
Disposals	0	0	0	(2)	(6)	(59)	(3)	(70)
Adjustments – make good lease	0	0	0	0	0	0	0	0
Work in progress transfer	0	0	(12)	(59)	6	(79)	39	(105)
<b>Balance 30 June 2010</b>	<b>33,153</b>	<b>9,991</b>	<b>6,718</b>	<b>23,965</b>	<b>2,781</b>	<b>8,293</b>	<b>2,893</b>	<b>87,794</b>
<b>ACCUMULATED DEPRECIATION &amp; IMPAIRMENT LOSSES</b>								
Balance 1 July 2008	0	1,982	4,385	13,786	775	5,690	1,901	28,519
Depreciation expense	0	655	471	852	188	613	229	3,008
Eliminate on disposal	0	4	0	(4)	0	(119)	(3)	(122)
Adjustments – make good lease	0	0	(247)	0	0	0	0	(247)
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
<b>Balance 30 June 2009</b>	<b>0</b>	<b>2,641</b>	<b>4,609</b>	<b>14,634</b>	<b>963</b>	<b>6,184</b>	<b>2,127</b>	<b>31,158</b>
Balance 1 July 2009	0	2,641	4,609	14,634	963	6,184	2,127	31,158
Depreciation expense	0	633	486	965	207	582	225	3,098
Eliminate on disposal	0	0	0	(2)	(6)	(59)	(3)	(70)
Adjustments – make good lease	0	0	0	0	0	0	0	0
Eliminate on revaluation	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
<b>Balance 30 June 2010</b>	<b>0</b>	<b>3,274</b>	<b>5,095</b>	<b>15,597</b>	<b>1,164</b>	<b>6,707</b>	<b>2,349</b>	<b>34,186</b>
<b>CARRYING AMOUNTS</b>								
At 1 July 2008	33,153	8,020	2,333	8,321	1,702	2,109	712	56,350
At 30 June & 1 July 2009	33,153	7,350	1,689	8,482	1,676	1,790	637	54,777
At 30 June 2010	33,153	6,717	1,623	8,368	1,617	1,586	544	53,608

The total amount of property, plant and equipment in the course of construction is \$1,519,000 (2009: \$1,093,000)

## VALUATION

Radio New Zealand Limited has significant library and music collections, property, plant and equipment. These values are reflected in the Statement of Financial Position at their fair value.

The reference library is valued at the original valuation \$400,000 and the music library is valued at \$1.4 million. The music library valuation was completed by Rolle Limited (independent valuers) as at 30 June 2003.

The company's 100% owned subsidiary, Sound Archives/Ngā Taonga Kōrero Limited, has a substantial archival collection of valuable radio recordings, which is valued at \$800,000. This valuation was completed by the directors of Sound Archives/Ngā Taonga Kōrero Limited as at 30 June 2008.

The independent valuations of land and property were performed by DTZ, registered public valuers. The next valuation will be completed in 2011.

Depreciation has not been charged on the archival assets collection in 2009–2010.

## 11 CREDITORS AND OTHER PAYABLES

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Creditors	1,289	1,191	956	961
Accrued expenses	389	411	389	411
	<b>1,678</b>	<b>1,602</b>	<b>1,345</b>	<b>1,372</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

## 12 EMPLOYEE ENTITLEMENTS

Current	2,018	2,162	2,018	2,162
Non-current long service leave	54	45	54	45
	<b>2,072</b>	<b>2,207</b>	<b>2,072</b>	<b>2,207</b>
This is represented by:				
Annual leave	1,444	1,611	1,444	1,611
Other & accrued salaries	538	562	538	562
Long service leave	90	34	90	34
	<b>2,072</b>	<b>2,207</b>	<b>2,072</b>	<b>2,207</b>

## 13 BANK LOAN

Multi option credit line	0	0	0	0
--------------------------	---	---	---	---

Radio New Zealand has a redrawable line of credit of \$3,500,000 with Westpac Banking Corporation. The credit advance is a short-term market unsecured advance and the interest rate charged is the Westpac offer rate at the time the advance was made plus a margin of 0.45%. This facility was not used during the year. In 2009 the effective interest rate was 2.95%.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### 14 PROVISIONS

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
--	----------------------------------	----------------------------------	-----------------------------------	-----------------------------------

Represented by:

Lease make good & other	915	822	915	822
-------------------------	-----	-----	-----	-----

An Employment Court ruling has required Radio New Zealand to place \$3,000 in a separate bank account pending the outcome of an employment dispute with a previous employee.

In respect to three of its leased premises, Radio New Zealand is required, at the expiry of the lease term, to make good any damage caused from installed fixtures and fittings and to remove any fixtures or fittings installed. The amount is \$912,000 (2009: \$819,000).

### 15 REDEEMABLE PREFERENCE SHARES

Preference shares on issue at 30 June 2009 were reclassified from equity in 2007 to liabilities in 2008. There has been no alteration to this during the current year except that the shares were reclassified from non-current liabilities to current liabilities in the current year as they are legally redeemable on 30 days notice.

Redeemable preference shares	4,120	4,120	4,120	4,120
------------------------------	-------	-------	-------	-------

There are 4,119,680 shares valued at \$1 per share.

The shares are held in equal portions by the Minister of Broadcasting and the Minister of Finance.

Redeemable preference shares have the following rights:

(a) No voting rights except:

- (i) In the event of a liquidation or any proposal of liquidation.
- (ii) When the company is in default in the payment of any dividend.

(b) The right to:

- (i) A non-cumulative preferential dividend at a rate equal to the aggregate 5 year Benchmark Bond rate plus 1%.
- (ii) All dividends shall be payable by equal half-yearly instalments on 31 May and 30 November in each calendar year.
- (iii) The priority to receive such dividends over rights of ordinary shareholders to receive a dividend.
- (iv) Dividends commence from 1 December 1998.

For 2009–2010 the Shareholding Ministers advised that Radio New Zealand is not required to pay a dividend.

(c) On redemption, the company shall redeem the preference shares in cash by repaying the capital paid up or credited as paid up.

## 16 EQUITY

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
<b>SHARE CAPITAL</b>				
Ordinary \$1 shares				
Ordinary shares have the following rights:				
a) Normal voting rights; and				
b) No fixed dividend.				
Balance at 1 July	16,692	16,692	16,692	16,692
Issue ordinary shares	0	0	0	0
<b>Balance at 30 June</b>	<b>16,692</b>	<b>16,692</b>	<b>16,692</b>	<b>16,692</b>
<b>REVALUATION RESERVE</b>				
Balance at 1 July	30,410	30,501	29,610	29,701
Other	0	(5)	0	(5)
Revaluation land and buildings	0	(86)	0	(86)
Revaluation buildings	(58)	0	(58)	0
<b>Balance as 30 June</b>	<b>30,352</b>	<b>30,410</b>	<b>29,552</b>	<b>29,610</b>

At the end of the 30 June 2008 Radio New Zealand revalued its owned land and building throughout New Zealand to current market value. The independent valuation was preformed by DTZ, registered public valuers.

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
<b>RETAINED EARNINGS</b>				
Balance at 1 July	5,310	5,292	5,480	5,387
Operating surplus/(deficit)	18	13	81	88
Deferred tax expense	(516)	0	(516)	0
NZ IFRS transition adjustments	0	5	0	5
<b>Balance at 30 June</b>	<b>4,812</b>	<b>5,310</b>	<b>5,045</b>	<b>5,480</b>

Radio New Zealand is required to recognise lease make good clauses for three of its leased premises. The balance in other reserves recognised the write down of the estimate provision of the lease make good provisions in 2008. These balances were subsequently transferred to retained earnings.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### 17 RECONCILIATION OF THE NET SURPLUS/(DEFICIT) FROM OPERATIONS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
NET SURPLUS/(DEFICIT) AFTER TAXATION	18	13	81	88
Add/(less) non-cash items:				
Depreciation & amortised expenses	3,422	3,353	3,422	3,353
Bad debts written off	6	(2)	6	(2)
Change in provision for impaired debts	13	(10)	13	(10)
Property, plant & equipment written off	0	2	0	2
Donated assets income	(49)	(54)	(49)	(54)
Borrowing costs make good provision	93	0	93	0
Capitalised labour	(28)	(109)	(28)	(109)
Other	7	44	7	44
<b>Total non-cash items</b>	<b>3,464</b>	<b>3,224</b>	<b>3,464</b>	<b>3,224</b>
Add/(less) items classified as investing activities:				
<b>Net (gain)/loss on sale of fixed assets</b>	<b>(6)</b>	<b>0</b>	<b>(6)</b>	<b>0</b>
Add/(less) movements in working capital items:				
Decrease/(increase) in receivables	8	(63)	9	(63)
Decrease/(increase) in prepayments	(146)	5	(143)	5
Decrease/(increase) in intangibles	18	0	18	0
Increase/(decrease) in creditors and accruals	76	(523)	(27)	(601)
Increase/(decrease) in current employee entitlements	(144)	847	(144)	847
Increase/(decrease) in provision for tax	4	(5)	4	(5)
Increase/(decrease) in revenue received in advance	(4)	(47)	(4)	(47)
Working capital movement – net	(188)	214	(287)	136
<b>Net Cash Flow From Operating Activities</b>	<b>3,288</b>	<b>3,451</b>	<b>3,252</b>	<b>3,448</b>

## 18 COMMITMENTS

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Property, plant & equipment	341	559	341	559
Non-cancellable operating lease commitments:				
– not later than one year	1,444	1,419	1,444	1,419
– later than one year and less than five years	926	2,149	926	2,149
– later than five years	0	0	0	0
<b>Total non-cancellable operating lease commitments</b>	<b>2,370</b>	<b>3,568</b>	<b>2,370</b>	<b>3,568</b>
Radio New Zealand leases properties in Wellington, Christchurch, Dunedin and in a number of regional areas of New Zealand. The main leases expire between 2011 and 2017.				
There are restrictions on these leases to “make good” the property at the end of the lease. Radio New Zealand has recognised this future liability by creating a provision in its statement of financial position.				
Other non-cancellable operating commitments:				
– not later than one year	4,477	4,685	4,477	4,685
– later than one year and less than five years	2,013	5,324	2,013	5,324
– later than five years	0	292	0	292
<b>Total non-cancellable operating lease commitments</b>	<b>6,490</b>	<b>10,301</b>	<b>6,490</b>	<b>10,301</b>
<b>Total non-cancellable commitments</b>	<b>8,860</b>	<b>13,869</b>	<b>8,860</b>	<b>13,869</b>

## 19 CONTINGENT LIABILITIES

Legal proceedings and disputes	610	610	610	610
--------------------------------	-----	-----	-----	-----

Radio New Zealand has one contingent liability in relation to defamation action from its operations. This action is being taken by a former employee. Another contingent liability is in relation to personal grievances also instigated by a former employee. Management in conjunction with the Board are vigorously defending all charges and are confident that Radio New Zealand will not be found liable for any of those charges.

## 20 CONTINGENT ASSETS

There are no contingent assets (2009: nil).

# Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

## 21 RELATED PARTY TRANSACTIONS, KEY MANAGEMENT PERSONNEL AND EMPLOYEE RENUMERATION

### FUNDING

Radio New Zealand Limited received funding of \$31.816 million (2009: \$31.718 million) from NZ On Air for the year ended 30 June 2010. The contract between the two parties for broadcasting services prescribes the services which must be provided in relation to transmission coverage and hours, types of programmes to be broadcast, and also places restrictions on advertising. Of the total, \$130,000 of the broadcasting services funds were passed to Sound Archives/ Ngā Taonga Kōrero Limited.

In a separate agreement \$674,000 funding was received by Sound Archives/ Ngā Taonga Kōrero Limited (a subsidiary of Radio New Zealand Limited) under a separate contract for sound archiving services for the year ended 30 June 2010 (2009: \$618,000).

Radio New Zealand International, a division of Radio New Zealand Limited, received funding of \$1.90 million (2009: \$1.90 million) from the Ministry for Culture and Heritage for the year ended 30 June 2010.

Transactions with other State Owned Enterprises and Government departments are carried out on an arm's length basis.

### INTER-GROUP TRANSACTIONS

An agreement for supply of services between Radio New Zealand Limited and Sound Archives/ Ngā Taonga Kōrero Limited outlines the management fee paid by Sound Archives/ Ngā Taonga Kōrero Limited for personnel and other resources to service the archives.

An amount of \$985,423 has been transacted, for the period 1 July 2009 to 30 June 2010 (2009: \$913,882).

### KEY MANAGEMENT AND DIRECTORS

There are no other material transactions between directors and senior management and Radio New Zealand Limited in any capacity other than that for which they are employed. There are no other related party transactions.

The Chief Executive, Peter Cavanagh, is a director of Sound Archives/ Ngā Taonga Kōrero Limited, a 100% owned subsidiary company of Radio New Zealand Limited.

The Deputy Chief Executive, Ken Law, is a director of Freeview Limited. Radio New Zealand has 5% of the shares in the company.

During the year, Radio New Zealand paid Freeview Limited \$51,901 for its 5% share of operational funding (2009: \$52,000).

All material transactions are on an arm's length basis, with the interest of each party being completely independent.

### KEY MANAGEMENT PERSONNEL COMPENSATION

	GROUP ACTUAL 2010 \$000	GROUP ACTUAL 2009 \$000	PARENT ACTUAL 2010 \$000	PARENT ACTUAL 2009 \$000
Salaries & employee benefits	1,734	1,758	1,734	1,758
Post-employment benefits	0	0	0	0
Other long-term benefits	0	0	0	0
Termination benefits	0	0	0	0

Key management personnel includes the Chief Executive, ten members of the senior management group and two other senior managers.

## EMPLOYEE REMUNERATION

Details of remuneration ranges for employees whose remuneration is over \$100,000 for the year ended 30 June 2010 are:

REMUNERATION RANGES FOR EMPLOYEES	NUMBER OF EMPLOYEES	
	2010	2009
\$100,000–109,999	7	7
\$110,000–119,999	6	4
\$120,000–129,999	4	4
\$130,000–139,999	1	1
\$140,000–149,999	1	1
\$150,000–159,999	0	0
\$160,000–169,999	1	1
\$180,000–189,999	1	1
\$340,000–349,999	1	1
<b>Total number of employees in these ranges</b>	<b>22</b>	<b>20</b>

The Chief Executive's remuneration is within the \$340,000–\$349,999 range.

During the year ended 30 June 2010, no compensation in relation to cessation was paid out (2009: 1 employee, \$5,500).

## 22 BOARD MEMBER REMUNERATION AND INTERESTS

### DIRECTORS' REMUNERATION

The following persons held office as director during the year and received the following remuneration as directors of Radio New Zealand Limited. No Board member received compensation or other benefit in relation to cessation (2009:nil).

	2010	2009
	\$	\$
Christine Grice – Chair	40,334	45,000
Alison Timms – Deputy Chair (retired)	11,250	33,750
Steve Murray – Chair Audit (retired)	26,000	20,000
Sifa Taumoepeau (retired)	17,165	23,000
Yvonne Sharp	24,333	21,083
Rt Hon. Paul East	20,333	21,083
Gary Monk – Chair Audit	15,583	0
Josh Easby	3,167	0
Richard Griffin	3,167	0
Judy Finn (retired)	0	19,167
Alan Dick (retired)	0	1,917
	<b>161,332</b>	<b>185,000</b>

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

### DIRECTORS' INTERESTS

#### CHRISTINE GRICE CNZM

Principal	Harkness Henry Solicitors
Acting CEO	New Zealand Law Society Ltd
Chairperson/Director	Mental Health Research Programmes Ltd (Te Pou)
Chairperson	NZLS CLE Ltd
Judge	Cook Islands Court of Appeal
Director	Kiwano Horned Melons (NZ) Ltd
	Harkness Henry Trust Management Ltd
	McLaughlins Road Properties Ltd
	Manchester Place Properties Ltd
	Tigusi Properties Ltd
	Tigusi Trust Ltd
	Sound Archives/Ngā Taonga Kōrero Ltd
Member	Council of Legal Education
Trustee	Riverside Trust

#### ALISON TIMMS (RETIRED 31 OCTOBER 2010)

Chair	Insurance and Savings Ombudsman Commission
Consultant	Independent Consultant
Director	Wellington Waterfront Ltd
Trustee	Mercer Individual Retirement Plan
	Welcab Board

#### STEVE MURRAY (RETIRED 30 APRIL 2010)

Director	Chamber of Commerce and Industry Queensland
	Legal Services Pty Ltd (CCIQ)
Consultant	Commerce Queensland
Member	Defence Industry Council of New Zealand

#### SIFA TAUMOEPEAU (RETIRED 30 APRIL 2010)

Manager	Corporate and Government Affairs
	Todd Property Group

#### YVONNE SHARP

Chair	Road Safety Trust
	Mangatowai Community Trust
Deputy Chair	Queen Elizabeth II National Trust
Presiding Member	Lottery Northland Community Committee
Member	New Zealand Conservation Authority
Trustee	Top Energy Trust

---

**RT HON. PAUL EAST QC CNZM**

Chair	Antarctic Heritage Trust
	Perpetual Capital Management Ltd
Director	Benfield (NZ) Ltd
	Taylors Group Ltd
	Agriquality Ltd 2005–2007
Consultant	Bell Gully
Lead Negotiator – Crown	Ngai Tuhoi negotiations
Trustee	Rotorua Energy Charitable Trust
	Rotorua Museum Centennial Trust
Senior Advisor	Taiwan NZ Business Council
Member	Eisenhower Fellowship Board
	Auckland University 125 Year Anniversary Committee

**GARY MONK (APPOINTED 1 OCTOBER 2009)**

Chair/Director/Shareholder	Mathias International Ltd
Chair/Director	New Zealand Light Leathers Ltd
	Argent Group New Zealand Ltd
Director/Shareholder	Intersea Ltd
	Glimmer Ltd
	Mathias Meats Argentina Ltd
	WHW Holdings Ltd
Director	Lansea Trading Ltd
Trustee	North Harbour Club Charitable Trust
	St Patrick's Day Golf Classic Charitable Trust
Member	New Zealand Fishing Industry Association

**JOSH EASBY (APPOINTED 17 MAY 2010)**

Director	Hurricane Press Ltd
----------	---------------------

**RICHARD GRIFFIN (APPOINTED 17 MAY 2010)**

Director	Griffin Communications Ltd
	Fraser Griffin Wood Ltd

**DIRECTORS' INDEMNITY AND INSURANCE**

Radio New Zealand Limited has effected Directors and Officers liability and Professional Indemnity insurance cover against liabilities to other parties that may arise from their position as directors. The insurance does not cover liabilities arising from criminal actions.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2010

---

### 23 FINANCIAL INSTRUMENTS

Nature of activities and management policies in respect to financial instruments:

#### A CURRENCY RISK

Currency risk is risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Radio New Zealand Limited in 2009–2010 had exposure to foreign exchange risk, which arose from transactions denominated in foreign currencies arising from capital asset purchases.

In accordance with Radio New Zealand policy, foreign exchange contracts were purchased to manage the risk. As at balance date there were no foreign exchange contracts outstanding.

#### B CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to Radio New Zealand Limited, causing Radio New Zealand Limited to incur a loss. In the normal course of its business Radio New Zealand Limited incurs credit risk from trade debtors and transactions with financial institutions.

Radio New Zealand Limited has a credit policy, which is used to manage exposure to credit risk. Radio New Zealand Limited does not require any collateral or security to support financial instruments, as it only deposits with banks with high credit ratings.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on NZ On Air, Ministry for Culture and Heritage, Parliamentary Services and Freeview for 92.7% of Radio New Zealand Limited's revenue. However these are high-quality credit entities being the government purchaser of national broadcasting and sound archiving services.

Radio New Zealand Limited does not have any other significant concentrations of credit risk.

#### C INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company has some interest rate risk on its borrowings with the bank, which at balance was at call rates.

Surplus funds are invested on call or short-term deposit.

#### D FAIR VALUES

The carrying value of cash and liquid deposits, investments, debtors, other receivables, dividends payable, bank borrowings, creditors and other creditors is equivalent to their fair value. None of the company's financial assets or liabilities are considered to have a fair value which differs from their carrying value. The company is not involved in any off balance sheet activities.

### 24 SUBSEQUENT EVENTS

There have been no significant or material events that have occurred that may impact on the operations of Radio New Zealand and its subsidiary since balance date.

---

## 25 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Significant variances from Radio New Zealand's budget figures in the Statement of Intent (SOI) are as follows:

### STATEMENT OF COMPREHENSIVE INCOME

#### Interest

Higher cash balances on call deposit than budget, though invested at lower average interest rates, has resulted in interest income being \$105,000 over budget. Higher cash balances were a result of both reduced operational spending and lower capital expenditure.

Other income including transmission revenue, sale of news, technical consultancy fees, property rentals (commercial rentals Radio New Zealand House, Hobson St, Auckland) are down on budget by \$239,000.

Deferred tax of \$516,000 has been expensed. The 2010 Government Budget signalled that depreciation on buildings would no longer be permitted as an income tax deduction from 1 April 2011. In addition tax rates are scheduled to drop from 30% to 28%. The result of these two changes is that a deferred tax liability has arisen.

### STATEMENT OF FINANCIAL POSITION

A revaluation reserve reduction of \$90,000 was due to a previous land and buildings valuation adjustment which occurred during the financial year. This was not reflected in the budget.

Cash and cash equivalents balances are higher than budget at year end due mainly to deliberate reductions in capital expenditure and cost savings in operational expenditure.

A deferred tax liability of \$574,000 has resulted from the reclassification of temporary differences between accounting income and tax income to a permanent difference. A revaluation adjustment was made to reflect the change in company tax rates from 30% to 28%. These adjustments were not budgeted for in the Statement of Intent.

### CASH FLOW STATEMENT

Receipts from government grants and fees are on budget while interest income is above budget resulting in total revenue receipts being marginally higher overall. Cost savings in many expenditure categories has resulted in \$1.2 million favourable variance compared to budget. The post global financial crisis era has seen a significant reduction in spending in an environment of static funding.

Capital expenditure of \$2.052 million compared to budget of \$2.5 million is the result of a deferral of a number of capital investments and projects during the financial year.



# Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2010

---

STATEMENT OF SERVICE PERFORMANCE .....	50
COMPANY PERFORMANCE .....	51
RADIO NEW ZEALAND NATIONAL .....	52
RADIO NEW ZEALAND CONCERT .....	53
RADIO NEW ZEALAND INTERNATIONAL .....	54
SOUND ARCHIVES/NGĀ TAONGA KŌRERO .....	55

## Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2010

This statement reports on the performance of Radio New Zealand Limited in relation to the key performance indicators set out in its Statement of Intent for the year ended 30 June 2010.

	RADIO NEW ZEALAND NATIONAL 2010 \$000	RADIO NEW ZEALAND CONCERT 2010 \$000	SOUND ARCHIVES/NGĀ TAONGA KŌRERO 2010 \$000	RADIO NEW ZEALAND INTERNATIONAL 2010 \$000	TOTAL 2010 \$000
RECONCILIATION OF OUTPUT FINANCIAL STATEMENTS TO GROUP NET SURPLUS/[DEFICIT] BEFORE TAX					
<b>INCOME</b>					
NZ on Air funding – Radio New Zealand	26,509	4,934	130	0	31,573
NZ on Air funding – Sound Archives/Ngā Taonga Kōrero	0	0	674	0	674
Radio New Zealand	0	0	0	243	243
Freeview	42	44	0	0	86
Ministry for Culture & Heritage funding	0	0	0	1,900	1,900
Other	3,276	368	118	137	3,899
<b>Total income</b>	<b>29,827</b>	<b>5,346</b>	<b>922</b>	<b>2,280</b>	<b>38,375</b>
<b>EXPENDITURE</b>					
Operating costs	30,130	5,016	985	2,226	38,357
<b>Total expenditure</b>	<b>30,130</b>	<b>5,016</b>	<b>985</b>	<b>2,226</b>	<b>38,357</b>
<b>Net surplus/[deficit]</b>	<b>(303)</b>	<b>330</b>	<b>(63)</b>	<b>54</b>	<b>18</b>

# Company Performance: Radio New Zealand

FOR THE YEAR ENDED 30 JUNE 2010

MEASURE:	2009–2010 ACTUAL	2009–2010 TARGET	2008–2009 ACTUAL
<b>STAFFING:</b>			
Average length of continuous service	9.4 years	> 7 years	9.9 years
Percentage of unfilled vacancies	2%	< 8%	2%
Staff turnover	6.2%	< 12%	8.1%

ALL TARGETS HAVE BEEN ACHIEVED.

FINANCIAL (\$'000):			
Revenue	\$38,375	\$38,381	\$38,200
Expenditure	\$38,357	\$38,326	\$38,187
Surplus/(deficit)	\$18	\$55	\$13
Debt/equity ratio	1:5	1:7	1:6
Capital expenditure	\$2,052	\$2,500	\$1,802

ALL TARGETS HAVE BEEN ACHIEVED.

## INTERNET LISTENERSHIP:

Internet requests for Radio New Zealand National and Radio New Zealand Concert [time-shifted] <sup>1</sup>	See comment below	6.7 million	10 million
--	-------------------	-------------	------------

The Radio New Zealand website experienced a substantial growth in traffic during 2009–2010. As a result of the high demand and increased load on web servers Radio New Zealand introduced some urgent system upgrades to ensure continuity of service. System overloads and the measures undertaken to protect service delivery meant that accurate logging of on-demand traffic was not possible. Measurement for page impressions and unique browsers was maintained and has been accurately reported.

Based on figures available, overall use of the website has grown in line with expectations. Projections, based on overall data consumption, indicate use of Radio New Zealand's online audio services, live streaming, audio-on-demand and podcasts has continued to increase during the year.

Migration to a new content delivery network has been completed and Radio New Zealand expects to have robust measures for podcasts and on-demand traffic available for the 2010–2011 Annual Report.

## AWARENESS AND VALUE OF RADIO NEW ZEALAND:<sup>2</sup>

Awareness that Radio New Zealand is New Zealand's public service radio broadcaster	73%	60%	69%
Perception that it is important for New Zealand to have a public service radio broadcaster	89%	80%	84%
Perception that Radio New Zealand provides a valuable service for New Zealanders	80%	70%	75%

ALL TARGETS HAVE BEEN ACHIEVED.

1. Internet audience refers to the number of time-shifted requests for audio-on-demand and podcasts.

2. Results of Radio New Zealand Value Indices Research conducted nationwide by The Nielsen Company among all New Zealanders aged 15+ and based on prompted awareness.

# Output: Radio New Zealand National

FOR THE YEAR ENDED 30 JUNE 2010

MEASURE:	2009–2010 ACTUAL	2009–2010 TARGET	2008–2009 ACTUAL
<b>FINANCIAL (\$000):</b>			
Revenue	\$29,827	\$30,265	29,759
Expenditure	\$30,130	\$30,152	30,024
Surplus/(deficit)	(\$303)	\$113	(\$265)

**ALL TARGETS HAVE BEEN ACHIEVED.**

Revenue and expenditure variances are less than 2% and not considered material.

<b>NEW ZEALAND LISTENERSHIP:</b>			
Awareness of Radio New Zealand National <sup>3</sup>	73%	65%	71%
Cumulative audience (live) <sup>4</sup>	462,000	431,200	473,000
Percentage of available audience <sup>5</sup>	17.4%	15%	17.2%

**ALL TARGETS HAVE BEEN ACHIEVED.**

<b>BROADCASTING STANDARDS:</b>			
Number of complaints upheld by the Broadcasting Standards Authority	1	< 3	1
Listener satisfaction with programming <sup>6</sup>	87%	80%	87%

**ALL TARGETS HAVE BEEN ACHIEVED.**

<b>TRANSMISSION COVERAGE (MEASURED IN TERMS OF PERCENTAGE OF THE TOTAL RESIDENT NEW ZEALAND POPULATION ABLE TO RECEIVE THE NETWORK SIGNAL):</b>			
AM Network	94%	96%	96%
FM Network	90%	90%	90%
Sky (Satellite)	100%	100%	100%
Freeview (Satellite)	100%	100%	100%

**THREE OF THE TRANSMISSION COVERAGE TARGETS WERE ACHIEVED.**

The Radio New Zealand National AM Network transmission coverage target has historically been reported as 96%. The figure had included a 2% coverage from FM transmission before the introduction of the Radio New Zealand National FM Network. The target is to be adjusted to correctly reflect 94%.

<b>TRANSMISSION AND SERVICE AVAILABILITY (OTHER THAN TIME LOST FOR PLANNED MAINTENANCE):</b>			
AM and FM Network	99.99%	99.9%	99.96%
Website	99.91%	99.9%	99.91%

**ALL TARGETS HAVE BEEN ACHIEVED.**

- Results of Radio New Zealand Value Indices Research conducted nationwide by The Nielsen Company among all New Zealanders aged 15+ and based on prompted awareness.
- Number of different people aged 15+ who listen for at least an eight-minute period from Monday to Sunday, 12 midnight to 12 midnight.
- The Radio New Zealand National percentage of the number of listeners aged 15+ who listen to any radio station from Monday to Sunday, 12 midnight to 12 midnight.
- Question extracted from Radio New Zealand Listener Survey of Radio New Zealand National listeners' satisfaction with Radio New Zealand National's programming – very satisfied and quite satisfied.

# Output: Radio New Zealand Concert

FOR THE YEAR ENDED 30 JUNE 2010

MEASURE:	2009–2010	2009–2010	2008–2009
	ACTUAL	TARGET	ACTUAL
<b>FINANCIAL (\$'000):</b>			
Revenue	\$5,346	\$4,955	\$5,319
Expenditure	\$5,016	\$4,950	\$5,013
Surplus/(deficit)	\$330	\$5	\$306

**ALL TARGETS HAVE BEEN ACHIEVED.**

The recorded variances are small and not considered material.

**NEW ZEALAND LISTENERSHIP:**

Awareness of Radio New Zealand Concert <sup>7</sup>	57%	50%	57%
Cumulative audience (live) <sup>8</sup>	119,000	137,000	138,000
Percentage of available audience <sup>9</sup>	4.5%	4.8%	5.0%

**ONE OF THE TARGETS WAS ACHIEVED.**

The target for prompted awareness of Radio New Zealand Concert was achieved. The cumulative audience and percentage of available audience targets were not achieved. The decline in its listenership reflects the fact that no promotion of the network has been undertaken for over four years and also the general decline in radio listening that is affecting the whole radio industry.

**BROADCASTING STANDARDS:**

Number of complaints upheld by the Broadcasting Standards Authority	Nil	< 3	Nil
Listener satisfaction with programming <sup>10</sup>	80%	75%	82%

**ALL TARGETS HAVE BEEN ACHIEVED.**

**TRANSMISSION COVERAGE**

(MEASURED IN TERMS OF PERCENTAGE OF THE TOTAL RESIDENT NEW ZEALAND POPULATION ABLE TO RECEIVE THE NETWORK SIGNAL):

FM Network	92%	92%	92%
Sky (Satellite)	100%	100%	100%
Freeview (Satellite)	100%	100%	100%

**ALL TARGETS HAVE BEEN ACHIEVED.**

**TRANSMISSION AND SERVICE AVAILABILITY**

(OTHER THAN TIME LOST FOR PLANNED MAINTENANCE):

FM Network	99.95%	99.9%	99.98%
Website	99.91%	99.9%	99.91%

**ALL TARGETS HAVE BEEN ACHIEVED.**

7. Results of Radio New Zealand Value Indices Research conducted nationwide by The Nielsen Company among all New Zealanders aged 15+ and based on prompted awareness.

8. Number of different people aged 15+ who listen for at least an eight-minute period from Monday to Sunday, 12 midnight to 12 midnight.

9. The Radio New Zealand Concert percentage of the number of listeners aged 15+ who listen to any radio station from Monday to Sunday, 12 midnight to 12 midnight.

10. Question extracted from Radio New Zealand Listener Survey of Radio New Zealand Concert listeners' satisfaction with Radio New Zealand Concert's programming – very satisfied and quite satisfied.

# Output: Radio New Zealand International

FOR THE YEAR ENDED 30 JUNE 2010

MEASURE:	2009–2010	2009–2010	2008–2009
	ACTUAL	TARGET	ACTUAL
<b>FINANCIAL (\$000):</b>			
Revenue	\$2,280	\$2,303	\$2,284
Expenditure	\$2,226	\$2,303	\$2,237
Surplus/(deficit)	\$54	\$0	\$47

ALL TARGETS HAVE BEEN ACHIEVED.

The recorded variances are small and not considered material.

## PACIFIC LISTENERSHIP:

Number of radio stations who re-broadcast Radio New Zealand International	17	17	18
---	----	----	----

THE TARGET WAS ACHIEVED.

## TRANSMISSION COVERAGE AND QUALITY

(MEASURED BY THE AVERAGE HOURS OF GOOD QUALITY RECEPTION AVAILABLE PER DAY):

Primary coverage – French Polynesia, Cook Islands, Tokelau, American Samoa, Niue, Tonga, Wallis and Futuna, Fiji, Tuvalu, New Caledonia and Vanuatu	16	16	18
Secondary coverage – Solomon Islands, Papua New Guinea, Nauru and Kiribati	8	8	12
General coverage – Asia/Pacific and Pacific rim including: Federated States of Micronesia, Marshall Islands and Palau	4	4	6

ALL TARGETS HAVE BEEN ACHIEVED.

## TRANSMISSION AND SERVICE AVAILABILITY

(OTHER THAN TIME LOST FOR PLANNED MAINTENANCE):

Analogue and digital short-wave network	99.7%	99.0%	99.19%
---	-------	-------	--------

THE TARGET WAS ACHIEVED.

# Output: Sound Archives/Ngā Taonga Kōrero

FOR THE YEAR ENDED 30 JUNE 2010

MEASURE:	2009–2010 ACTUAL	2009–2010 TARGET	2008–2009 ACTUAL
<b>FINANCIAL (\$000):</b>			
Revenue	\$922	\$858	\$838
Expenditure	\$985	\$921	\$913
Surplus/(deficit)	(\$63)	(\$63)	(\$75)
<b>THE TARGET NET DEFICIT HAS BEEN ACHIEVED.</b>			
While expenditure is in excess of the target it is offset by additional revenue.			
<b>QUALITY MEASURE:</b>			
Turnaround time of requests	10–15 days	10–15 days	10–15 days
<b>THE TARGET WAS ACHIEVED.</b>			
<b>PRESERVATION AND ACCESSIONS:<sup>11</sup></b>			
Number of hours of material accessioned (including historical material)	1,211	1,900	1,767
Number of hours of material preserved	2,138	1,300	1,889
<b>ONE OF THE TARGETS WAS ACHIEVED.</b>			
Refer to footnote 11 below for an explanation of the 2009–2010 target figures. The under achievement of 89 hours against the acquisition forecast equates to 7%. Sound Archives/Ngā Taonga Kōrero implemented a new collection management system requiring a planned shutdown period during December 2009 to January 2010 affecting the achievement of the acquisition target. Additional resources were, however, available for preservation activities during the period in order to clear the increasing backlog and to undertake a mass digitisation project.			
<b>SERVICE AVAILABILITY (OTHER THAN TIME LOST FOR PLANNED MAINTENANCE):</b>			
Access numbers to the website soundarchives.co.nz <sup>12</sup>	289,587	190,000	185,000
Website availability	99.91%	99.9%	99.91%
<b>ALL TARGETS HAVE BEEN ACHIEVED.</b>			

11. An error in the published 2009–2010 Statement of Intent led to a transposing between the acquisition and preservation measure indicators. The forecast for 2009–2010 acquisition hours should have read 1,300 and the preservation hours should have read 1,900.

12. Calculated from the number of daily unique browsers.



# Directory

FOR THE YEAR ENDED 30 JUNE 2010

---

## REGISTERED OFFICE

Level 2  
Radio New Zealand House  
155 The Terrace  
PO Box 123  
Wellington  
PHONE: 04 474 1999  
FAX: 04 474 1459  
EMAIL: [rnz@radionz.co.nz](mailto:rnz@radionz.co.nz)  
[www.radionz.co.nz](http://www.radionz.co.nz)

## AUCKLAND OFFICE

171 Hobson Street  
PO Box 2209  
Auckland  
PHONE: 09 367 9300  
FAX: 09 367 9330

## CHRISTCHURCH OFFICE

Radio New Zealand House  
51 Chester Street West  
PO Box 1531  
Christchurch  
PHONE: 03 374 8464  
FAX: 03 374 5115

## RADIO NEW ZEALAND CONCERT

Radio New Zealand House  
155 The Terrace  
PO Box 123  
Wellington  
PHONE: 04 474 1999  
FAX: 04 474 1876  
EMAIL: [concert@radionz.co.nz](mailto:concert@radionz.co.nz)

## RADIO NEW ZEALAND NEWS

Radio New Zealand House  
155 The Terrace  
PO Box 123  
Wellington  
PHONE: 04 474 1999  
FAX: 04 473 0185  
EMAIL: [news@radionz.co.nz](mailto:news@radionz.co.nz)

## RADIO NEW ZEALAND INTERNATIONAL

Radio New Zealand House  
155 The Terrace  
PO Box 123  
Wellington  
PHONE: 04 474 1437  
FAX: 04 474 1433  
EMAIL: [info@rnzi.com](mailto:info@rnzi.com)  
[www.rnzi.com](http://www.rnzi.com)

## SOUND ARCHIVES NGĀ TAONGA KŌRERO

Head Office (General Collection)  
Radio New Zealand House  
Level 1  
51 Chester Street West  
PO Box 1531  
Christchurch  
PHONE: 03 374 8440  
FAX: 03 374 8448  
  
Auckland Office (Māori Collection)  
171 Hobson Street  
PO Box 2209  
Auckland  
PHONE: 09 367 9301  
FAX: 09 367 9330  
EMAIL: [info@soundarchives.co.nz](mailto:info@soundarchives.co.nz)  
[www.soundarchives.co.nz](http://www.soundarchives.co.nz)

## AUDITOR

Audit New Zealand  
Level 8  
St Pauls Square  
45 Pipitea Street  
PO Box 99  
Wellington  
Banker  
Westpac  
318 Lambton Quay  
PO Box 691  
Wellington  
Main Legal Advisor  
Buddle Findlay  
1 Willis Street  
PO Box 2694  
Wellington

Radio New Zealand  
is funded by



