



THESE VOICES SPEAK VOLUMES...

ABOUT THE EXTRAORDINARY CULTURAL VALUE

THAT RADIO NEW ZEALAND DELIVERS EVERY DAY





A VOICE FOR PERFORMERS

NEW ZEALAND INTERNATIONAL ARTS FESTIVAL

"We never fail to be impressed by their ability to show the artistic vision and focus in the wider context. Their coverage of the 2006 Festival included podcasts, editorial and live broadcast of all 121 events."

– David Inns, CEO New Zealand International Arts Festival

WOMAD FESTIVAL, TARANAKI

"Radio New Zealand's stunning commitment to capturing the event with extensive recordings over the three days quite literally keeps the memories of WOMAD alive."

– Suzanne Porter, CE, WOMAD Festival Taranaki

CHRISTCHURCH ARTS FESTIVAL

"Radio New Zealand provides layers of context for this Festival. They build up the back story, adding levels of understanding that couldn't be achieved otherwise."

– Guy Boyce, Director, Christchurch Arts Festival

ROYAL NEW ZEALAND BALLET

"Radio New Zealand records the soundtracks we use in schools and at other venues where there is no pit or it's too small. Their work is the next best thing to having a live orchestra. These are world class recordings, hugely professional, second to none."

– Amanda Skoog, CE, Royal New Zealand Ballet



A VOICE FOR MUSICIANS

NEW ZEALAND SYMPHONY ORCHESTRA

“Radio New Zealand Concert is our official broadcaster. They record all our subscription concerts as well as a range of other pieces, and play a vital role in disseminating our music – not just to all New Zealanders but internationally”

– Peter Walls, CE, New Zealand Symphony Orchestra

AUCKLAND PHILHARMONIA ORCHESTRA

“Radio New Zealand broadcasts most of our concerts ... These broadcasts not only provide the opportunity to hear the orchestra for those who can't attend, they also provide national reach and enable us to build the profile of the orchestra.”

– Barbara Glaser, CE, Auckland Philharmonia Orchestra

GORE COUNTRY MUSIC FESTIVAL

“This year was the third time that Radio New Zealand has given our Festival national coverage, with five shows broadcast on Radio New Zealand National. That can be a huge positive for singers and songwriters whose careers are still maturing. In fact, it can be their first time on national radio for some.”

– Philip Geary, Convenor, Gore Country Music Festival

WELLINGTON INTERNATIONAL JAZZ FESTIVAL

“For some years now, Radio New Zealand has played a crucial role in recording performances at the Festival. These recordings play a key part in promoting and stimulating knowledge of, and appreciation of, jazz in this country.”

– Adam Levy, Chair of Trust, Wellington International Jazz Festival







A VOICE FOR THE PACIFIC

THE HON. LUAMANUVAO WINNIE LABAN

“Radio New Zealand makes a huge contribution to the Pacific with its excellent reporting. These people show courage and integrity. They are prepared to ask the hard questions in ways that are still respectful of the Pacific, and they display an amazing fearlessness. Radio New Zealand is part of New Zealand's part in the Pacific.”

– The Hon. Luamanuvas Winnie Laban, MP, Mana

BBC

“The addition of RNZI's flagship regional programme enhances our offer to the Pacific with their regional expertise and we're delighted to have it on our relays.”

– Michelle Rowland, Business Development Manager, Pacific and South East Asia, BBC World Service

COMMONWEALTH BROADCASTING ASSOCIATION

“Radio New Zealand International is the major source of news from overseas in the region, and sometimes, as currently in Fiji, a major source of information for Fijians about what is going on.”

– Elizabeth Smith, Secretary-General, Commonwealth Broadcasting Association



A VOICE FOR WRITERS

AUCKLAND WRITERS AND READERS FESTIVAL

"This year, for the first time, Radio New Zealand recorded sessions throughout the Festival. The result is unprecedented access for those who came to relive a session, and opportunities for those who couldn't make it to experience what it would have been like."

– Jill Rawnsley, Director, Auckland Writers and Readers Festival

NZ POST READERS AND WRITERS WEEK

"The editorial coverage they provide us is so in-depth. They present a full and true picture of what audiences can expect."

– David Inns, CEO New Zealand International Arts Festival

AUCKLAND ARTS FESTIVAL

"The power of Radio New Zealand is that it brings the voice of the Festival into the home in a way that no-one else can."

– Catherine Saunders, publicist, Auckland Arts Festival







A VOICE FOR LEARNING

TE PAPA TONGAREWA

"We interact with Radio New Zealand in a number of ways. One of them is the Treaty debate... This very important identity debate explores and exposes ideas that quite simply wouldn't be aired otherwise... As with all the events that we work on together, Radio New Zealand shows an exemplary level of care, time and passion."

– Jane Keig, Communications Manager, Te Papa Tongarewa

TE WHAKARURUHAU

"Radio New Zealand provides training for our young people to be better broadcasters. Through Ngā Taonga Kōrero, they're also digitally archiving broadcasts within our stations going back 20 years. These involve almost 21,000 items, spanning around 11,500 hours of transmission."

– Betty Hauraki, Kaitakawaenga, Te Whakaruruhau

THE ROYAL SOCIETY

"Radio New Zealand is critical for science in New Zealand, because they are the only people covering science this way. Because of them, science now has far more airtime."

– Glenda Lewis, Communications Manager, The Royal Society of New Zealand

TE ARA

"Radio New Zealand is helping us to keep alive the memories, sounds and voices of New Zealand. Without them the whole job of giving an online voice to the events, people and places that have shaped who we are today as a nation would have been a lot more difficult."

– Jack Phillips, Editor, Te Ara, Encyclopedia of New Zealand

**DIFFERENT VOICES.
MANY PLACES.
DIVERSE PERSPECTIVES.
ONE OUTCOME:**

A BETTER UNDERSTANDING OF WHAT IT MEANS TO BE A NEW ZEALANDER.

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**AS AN INDEPENDENT,
COMMERCIAL FREE,
PUBLIC SERVICE
BROADCASTER, RADIO
NEW ZEALAND'S
PURPOSE IS TO SERVE
THE PUBLIC INTEREST**



Brian Corban

BRIAN CORBAN QSO – *Chairman*



Chairman's Report



GIVING OUR CULTURE A VOICE. NEW ZEALAND IS JUSTIFIABLY PROUD OF ITS UNIQUE NATIONAL IDENTITY, PARTICULARLY THE SHARED SENSE OF BELONGING AND THE EVOLVING CULTURAL VALUES THAT BRING US TOGETHER AND CONTRIBUTE TO OUR POWERFUL SENSE OF SELF. THE VERY NATURE OF OUR PEOPLE, OUR SENSE OF COMMUNITY AND WHAT WE CREATE MAKE US WHO WE ARE.

GIVING OUR CULTURE A VOICE

While our nationhood may be a work in progress, it is an encouraging sign of our growing maturity that we continue to develop a New Zealand way of doing things and a sense of pride in that which defines us. Our increasing sensitivity to recognising and understanding diversity also serves as a strong foundation for the common human values which bind us together as a nation of many peoples.

Whether it's broadcasting to the changing population of New Zealand at home – or to the hundreds of thousands of New Zealanders now living overseas – Radio New Zealand provides a vital platform for the many voices of our peoples. In fact, we represent and carry those voices to the world.

In an increasingly homogenised world, globalisation, the proliferation and diversification of media services and the dominance of commercial values mean New Zealand's culture could be under threat. That situation makes the role of Radio New Zealand critical in sustaining and strengthening our national identity as a tolerant, caring and inclusive society. Awareness and preservation of our culture are critical to sustaining our strong and uniquely New Zealand identity.

As the country's only wholly public service broadcaster, Radio New Zealand increasingly enables our many and varied ethnicities to voice their own opinions, at the same time as we underline our commonality by promoting, reinforcing and celebrating what is uniquely ours, so that all New Zealanders can pass on our cultural traditions to future generations.

STRENGTHENING PUBLIC SERVICE BROADCASTING

Radio New Zealand is proud to be a chartered public service broadcaster and we are committed to the principles of the Radio New Zealand Charter and therefore to capturing and broadcasting the many voices that speak to, or influence New Zealanders.

Freedom of thought and expression are essential foundations of democracy and Radio New Zealand's mandate ensures

the provision of universal access to information and services covering all aspects of the nation's life. We have a duty and a Charter to consider the interests of a range of audiences beyond the demographic groups that commercially driven broadcasters deliver to their advertisers. As a commercial free, public service broadcaster, our purpose is to serve the public interest and the ongoing protection of public service broadcasting values. That commitment remains of critical importance to us all.

Funding issues continue to pose a significant threat to Radio New Zealand as we strive to maintain quality standards in core service delivery. We welcome the Government's announcement of a base funding review and the investigation to determine whether Radio New Zealand's current institutional form is the most appropriate structure for a fully funded public service broadcaster. The Radio New Zealand Board also looks forward to implementing the new draft Charter approved by Parliament's Commerce Select Committee when legislation is enacted during the coming year.

NEW REPORTING REQUIREMENTS

Recent changes to the Crown Entities Act require Radio New Zealand to evaluate and report on a wider range of qualitative, non-financial performance measures. These measures were outlined in the 2006–2007 Statement of Intent, a document which sets out our objectives and establishes criteria for evaluating how well we meet those objectives.

To comply with these statutory requirements Radio New Zealand has developed a new performance measurement system based on the Radio New Zealand Charter. This change acknowledges not only the Charter as the core driver of Radio New Zealand's operation but also that quantitative measures alone are not sufficient to fully evaluate our performance.

As a result, this and future Radio New Zealand Annual Reports will contain a wide range of qualitative, non-financial performance indicators which more appropriately reflect the full value of Radio New Zealand as a public service broadcaster.

This year our commitment to the ongoing development of the popular Radio New Zealand website has seen significant value added for audiences, both in New Zealand, and overseas.

The task of rebuilding and consolidating Radio New Zealand is far from finished – despite the advances made in the recent past.

A NEW LOOK

As an independent and publicly-funded public service broadcaster, we believe it's important that people understand the full value of the services we provide, including our two national radio networks, Radio New Zealand National and Radio New Zealand Concert; our Pacific broadcasting service Radio New Zealand International; and the national Sound Archives in Christchurch and Auckland.

With this in mind, Radio New Zealand introduced changes during the year to its institutional branding and on-air identity with new logos for its networks and services. A name change for two of our networks was initiated at the same time. National Radio became Radio New Zealand National and Concert FM became Radio New Zealand Concert.

These changes are long overdue as research had shown that, while Radio New Zealand was recognised by most New Zealanders as one of the country's most important cultural institutions, there were still people who confused our radio networks with some of the commercial broadcasters. The updated naming and identities should remove any lingering historical confusion between Radio New Zealand and commercial radio outlets, allowing us to clearly reassert our vital role in the world's most competitive radio market.



IN TOUCH WITH THE FUTURE

Radio New Zealand continues to consider the latest delivery options for its programming.

This year our commitment to the ongoing development of the popular Radio New Zealand website has seen significant value added for audiences, both in New Zealand, and overseas. We will continue to play a vital role in facilitating the flow of information about New Zealand to international audiences, and in keeping Kiwis around the world in touch with home.

Radio New Zealand is also a foundation member of the FreeView Group, a consortium of New Zealand's free-to-air broadcasters which this year announced an industry initiative for the creation of a shared digital platform for broadcast services.

FINANCIAL PERFORMANCE

Prudent, indeed stringent, financial management has been a key ingredient of operations during the year.

While there are multiple calls on our funding for service enhancements, many of these potential improvements remain unfunded. With limited finances, our emphasis is increasingly on preserving and funding our established core services. That in itself is becoming more and more difficult as we face annual cost increases across all parts of our operations and, at the same time, seek to increase and diversify our services to better deliver on our Charter imperatives.

Despite those difficulties Radio New Zealand was able to operate within budget for the year and return a modest

A happy congruence of an enhanced Charter, with enhanced Funding to match the task, will ensure Radio New Zealand continues to develop as one of New Zealand's most important social and cultural institutions in the years ahead.

operating surplus of \$76,000. That was no mean feat, achieved through very tight financial management, robust risk management, and able policy development and compliance programmes.

No dividend will be paid for the year as shareholding Ministers have waived their right to receive a dividend.

ACKNOWLEDGEMENTS AND THANKS

As Chairman, I place a very high value on the support provided by a team of skilled and dedicated Governors, each of whom has made a unique contribution this year by applying their valued knowledge and experience to the governance, management and supervision of Radio New Zealand's business affairs in accordance with the principles of the Radio New Zealand Charter.

We welcomed Christine Grice as a new Governor to the Radio New Zealand Board of Governors in December 2006, filling a vacancy created by the departure of Rick Ellis who left to take up the position of CEO at Television New Zealand.

On behalf of the Board, I would also like to thank the Chief Executive, Peter Cavanagh, the management team and all the staff at Radio New Zealand for their hard work over the past twelve months. The success of Radio New Zealand rests on the professional talent of our staff.

In so many ways, people remain this organisation's greatest asset. As a Board we recognise and appreciate their outstanding professionalism, creativity and ongoing commitment to the



principles of public service broadcasting. I want to particularly thank them for their passion and dedication to our shared vision for the future.

A FURTHER CONTRIBUTION TO MAKE

The task of rebuilding and consolidating Radio New Zealand is far from finished – despite the advances made in the recent past. The task indeed expands, as changes in the world and our own society place even more emphasis on the importance of public service broadcasting for independent and authoritative news and current affairs and information as a basis for a tolerant, inclusive society and a strong democracy.

The new draft Charter recognises this in its expansion and improved definition of the reasons for Radio New Zealand's existence and the purposes it serves.

The historic base-line funding review currently being undertaken in conjunction with Government – the first time this has been undertaken since 1997 – also emphasises the importance of proper financial resourcing of our Charter duties.

A happy congruence of an enhanced Charter, with enhanced funding to match the task, will ensure Radio New Zealand continues to develop as one of New Zealand's most important social and cultural institutions in the years ahead.



**BRIAN
CORBAN**

Board of Governors

Chairman [QSO, MA (Hons), LLB, FIOD, FNZIM]

Brian Corban is a professional company director, lawyer, and business and community leader. He has experience in successfully leading companies through restructuring and deregulatory changes in the television, telecommunications, transport and electricity sectors.

He is currently Chairman of Genesis Energy, Chairman of the Melanesian Trust Board, Ngatarawa Wines and a number of private companies and is a trustee of various community trusts. He is a Fellow of the Institute of Directors and a Fellow of the New Zealand Institute of Management.



**ALISON
TIMMS**

Deputy Chairman [BA]

Alison Timms has had more than 20 years of management experience at senior levels in the public sector. She is now an independent consultant. Alison is a member of the New Zealand Parole Board, a director of Wellington Waterfront Ltd, Chair of the Insurance and Savings Ombudsman Commission, and is a Board member of the Wellington Citizens Advice Bureau.



**ALAN
DICK**

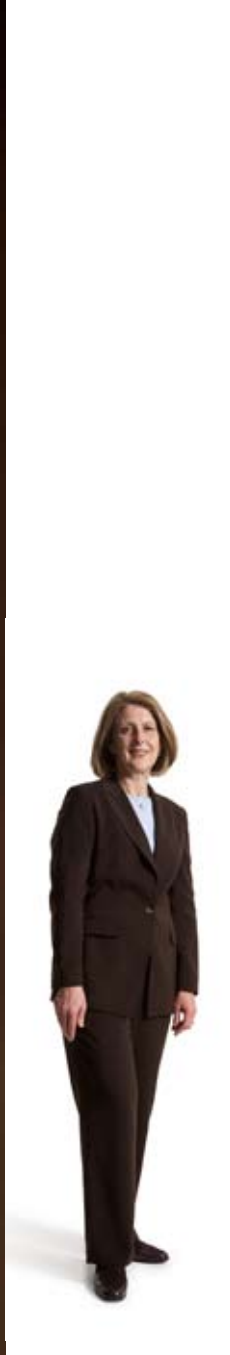
[QSO, MBA, FNZIM]

Alan Dick has diverse business, community and governance experience. A business and commercial property consultant, he has been a director of LATES, a port company and numerous private companies. Alan has had a long and distinguished career in local government, serving 12 years as Mayor of Napier until standing down in 2001. He is currently Deputy Chairman of the Hawke's Bay Regional Council, and serves several community organisations in a governance role.



**JUDY
FINN**

Judy Finn is a co-owner and director of Neudorf Vineyards and a director of the Bishop Suter Art Gallery in Nelson.



CHRISTINE GRICE

[CNZM, LLB (Hons)]

Christine Grice is a lawyer and company director. She is currently Chair of the Perry Group Limited, a diversified group of companies based in the Waikato. She also chairs Te Pou, the National Centre of Mental Health Research and workforce development (Mental Health Programmes Limited), the New Zealand Law Society Continuing Education Board and is a board member of the statutory Council of Legal Education.

She is immediate past president of the New Zealand Law Society.



JUDITH FYFE

[LLB]

Judith Fyfe is a practising barrister with an active interest in oral history as a lecturer, author and producer. Prior to co-founding the New Zealand Oral History Archive, she worked in broadcasting, television and film. Judith is a member of the Arts Board of Creative New Zealand, and a member of the Copyright Tribunal.



SIFA TAUMOEPEAU

Sifa Taumoepeau is the Government Affairs Manager for SKYCITY Entertainment Group Ltd. He has previously been a director of the National Pacific Radio Trust, which governs Niu FM.



STEVE MURRAY

Chairman Audit Committee [MBA]

Steve Murray is the Managing Director of global IT services company EDS NZ. Prior to joining EDS, Steve was with Tainui Group Holdings in the capacity of Chief Executive from 2002 until 2006. His international business experience includes senior management roles with Ernst & Young and the airline industry in New Zealand and Australia. He is currently a trustee of the Equal Employment Opportunities Trust and was recently appointed by the Minister of Defence to the Defence Industry Council of New Zealand.



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.

Whilst 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 fit 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

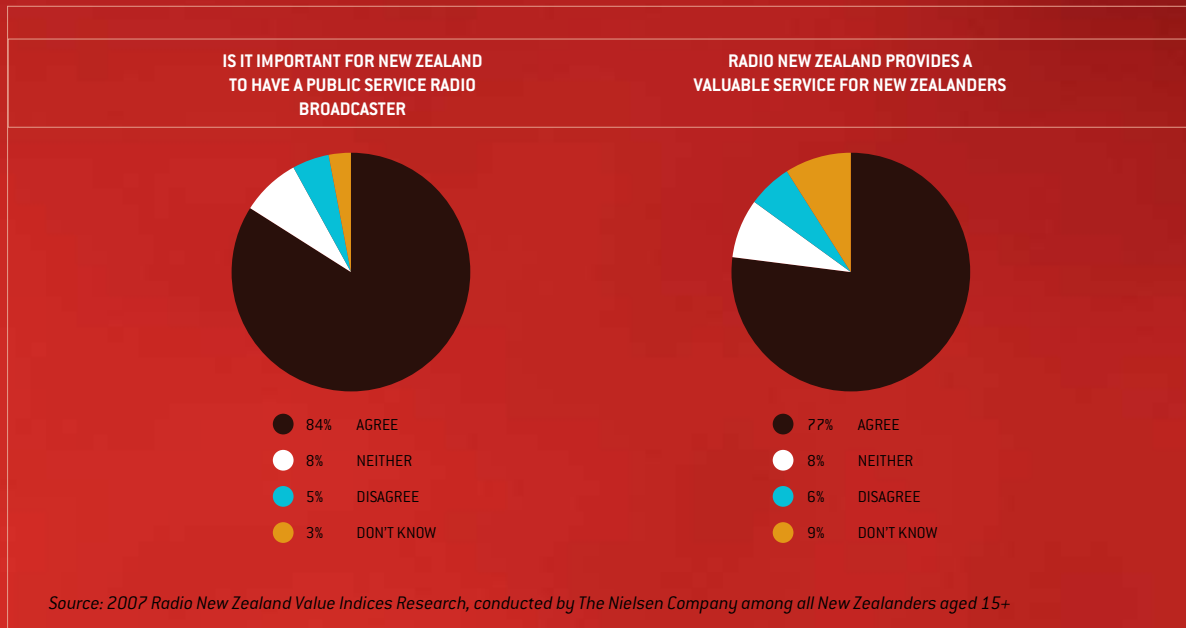
(c) The broadcasting services provided by other broadcasters; and

(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.

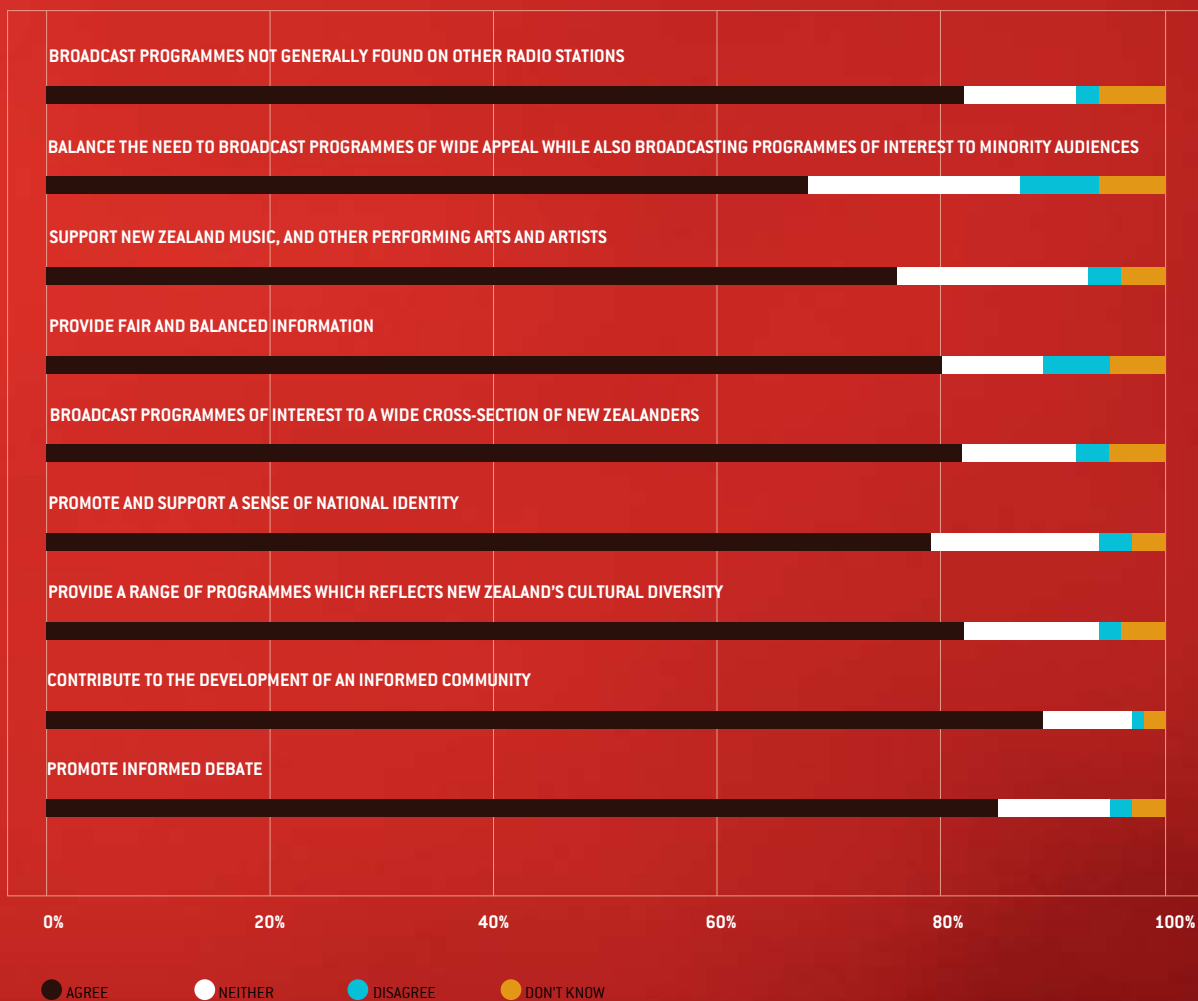
Our Performance Based on Public Value

NEW ZEALANDERS VALUE PUBLIC SERVICE RADIO BROADCASTING AND RADIO NEW ZEALAND SERVICES.



Our Performance Based on Our Charter Objectives

WE CONTINUE TO MEET THE EXPECTATIONS OF LISTENERS, PRESENTING PROGRAMMES THAT HIGHLIGHT WHO WE ARE AND WHAT INTERESTS US AS A NATION.





AWARD-WINNING PERFORMANCES THIS YEAR

2007 New Zealand Radio Awards

OUTSTANDING
CONTRIBUTION
TO RADIO IN
NEW ZEALAND

GEOFF ROBINSON

**BEST
NEWS**

BEST NEWSREADER
NICOLA WRIGHT

BEST NEWS STORY –
TEAM COVERAGE
THE FIJI COUP

INDIVIDUAL RADIO JOURNALIST
OF THE YEAR
ERIC FRYKBERG

**BEST NEW
BROADCASTER**

JUSTIN GREGORY

**BEST
SPOKEN
PROGRAMMES**

BEST DOCUMENTARY OR
FEATURE PROGRAMME
INSIGHT: "ZAQUI" – SUE INGRAM

BEST DAILY OR WEEKLY SERIES
UNDER 1 HOUR
COUNTRY LIFE – TANIA OOLDERS,
CAROL STILES, SUSAN MURRAY,
DAVID KNOWLES

BEST DAILY OR WEEKLY SERIES
1 HOUR OR MORE
NINE TO NOON – MARC PIERCEY

SPECIAL COMMENDATION:
THIS WAY UP – SIMON MORTON

BEST DRAMATIC PRODUCTION
ATTITUDE – MARION NANCARROW



BEST NZ PRODUCED MUSICAL PROGRAMME

BEST MUSIC FEATURE
THE BLERTA YEARS –
KEITH NEWMAN

BEST RECORDED LIVE
MUSIC EVENT
PARSIFAL – ROGER SMITH

SPECIAL COMMENDATION:
THE TRANSMISSION –
KIRSTEN JOHNSTONE

BEST TECHNICAL PRODUCTION

STUDIO OR OB RECORDING
PARSIFAL – GRAHAM KENNEDY

QANTAS MEDIA AWARDS 2007

BEST WEBSITE DESIGN
RADIO NEW ZEALAND
WWW.RADIONZ.CO.NZ

BEST STUDENT JOURNALIST –
BROADCASTING
HANNAH OCKELFORD

2006 US VOICE AWARD

WINNER
ONE IN FIVE'S –
KYLEE MALONEY

BANK OF NEW ZEALAND RONGO AWARD

EXCELLENCE IN AGRICULTURAL
JOURNALISM
COUNTRY LIFE'S –
CAROL STILES

GRAPHIS PLATINUM AWARD

RADIO NEW ZEALAND 2006
ANNUAL REPORT –
CLEMINGER BBDO

AS THE COUNTRY'S
ONLY WHOLLY PUBLIC
SERVICE BROADCASTER,
WE HAVE A KEY ROLE
IN PROTECTING AND
FOSTERING OUR
NATIONAL IDENTITY
AND IN CELEBRATING
CULTURAL DIVERSITY



PETER CAVANAGH – *Chief Executive*





IN MY VIEW, RADIO NEW ZEALAND IS THIS COUNTRY'S SINGLE MOST IMPORTANT CULTURAL INSTITUTION. IT PLAYS AN ABSOLUTELY VITAL ROLE IN THE DEMOCRATIC PROCESS, IN THE DEVELOPMENT OF NEW ZEALAND AS A WELL-INFORMED, CARING AND TOLERANT SOCIETY AND IN ALLOWING NEW ZEALANDERS TO UNDERSTAND THEIR PLACE IN THE WORLD.

Over the past twelve months, much has been achieved towards our over-arching objective of rebuilding and strengthening Radio New Zealand as this country's pre-eminent public service broadcaster. As a result, we enter a new year with strong new branding, burgeoning audiences – both here and overseas – and new performance measurements that better reflect the rich cultural dividends we deliver to all New Zealanders.

UNDERSTANDING OUR PURPOSE

As the country's only wholly public service broadcaster, we have a key role in protecting and fostering our national identity and in celebrating cultural diversity. I am constantly surprised, however, by the lack of public understanding of the breadth and depth of the Charter or how well this organisation performs in terms of meeting its objectives.

Fortunately as Radio New Zealand Chief Executive I get many invitations to attend functions and to speak in public – everything from major seminars and industry conferences to more relaxed conversations with special interest groups or classes of students – and I use every possible opportunity to emphasise the quality and value of the broadcasting services we offer the New Zealand public. To quote the opening statement from our revised Radio New Zealand Charter, which is currently working its way through the Government legislative process: "As an independent, commercial free public service broadcaster, Radio New Zealand's purpose is to serve the public interest."

MEASURING RADIO NEW ZEALAND'S CULTURAL DIVIDEND

New Zealand is justifiably proud of its unique national identity. As New Zealanders, we each have a unique voice. Every day we choose to express our views, our interests and our priorities in a multitude of different ways. And every day Radio New Zealand captures and reflects those voices in programmes that contribute towards our collective understanding, keeping us informed about what is going on in the country and in the world around us.

We do not believe that existing quantitative measurement criteria do us justice. How do we measure, for example, the importance of Radio New Zealand Concert delivering far greater radio audiences to the New Zealand Symphony Orchestra or the Auckland Philharmonia Orchestra than can be achieved at live concert venues alone? How does the New Zealand Festival of the Arts or WOMAD measure the value of extensive Radio New Zealand National coverage of events? What about our many discussions that lead New Zealanders to a better appreciation of their music, arts and literature? And how do we place a value on the time-shifted website programming we now provide for those Kiwis living overseas who want to keep in touch with home?

INNOVATIVE WAYS OF QUANTIFYING OUR SUCCESSES

It is clear that traditional measurement methods like one-off annual audience surveys no longer adequately assess and reflect the full value of Radio New Zealand's services to the New Zealand public.

So, over the year ahead, you can expect to see us adopt changes to the way we evaluate and report. The challenge of course has been to develop a much wider range of qualitative, non-financial performance measures that still meet the new reporting requirements of the Crown Entities Act and that adequately reflect the rich cultural dividend we return to all New Zealanders.

To more accurately measure our successes, Radio New Zealand has contracted The Nielsen Company to undertake its radio surveys in the New Zealand market for the next three years. In a significant move away from our traditional six to eight week annual survey, we have initiated a fully representative nationwide survey that will, ultimately, have diaries in the field continuously for 40 weeks of the year. This methodology sets new best practice benchmarks for Radio New Zealand.



As this is a fundamental change in methodology, 2007 will be treated as an 'interim' year, during which we set base figures for comparison in subsequent years. The interim results presented in this annual report are based on the first 20 weeks of survey data.

Our new audience survey process involves both quantitative and attitudinal measurements designed to give a much better assessment of Radio New Zealand's performance than was possible under the old, once a year, snap-shot survey method.

By spreading the survey over a longer period, the results are less likely to be affected by one-off events, seasonality or natural fluctuations in the news cycle. A long term measurement should also give us a much better and more reliable picture of listenership patterns throughout the year and provide a greater understanding of public perceptions.

Improving our understanding of existing and potential audiences and introducing new measures that acknowledge our much wider range of services will allow us to focus attention on critical aspects of our public service broadcasting role.

Our challenge is to paint the big picture, expanding the public view and placing greater emphasis on how this country fully benefits from our presence and commitment.

While traditional radio listening will continue to make up the bulk of our audience numbers for some time, New Zealanders are increasingly accessing our programmes through a broad range of other electronic devices such as their computers, MP3 players, cell phones and television sets.

To assess the real value of our role as a public service broadcaster we must begin to measure all listening, including time-shifted downloads and the growing number of Pacific and international audiences who are not currently included in our surveys.

THRIVING ONLINE

In 2005 Radio New Zealand announced a major upgrade of its website. The project has continued to be a major focus of our attention during 2006/2007 and has proved an outstanding success.

We now offer an attractive, accessible website with live streaming, a high quality text based news service, podcasting and audio on demand, all on the one site.

New Zealand audiences have rapidly embraced the new world of time-shifted listening and a lot of our online listening now includes the many New Zealanders living and working overseas. In fact, public demand for services from the Radio New Zealand website www.radionz.co.nz has exceeded all expectations.

The past twelve months have seen a dramatic increase in traffic to the site with total page impressions now topping eight million. Radio New Zealand now has the highest ranking for unique browsers of any New Zealand radio website.

As a public service broadcaster, our aim is to be universally accessible. It doesn't matter to us how people access our content, as long as they do access it. That's happening. In the year to 30 June 2007, more than two million programmes or programme segments were replayed via the website. We are

Radio New Zealand's success at the 2007 New Zealand Radio Awards and at the Qantas Media Awards is a reflection of the high regard that New Zealanders have for the quality and range of services we provide.

now leading the way in digital broadcasting. At the current rate of usage, that figure will climb to more than three million by this time next year.

We are also building a massive archive of high quality programming, which is available to our audiences wherever they are and whenever they want to hear it. Sixty hours of new audio material is made available every week and our award-winning news service is updated on average 30 times a day during weekdays.

Radio New Zealand has effectively become a global broadcaster to New Zealanders everywhere in the world.

STRONG LISTENERSHIP

Despite the huge volume of time-shifted listening taking place online, our traditional live radio services continue to attract impressively high audiences. About one in five New Zealanders over the age of 15 listen to either Radio New Zealand National or Radio New Zealand Concert each week.

It is highly satisfying to be able to report that in this, the world's most saturated and competitive radio market, quality public service broadcasting is very much alive and well.

AWARDS AND RECOGNITION

Finding ways to objectively measure "quality" is one of our greatest challenges as a public service broadcaster. But for a broadcasting professional one of the most satisfying measures is to be recognised for excellence by your peers in the radio industry. We pride ourselves on the quality of our people and the programmes they deliver, so peer recognition is a valued



and very satisfying measure of the success we are achieving in an extremely competitive industry.


Radio New Zealand's success at the 2007 New Zealand Radio Awards and at the Qantas Media Awards is a reflection of the high regard that New Zealanders have for the quality and range of services we provide.

The New Zealand Radio Awards recognise the best work from commercial and public service broadcasters. Radio New Zealand achieved outstanding results at the 2007 New Zealand Radio Awards, winning eleven individual category awards and receiving two special commendations. In addition, *Morning Report* presenter Geoff Robinson was awarded a prestigious Outstanding Contribution to Radio award.

A number of commercial radio colleagues made a point of congratulating Radio New Zealand winners following the announcement of the awards – a nice gesture – and one that was very much appreciated in what can be a feisty and competitive environment.

The Radio New Zealand website also won the award for Best Website Design at the 2007 Qantas Media Awards and Radio New Zealand News journalist Hannah Ockelford won the award for Best Student Journalist – Broadcasting.

As satisfying as they are, such awards remain just one of a multitude of wide ranging measures we consider as we continue to assess the full value of the services delivered by our networks.



With widespread political and civil upheaval across the Pacific region, the work of Radio New Zealand International has never been more important.



We are New Zealand's only news organisation or broadcaster with an exclusive mandate to serve the public interest.

RADIO NEW ZEALAND INTERNATIONAL

With widespread political and civil upheaval across the Pacific region, the work of Radio New Zealand International has never been more important. Reliable sources of news and current affairs are in short supply and the independence of local media is under serious threat.

In this unsettled climate, Radio New Zealand International is becoming an increasingly important source of information for Pacific peoples about events in their own countries.

The world is also taking notice. In the past year, more broadcasters in more countries – including the BBC World Service – have started relaying news and current affairs programming from Radio New Zealand International.

New Zealand audiences too are benefiting from the in-depth coverage and analysis of Pacific issues that our International service can provide.

SOUND ARCHIVES/NGĀ TAONGA KŌRERO

In 2007, one of New Zealand's greatest cultural treasures, Radio New Zealand Sound Archives/Ngā Taonga Kōrero celebrated its fiftieth anniversary. This wonderful collection of New Zealand's history in sound has for many years been an invaluable resource for programme makers, educational institutions and major national heritage projects such as Te Ara, the Encyclopedia of New Zealand.

In future years we hope to fully digitise this amazing treasure trove, making it freely accessible to all New Zealanders.



LOOKING FORWARD

We are New Zealand's only news organisation or broadcaster with an exclusive mandate to serve the public interest, and our research shows an increasing understanding among New Zealanders of the special role we play as the only independent, non-commercial public service broadcaster.

After another year of strong achievement, I would like to acknowledge the invaluable guidance and support of the Radio New Zealand Board of Governors and, in particular, our Chairman, Brian Corban. Their passion and commitment to Radio New Zealand and its Charter ensures that quality public service broadcasting in New Zealand remains in very safe hands.

My heartfelt thanks also to Radio New Zealand staff who have performed magnificently this year under extremely constrained financial circumstances. I commend them for their outstanding talent and creativity – and their passionate commitment to the principles of true public service broadcasting.



OUTCOME	RESULT
<p>1 CONTINUED HIGH PUBLIC TRUST AND CONFIDENCE IN RADIO NEW ZEALAND.</p> <p>Providing services of the highest quality.</p> <p>Appropriately exercising freedom of thought and expression.</p> <p>Having a known, trusted and coherent Radio New Zealand brand.</p>	<p>ACHIEVED</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
<p>2 NEW ZEALAND HAVING A HEALTHY SENSE OF CITIZENSHIP AND ITS OWN NATIONAL IDENTITY.</p> <p>Informing New Zealanders about New Zealand and its position in the world.</p> <p>Being predominantly and distinctively of New Zealand.</p> <p>Fostering critical thought and informed and wide-ranging debate, thereby contributing to greater tolerance and understanding.</p> <p>Reflecting and promoting ethnic, cultural and artistic diversity and expression.</p> <p>Reflecting New Zealand's cultural identity, including Māori language and culture.</p> <p>Stimulating, supporting and reflecting the diversity of cultural expression including drama, comedy, literature and the performing arts.</p> <p>Stimulating, supporting and reflecting a wide range of music, including New Zealand composition and performance.</p>	<p>ACHIEVED</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
<p>3&4 NEW ZEALAND SOCIETY INFORMED, EDUCATED, ENTERTAINED AND ENLIGHTENED, AND NEW ZEALAND HAVING A STRONG INTELLECTUAL, CULTURAL AND ARTISTIC IDENTITY, EXPRESSION AND LIFE.</p> <p>Contributing towards intellectual and spiritual development, and fostering critical thought, informed and wide-ranging debate, and providing challenging, innovative and engaging programming.</p> <p>Providing reliable, independent and freely accessible news and information, and awareness of the world and of New Zealand's place in it.</p> <p>Stimulating, supporting and reflecting the diversity of cultural expression including drama, comedy, literature and performing arts.</p> <p>Stimulating, supporting and reflecting a wide range of music, including New Zealand composition and performance.</p>	<p>ACHIEVED</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>



Performance Management

OUTCOME	RESULT
<p>5 NEW ZEALANDERS HAVING UNIVERSAL ACCESS TO PUBLIC SERVICE BROADCASTING.</p> <p>Balancing programmes of special interest with those of wide appeal, recognising the interests of all age groups.</p> <p>Taking advantage of the most effective means of delivery.</p> <p>Ensuring diversity in participation, subject matter and listenership.</p> <p>Providing a strong regional presence and coverage.</p> <p>Taking account of services provided by other broadcasters.</p>	<p>ACHIEVED</p> <p>Part achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
<p>6 INFORMED PACIFIC ISLAND NATIONS.</p> <p>Providing Radio New Zealand International, an international service to the South Pacific in both English and Pacific languages.</p>	<p>ACHIEVED</p> <p>Achieved</p>
<p>7 MAINTAIN RADIO NEW ZEALAND'S POSITION AS NEW ZEALAND'S PRE-EMINENT PUBLIC SERVICE BROADCASTER.</p> <p>Providing services of the highest quality.</p> <p>Providing public service broadcasting of value to New Zealand society.</p> <p>Providing services of relevance to the public.</p> <p>Recruiting and retaining talented, capable staff.</p>	<p>ACHIEVED</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Part achieved</p>
<p>8 NEW ZEALAND'S HISTORY PRESERVED AND ACCESSIBLE.</p> <p>Acquiring and preserving broadcasting material of historical interest.</p> <p>Making recordings available to all New Zealanders on request.</p>	<p>PART ACHIEVED</p> <p>Achieved</p> <p>Part achieved</p>



1

CONTINUED HIGH PUBLIC TRUST AND CONFIDENCE IN RADIO NEW ZEALAND.

IMPACT 1:

PROVIDING SERVICES OF THE HIGHEST QUALITY.

OUTPUTS	INDICATORS
Ongoing qualitative performance and content reviews within programmes and departments.	An internal assessment of programming against the relevance and quality requirements of the Radio New Zealand Charter. Listener perceptions of the quality of Radio New Zealand programming derived from responses to annual surveys (Quality KPIs).
Implementation of editorial policy.	Listener perceptions of the fairness and balance of information in Radio New Zealand programming derived from responses to annual surveys (a positive rating of at least 80%).
Charter review.	The next review is expected to be initiated in 2011.

ACHIEVEMENT – ACHIEVED:

Radio New Zealand conducted an audit of all programming in 2005. New programming was introduced and schedules modified to better reflect the needs and interests of our listeners.

Radio New Zealand continued to adjust programmes to meet Charter requirements through a process of internal monitoring and collaboration with senior management and production and programming departments.

In particular, the number of news bulletins was increased over the last year, with extra bulletins in the morning and early evenings.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that:

- 85% of Radio New Zealand National listeners are satisfied with network programming, 12% are neither satisfied nor dissatisfied and just 3% are dissatisfied.
- 77% of Radio New Zealand Concert listeners are satisfied with network programming, 21% are neither satisfied nor dissatisfied and just 2% are dissatisfied.
- 80% of Radio New Zealand listeners agree that Radio New Zealand provides fair and balanced information, 6% disagree and the remainder are either neutral or don't know.

IMPACT 2:

APPROPRIATELY EXERCISING FREEDOM OF THOUGHT AND EXPRESSION.

OUTPUTS	INDICATORS
Retention of editorial independence.	Radio New Zealand and its stakeholders will adhere to the requirements of section 13 of the Radio New Zealand Act 1995. Adherence to Radio New Zealand's commercial free status. Public trust and confidence in Radio New Zealand's independence, derived from responses to annual surveys (a positive rating of at least 70%).
Compliance with the Radio Code of Broadcasting Practice and the Broadcasting Act 1989 will be determined by the level of complaints upheld by either Radio New Zealand or the Broadcasting Standards Authority (BSA) for the period under review.	Complaints upheld against Radio New Zealand for breach of legislated standards (Broadcast Standards KPIs).



Adherence to the Radio New Zealand’s editorial policy manual.

Radio New Zealand will comply with broadcast standards as specified in its own internal policies and procedures.

ACHIEVEMENT – ACHIEVED:

Editorial independence – Radio New Zealand established a comprehensive manual of editorial policies in 2005, which is continually reviewed and updated against industry standards, including online protocols and the use and security of external contacts. This manual is available on the Radio New Zealand website where it can be accessed by the public.

All Radio New Zealand staff and contracted programme makers are required to comply with the editorial policies and procedures, Charter obligations and Broadcasting Standards.

The editorial policies reflect the provisions of the Radio New Zealand Act 1995, which precludes ministerial direction relating to programming and the placement of commercial advertising. There were no breaches of the policy with respect to these matters.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that 80% of Radio New Zealand listeners agree that Radio New Zealand provides fair and balanced information.

Compliance with the Radio Code of Broadcasting Practice – Of the formal complaints received and assessed by Radio New Zealand during the year none were upheld internally. Ten complainants referred their complaints to the Broadcasting Standards Authority; none of those ten complaints were upheld on referral during the period.

IMPACT 3:

HAVING A KNOWN, TRUSTED AND COHERENT RADIO NEW ZEALAND BRAND.

OUTPUTS

INDICATORS

Public recognition of the public service broadcasting role performed by Radio New Zealand.

Public perceptions of the value of Radio New Zealand’s public service broadcasting role as derived from responses to annual surveys (a positive response of at least 70%).

A branding exercise to align Radio New Zealand brands with public service broadcasting values.

Qualitative research of listeners and non-listeners to determine brand awareness and brand response.

ACHIEVEMENT – ACHIEVED:

Results from the 2007 Radio New Zealand Value Indices Research, conducted nationwide by The Nielsen Company among all New Zealanders aged 15+, show that:

- 84% of New Zealanders agree that it is important for New Zealand to have a public service radio broadcaster. 5% disagree, 8% neither agree nor disagree and 3% don’t know.
- 77% of New Zealanders agree that Radio New Zealand provides a valuable service for New Zealanders. 6% disagree, 8% neither agree nor disagree and 9% don’t know.

Further results from the 2007 Radio New Zealand Value Indices Research, show that:

- 65% of New Zealanders are aware that Radio New Zealand is New Zealand’s public service radio broadcaster.
- 71% of New Zealanders have heard of Radio New Zealand National.
- 57% of New Zealanders have heard of Radio New Zealand Concert.
- 25% of New Zealanders haven’t heard of either Radio New Zealand National or Radio New Zealand Concert.



2

NEW ZEALAND HAVING A HEALTHY SENSE OF CITIZENSHIP AND ITS OWN NATIONAL IDENTITY.

IMPACT 1:

INFORMING NEW ZEALANDERS ABOUT NEW ZEALAND AND ITS POSITION IN THE WORLD.

OUTPUTS	INDICATORS
Use of a range of distribution methods to enable New Zealanders living overseas to retain a sense of connection with New Zealand.	Access to Radio New Zealand services through the internet, such as live streaming, audio-on-demand and podcasting.
In-depth New Zealand news and current affairs including coverage of regional and national issues by authoritative journalists.	Listener perceptions of the quality, breadth and depth of Radio New Zealand news coverage, derived from responses to annual surveys (a positive response of at least 85%). Report on Radio New Zealand's coverage of significant events during the review period.

ACHIEVEMENT – ACHIEVED:

The Radio New Zealand website was accessed over eight million times during the period. Live streaming for Radio New Zealand National was requested almost 500,000 times and Radio New Zealand Concert was requested just over 200,000 times. There were almost one-and-a-half million single items requested through the audio-on-demand service and approximately 950,000 podcast downloads. The news content on the website proved popular with 20% of site traffic accessing the service.

By arrangement with Waikato University, Radio New Zealand provided online access for local teachers and students to our growing archive of science and environment programming through the Biotechnology Learning Hub and the Science Learning Hub.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that 93% of Radio New Zealand National listeners agree that Radio New Zealand provides in-depth news and current affairs coverage.

Radio New Zealand prides itself on the ability to cover significant events that affect New Zealanders. Those achievements through Radio New Zealand National included:

- Coverage of both the Christchurch Press Writers Festival and the Auckland Writers and Readers Festival.
- Programming in association with the Royal Society of New Zealand covering environment and scientific issues.
- *Asian Report* coverage of internment camps for Japanese civilians during World War II.
- News broadcast coverage through *Morning Report* of the tangi and funeral for Te Arikiniui Dame Te Atairangikaahu in addition to broadcasting two special programmes.
- News broadcasts of international stories relevant to New Zealand covered by Radio New Zealand reporters "on the spot", including the Fiji coup, East Timor unrest, Tongan riots, Solomon Islands turmoil, and the death and funeral of the Tongan king.

IMPACT 2:

BEING PREDOMINANTLY AND DISTINCTIVELY OF NEW ZEALAND.

OUTPUTS	INDICATORS
Programming that is identifiably New Zealand in origin, content or interest.	As reported by hours broadcast and New Zealand music percentages (Programme hours KPIs). Listener perceptions that Radio New Zealand promotes and supports a sense of national identity, derived from responses to annual surveys (a positive response of at least 70%). Report on New Zealand programming of significance during the period.



ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that was predominantly and distinctively of New Zealand made up 8,057 hours of Radio New Zealand National's and 14.4% of Radio New Zealand Concert's total broadcast hours against target ranges of 7,140 to 8,190 hours and 13% to 14%, respectively.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that 79% of Radio New Zealand listeners agree that Radio New Zealand promotes and supports a sense of national identity.

Programming of significance included:

- Broadcast of a series of public debates exploring The Treaty of Waitangi recorded at Te Papa Tongarewa, Wellington.
- *Country Life* explored the role of the dairy industry, attending the opening of the new national Dairy Museum, which showcased the genesis, development and importance of dairying to New Zealand.
- *Our Changing World* looked at the uniquely New Zealand approach to turning dairy factory waste into plastics developed at the Centre for Environment Engineering and Technology, Massey University.
- *Te Ahi Kaa* explored the history of Māori protest, interviewing Māori rights advocates, including Merata Mita, Moana Jackson, Ken Mair, and Hone Harawira.
- Premiere broadcasts of 32 new New Zealand compositions across youth and senior composers.
- 40 programmes of *Young New Zealand* – that showcased New Zealand youth music performance.
- *Summer Report* aired for four weeks during the year, providing a more relaxed look at news, events and activities around the country.
- News provided significant coverage of sporting events throughout the period which included the America's Cup.
- Radio New Zealand retained its network of regional reporters ensuring stories of interest were representative of New Zealanders.

IMPACT 3:

FOSTERING CRITICAL THOUGHT AND INFORMED AND WIDE-RANGING DEBATE, THEREBY CONTRIBUTING TO GREATER TOLERANCE AND UNDERSTANDING.

OUTPUTS

Informative, stimulating pre-recorded features and documentaries on a wide range of subjects and issues of public interest.

Informative, stimulating live programmes covering a wide range of issues of public interest.

Lectures, debates and public events including programmes commissioned by Radio New Zealand.

INDICATORS

Listener perceptions that Radio New Zealand promotes critical thought and informed debate as derived from responses to annual surveys (a positive response of at least 80%).

Actual hours broadcast on Radio New Zealand National and percentage of total broadcast time (Programme hours KPIs).

Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that 85% of Radio New Zealand listeners agree that Radio New Zealand promotes informed debate.

As reported under the Statement of Service Performance. Programming that fostered critical thought and informed and wide-ranging debate made up 89% of Radio New Zealand National's total broadcast hours against a target range of 81% to 89%.

Programming of significance during the period included:

- *Brainstorm* was a specially commissioned series recorded in the UK and replayed as part of a Royal Society of New Zealand science event.
- *Spiritual Outlook* broadcast a programme on creationism versus evolution to mark the 60th anniversary of the Scopes Monkey Trial.
- Documentaries broadcast by *Insight*, *Focus on Politics* and *Worldwatch* examined domestic and international issues in depth.
- *One in Five* broadcast a debate on disability recognition within the UN's Millennium Development Goals.
- Radio New Zealand Concert broadcast coverage of the Douglas Lilburn Prize for composition, which was a tri-annual competition of major orchestral work in joint partnership with the New Zealand Symphony Orchestra, resulting in five finalists. The outcome rested on significant radio audience participation in the voting process.
- *Settling the Score* was a Radio New Zealand Concert commissioned programme that debated through audience participation future classics.

**IMPACT 4:****REFLECTING AND PROMOTING ETHNIC, CULTURAL AND ARTISTIC DIVERSITY AND EXPRESSION.**

OUTPUTS	INDICATORS
Programmes of special interest for broad appeal.	Actual hours broadcast on Radio New Zealand National and percentage of total broadcast time (Programme hours KPIs). Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that reflected and promoted ethnic, cultural and artistic diversity and expression made up 95% of Radio New Zealand National's total broadcast hours against a target range of 84% to 92% hours. Programming of significance included:

- *Asian Report* broadcast an interview with cartoonist Ant Sang on New Zealand's success with cross-cultural animation.
- *Spectrum* followed the permanent resettlement of a Burmese refugee family in Porirua, and talked with local volunteers who helped make it happen.
- *Asian Report* highlighted the technological and IT expertise of New Zealand's migrant communities in the launch of Hindi/Urdu/Punjabi payTV broadcaster, OneB, and Dhamaka TV, an Internet Protocol TV format.
- *Waatea News* bulletins provided the latest stories from the Māori community, broadcast four times a day through *Morning Report* and *Checkpoint*.
- *The Arts On Sunday* broadcast an analysis of the impact of Pacific art in New Zealand.
- *Morning Report* broadcast daily Pacific News bulletins throughout the period.
- *Te Ahi Kaa*, an hour-long Māori affairs feature programme was launched in September 2006.

IMPACT 5:**REFLECTING NEW ZEALAND'S CULTURAL IDENTITY, INCLUDING MĀORI LANGUAGE AND CULTURE.**

OUTPUTS	INDICATORS
Recording programmes of Māori issues, stories and ideas including programmes produced by people with specialist background and knowledge.	Actual hours broadcast on Radio New Zealand National and percentage of total broadcast time (Programme hours KPIs).
Programming in te reo Māori.	Report on programming of significance during the period.
Programmes reflecting the cultural and ethnic diversity of New Zealand society including pre-recorded programmes produced by people with specialist background and knowledge.	Listener perceptions that Radio New Zealand provides a range of programmes which reflect New Zealand's cultural diversity, as derived from responses to annual surveys (a positive response of at least 75%).

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that reflected New Zealand's cultural identity, including Māori made up 95% of Radio New Zealand National's total broadcast hours against a target range of 84% to 92%.

In particular, 357 hours were broadcast that were specific to Māori language and culture against a target range of 333 to 367 hours. Programming of significance during the period included:

- Broadcast of book readings, children's stories and specially-commissioned comedy explored change and transition in Māori society over the last 50 years.
- Broadcast of work by local Māori writers and directors explored traditional Māori tikanga in contemporary settings.
- *Te Ahi Kaa* broadcast a weekly segment, *Nga Marae o te Motu*, visiting every marae in the country.
- 15 programmes broadcast of *He Ara Pūoro* – documented and performed on traditional Māori instruments;



- Musical settings broadcast to the poetry of Hone Tuwhare, recorded by Radio New Zealand from the New Zealand International Arts Festival 2006.
 - Former Radio New Zealand broadcaster Henare te Ua read live a series of extracts from his autobiography.
- Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand Listeners aged 15+ show that 82% of Radio New Zealand listeners agree that Radio New Zealand provides a range of programmes which reflect New Zealand's cultural diversity.

IMPACT 6:**STIMULATING, SUPPORTING AND REFLECTING THE DIVERSITY OF CULTURAL EXPRESSION INCLUDING DRAMA, COMEDY, LITERATURE AND THE PERFORMING ARTS.**

OUTPUTS	INDICATORS
Entertainment and arts programmes including New Zealand drama, comedy and fiction.	Actual hours broadcast and percentage of total broadcast time on Radio New Zealand National and Radio New Zealand Concert (Programme hours KPIs). Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that stimulated, supported and reflected diversity of cultural expression including drama, comedy, literature and performing arts made up 22% of Radio New Zealand National's and 96% of Radio New Zealand Concert's total broadcast hours against target ranges of 22% to 24% and 90% to 98%, respectively.

Programming of significance included:

- Broadcast of *The Chaiwallah's Tale*, a short comedy written by an Asian writer, celebrating Asian culture and humour.
- Broadcast of *Cousins*, a child's story exploring cultural differences between New Zealand and the Cook Islands.
- A comedy series commissioned for *Summer Report*, using New Zealand comedians only, was broadcast from December 2006 to January 2007.
- Broadcast of a six-hour series entitled *Music from Bamboo*, which featured instruments ranging through South East Asia, Japan, China, Madagascar and India.
- Radio New Zealand Concert's *Upbeat!* music news broadcast programmes on themed topics including jazz, ethnic music, world music, youth and music and New Zealand composition.

IMPACT 7:**STIMULATING, SUPPORTING AND REFLECTING A WIDE RANGE OF MUSIC, INCLUDING NEW ZEALAND COMPOSITION AND PERFORMANCE.**

OUTPUTS	INDICATORS
New Zealand music and programmes about New Zealand music and musicians.	Music percentages on Radio New Zealand National and Radio New Zealand Concert (Programme hours KPIs).
Recording programmes of various live studio and public New Zealand music and performance.	Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that stimulated, supported and reflected a wide range of music including New Zealand composition and performance made up 8,057 hours of Radio New Zealand National's and 14.4% of Radio New Zealand Concert's total broadcast hours against target ranges of 7,140 to 8,190 hours and 13% to 14%, respectively. In addition Radio New Zealand National broadcast 40.3% of music on rotate against a target range of 31% to 35%.



Programming of significance included:

- *New Zealand Live* segment broadcast weekly on a Friday in *Afternoons with Jim Mora*, in which New Zealand musicians talked about their music and performed live in the studio.
- *Asian Report* broadcast featuring Infinite Flying Kick, an indie-pop band of young Taiwanese New Zealanders whose music was far removed from the hills of Taiwan.
- Radio New Zealand Concert recorded and broadcast events from the 2006 Wellington International Jazz Festival.
- Radio New Zealand Concert broadcast a documentary series and a live concert that marked the New Zealand Symphony Orchestra's 60th anniversary.
- Radio New Zealand Concert broadcast coverage of the Radio New Zealand/New Zealand Symphony Orchestra Douglas Lilburn Prize for composition; the Lexus Song Quest; and special programming for NZ Music Month.
- Radio New Zealand Concert's weekly world music programme, *Global Sounds*, broadcast the ethnic music from many countries including music from: Israel, Indian rural communities, Armenia, Pygmy hunting songs, Turkey, ancient Persia, China, Indonesia, Papua New Guinea and Tajikistan.

3&4

NEW ZEALAND SOCIETY INFORMED, EDUCATED, ENTERTAINED AND ENLIGHTENED, AND NEW ZEALAND HAVING A STRONG INTELLECTUAL, CULTURAL AND ARTISTIC IDENTITY, EXPRESSION AND LIFE.

IMPACT 1:

CONTRIBUTING TOWARDS INTELLECTUAL AND SPIRITUAL DEVELOPMENT, AND FOSTERING CRITICAL THOUGHT, INFORMED AND WIDE-RANGING DEBATE, AND PROVIDING CHALLENGING, INNOVATIVE AND ENGAGING PROGRAMMING.

OUTPUTS	INDICATORS
Informative, stimulating pre-recorded features and documentaries on a wide range of issues of public interest.	Actual hours broadcast and percentage of total broadcast time on Radio New Zealand National and Radio New Zealand Concert (Programme hours KPIs).
Informative, stimulating live programmes covering a wide range of issues of public interest.	Report on programming of significance during the period.
Lectures, debates and public events including programmes commissioned by Radio New Zealand.	
Programmes of special interest for broad appeal.	

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that contributed towards intellectual, spiritual development and fostered critical thought and informed wide-ranging debate made up 89% and 18% of Radio New Zealand National's total broadcast hours against target ranges of 81% to 89% and 18% to 20%, respectively.

Programming of significance during the period included:

- A special commission for *Spiritual Outlook* resulted in the broadcast of a public debate between supporters from both sides of the question concerning the proposal to repeal Section 59 of the Crimes Act.
- *Ideas* broadcast a comprehensive examination of the ethical issues surrounding stem cell research.
- *Our Changing World* broadcast a three-part series from the South Pacific Whale Research Consortium, looking at issues related to the 2007 summer whale hunt by Japan in the Southern Ocean.
- Significant international stories relevant to New Zealand and broadcast by Radio New Zealand reporters "on the spot" included the Fiji coup which received recognition through the Radio Awards (see page 8), East Timor unrest, Tongan riots, Solomon Islands turmoil and the death and funeral of the Tongan king.
- The Political Editor accompanied the Prime Minister to Washington to cover top-level talks with the White House and major businesses.
- A news service that was readily accessible around the clock, every day of the week with regularly aired bulletins at least once per hour and twice per hour during peak listening times.

**IMPACT 2:****PROVIDING RELIABLE, INDEPENDENT AND FREELY ACCESSIBLE NEWS AND INFORMATION, AND AWARENESS OF THE WORLD AND OF NEW ZEALAND'S PLACE IN IT.**

OUTPUTS	INDICATORS
Comprehensive, independent, accurate, impartial and balanced regional, national and international news and current affairs.	Actual hours broadcast and percentage of total broadcast time on Radio New Zealand National and Radio New Zealand Concert (Programme hours KPIs). Report on coverage of significant events during the period.

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that provided reliable, independent and freely accessible news and information, and awareness of the world and New Zealand made up 31% regional and 14% international of Radio New Zealand National's total broadcast hours and 2% regional and 1% international of Radio New Zealand Concert's total broadcast hours against target ranges of 28% to 32%, 11% to 13%, 1% to 2% and 1% to 2%, respectively.

Programming of significance included:

- Extensive live broadcasts from the tangi and funeral for Te Arikiniui Dame Te Atairangikaahu, with news programmes including *Morning Report* broadcasting on site from Turangawaewae.
- Broadcast of major Pacific stories, including the death of the Tongan king, the Tongan riots and the Fiji coup. These stories were extensively quoted by overseas news organisations, including Reuters, the BBC, ABC and CNN and attributed to Radio New Zealand.
- Deployment of an experienced journalist to Valencia to cover the America's Cup, who provided live and website coverage.
- Pacific programming included a weekday Pacific regional news bulletin broadcast during *Morning Report*, a round up of Pacific current affairs in *Late Edition* and a Pacific magazine programme, *Tagata o te Moana*, on a Saturday.

IMPACT 3:**STIMULATING, SUPPORTING AND REFLECTING THE DIVERSITY OF CULTURAL EXPRESSION INCLUDING DRAMA, COMEDY, LITERATURE AND THE PERFORMING ARTS.**

OUTPUTS	INDICATORS
Live programmes and pre-recorded documentaries and features that address cultural and artistic endeavours.	Actual hours broadcast and percentage of total broadcast time on Radio New Zealand National and Radio New Zealand Concert (Programme hours KPIs).
Entertainment and arts programmes including drama, comedy and fiction.	Listener perceptions that Radio New Zealand supports New Zealand performing arts and artists, as derived from responses to annual surveys (a positive response of at least 70%).
Performances of art, drama, comedy, non-fiction and fiction including works commissioned by Radio New Zealand.	Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that stimulated, supported and reflected diversity of cultural expression including drama, comedy, literature and performing arts made up 22% of Radio New Zealand National's and 96% of Radio New Zealand Concert's total broadcast hours against target ranges of 22% to 24% and 90% to 98%, respectively.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that 76% of Radio New Zealand listeners agree that Radio New Zealand provides programming which supports New Zealand music, and other performing arts and artists.



Programming of significance included:

- In-depth broadcast of a documentary on the making of an opera based on the historical book *The Trial of the Cannibal Dog*.
- Recording and broadcast of programmes during The Press Christchurch Writers Festival, the Auckland Writers and Readers Festival and at the University of Canterbury's Macmillan Brown Centre for Pacific Studies.
- Broadcast of ten new hour-long dramas by New Zealand writers produced along with three comedies. Also, twelve major novels by New Zealand writers adapted to multi-part book readings.
- Twelve concerts recorded at WOMAD Taranaki (World of Music and Dance).
- Six programmes broadcast featuring nominated new works from 22 countries in the Paris Rostrum series, from European Broadcasting Union.
- Broadcast of 22 operas from New York's Metropolitan Opera and a further series, the Euro Radio Opera Season, selected from among Europe's leading opera houses.

IMPACT 4:

STIMULATING, SUPPORTING AND REFLECTING A WIDE RANGE OF MUSIC, INCLUDING NEW ZEALAND COMPOSITION AND PERFORMANCE.

OUTPUTS	INDICATORS
Music, and programmes about music and musicians.	Actual hours broadcast and percentage of total broadcast time on Radio New Zealand National and Radio New Zealand Concert (Programme hours KPIs).
Recording and broadcast of various live studio and public musical performances.	Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

As reported under the Statement of Service Performance. Programming that stimulated, supported and reflected a wide range of music including New Zealand composition and performance made up 22% of Radio New Zealand National's and 96% of Radio New Zealand Concert's total broadcast hours against target ranges of 22% to 24% and 90% to 98%, respectively. In addition, Radio New Zealand Concert broadcast 3.9% of New Zealand composed music and 14.4% of New Zealand performed music against target ranges of 3% to 4% and 13% to 14%, respectively.

Programming of significance during the period included:

- *The Arts on Sunday* broadcast coverage of the New Zealand Opera Summer School capturing New Zealand's emerging stars.
- *The Arts on Sunday* feature *The Man and the Machines* celebrated the 40th birthday of the Douglas Lilburn Electro-acoustic Music Studio at Victoria University.
- *Sound Lounge* covered new New Zealand music and international fare ranging from 20th century 'classics' to the present – acoustic, electronic and experimental.
- *Composer of the Week* marked several major anniversaries including Dmitri Shostakovich, Robert Schumann, and Edward Elgar, plus New Zealand composer Edwin Carr, Canadian songwriter Joni Mitchell, and jazz composer Ornette Coleman.
- Radio New Zealand Concert broadcast a series of documentaries on film composers including Elmer Bernstein, Howard Shore, Hans Zimmer, John Williams, James Horner, and Danny Elfman.
- Radio New Zealand Concert broadcast a documentary series and a live concert broadcast marking the New Zealand Symphony Orchestra's 60th anniversary.



5

NEW ZEALANDERS HAVING UNIVERSAL ACCESS TO PUBLIC SERVICE BROADCASTING.

IMPACT 1:

BALANCING PROGRAMMES OF SPECIAL INTEREST WITH THOSE OF WIDE APPEAL, RECOGNISING THE INTERESTS OF ALL AGE GROUPS.

OUTPUTS	INDICATORS
Programmes of special interest for broad appeal.	Actual hours broadcast on Radio New Zealand National and percentage of total broadcast time (Programme hours KPIs). Listener perceptions that Radio New Zealand broadcasts programmes of wide appeal while also broadcasting programmes of interest to minority audiences, derived from responses to annual surveys (a positive response of at least 75%). Report on programming of significance during the period.
A diverse schedule providing a wide range of programmes of interest to New Zealanders.	Listener perceptions that Radio New Zealand provides a wide range of programmes of interest to New Zealanders. Report on the diversity of programming.

ACHIEVEMENT – PART ACHIEVED:

As reported under the Statement of Service Performance. Radio New Zealand broadcast 8,760 hours of programming during the year. Of this programming 95% was of special interest against a target range of 84% to 92%. Programming of varied interest constituted 18% of total broadcast hours against a target range of 18% to 20%.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that:

- 81% of Radio New Zealand listeners agree that Radio New Zealand broadcasts programmes of interest to a wide cross-section of New Zealanders.
- 68% of Radio New Zealand listeners agree that Radio New Zealand broadcasts programmes of wide appeal while also broadcasting programmes of interest to minority audiences. Only 7% of listeners disagree and the remainder (25%) were neutral or didn't know.

Programming of diversity and significance included:

- News – *Morning Report, Checkpoint, Mediawatch, Worldwatch, Focus on Politics, Rural News, Sports News, Waatea News, Tagata o te Moana* and *Summer Report*.
- Culture – *Asian Report, Country Life, He Rourou, Storytime, Sunday Drama, Sounds, Historical, Te Ahi Kaa, The Arts on Sunday* and *This Way Up*.
- Debate – *Insight, Nine to Noon, The Panel, Saturday Morning, Saturday Night, Afternoons, Ideas* and *Touchstone*.
- Special interest – *One in Five, Spectrum, Spiritual Outlook, Our Changing World* and *Brainstorm*.
- Music – *The Art of Jazz, Hymns on Sunday, Waiata, Music 101*, and *Wayne's Music*.

**IMPACT 2:****TAKING ADVANTAGE OF THE MOST EFFECTIVE MEANS OF DELIVERY.**

OUTPUTS	INDICATORS
Expansion of the FM transmission networks for Radio New Zealand National and Radio New Zealand Concert.	Transmission coverage KPIs.
Maintenance of the current AM transmission network.	Transmission outage KPIs.
Availability of Radio New Zealand networks via digital satellite.	Transmission coverage KPIs.
Website services including audio-on-demand, live streaming and podcasting.	Service availability of at least 99%.
Digital and analogue transmission of Radio New Zealand International to the South Pacific.	Transmission coverage KPIs.
Maintenance of transmission services.	Transmission outage KPIs.

ACHIEVEMENT – ACHIEVED:

Radio New Zealand National's FM transmitters expansion project was completed with additional transmitters now located in Gisborne and Whangarei. Radio New Zealand National is now available on FM to an estimated 90% of the population.

The Parliamentary AM Network was expanded with the addition of transmitters in the Waikato, Bay of Plenty and Southland. Parliamentary broadcasts are now available to an estimated 80% of the population.

On 2 May 2007 FreeView's free-to-air satellite service commenced. Radio New Zealand National and Radio New Zealand Concert are both available on the platform.

Transmission performance achievements are reported in detail under the Statement of Service Performance. This impact was achieved through the following:

- Percentage of New Zealand population able to receive an FM (frequency modulation) signal – achieved 90% coverage against a target of 90%.
- Percentage of New Zealand population able to receive an AM (amplitude modulation) signal – achieved 96% coverage against a target of 96%.
- Percentage of New Zealand population able to receive an satellite digital signal – achieved 100% coverage against a target of 100%.
- Website service availability – achieved 99.96% availability against a target of 99%.
- Digital and analogue transmission of Radio New Zealand International to South Pacific – 18 Pacific stations relayed broadcasts against a target band of 9 to 11 stations.
- Transmission outage Radio New Zealand National and Radio New Zealand Concert – an average of 0.05% of broadcasting time was lost over Radio New Zealand AM and FM transmitters (other than for scheduled maintenance) against a target average of 0.1%.
- Transmission outage Radio New Zealand International – an average of 0.4% of broadcasting time was lost over Radio New Zealand International transmitters (other than for scheduled maintenance) against a target average of 1%.

IMPACT 3:**ENSURING DIVERSITY IN PARTICIPATION, SUBJECT MATTER AND LISTENERSHIP.**

OUTPUTS	INDICATORS
Geographic, social and cultural diversity of programme content and participants.	Report on programming of significance during the period.



ACHIEVEMENT – ACHIEVED:

Radio New Zealand National broadcast 8,760 hours of programming that was diverse in audience participation, content and listenership. The programming schedule included:

- News – Regular hourly and at peak times twice hourly bulletins, *Morning Report*, *Checkpoint*, *Mediawatch*, *Worldwatch*, *Focus on Politics*, *Rural News*, *Sports News*, *Waatea News* and *Tagata o te Moana*.
- Culture – *Asian Report*, *Country Life*, *He Rourou*, *Storytime*, *Sunday Drama* and *Sounds Historical*.
- Debate – *The Panel*, *Saturday Morning*, *Saturday Night*, *Afternoons*, *Ideas*, *Insight* and *Touchstone*.
- Special interest – *One in Five*, *Spectrum*, *Spiritual Outlook*, *Our Changing World* and *Brainstorm*.
- Music – *The Art of Jazz*, *Hymns on Sunday*, *Waiata* and *Music 101*.

Programming of significance from Radio New Zealand National and Radio New Zealand Concert included:

- *Te Ahi Kaa* broadcast of the international understanding of Māori custom and protocol.
- *Spectrum* broadcast of how an Italian community adapted to a new life in the Canterbury district of Glenroy.
- *One in Five* broadcast of the merits of non-hospital, consumer run treatment of mental health problems, and the technological development of voice-recognition keyboards.
- *Asian Report* broadcast of the interpretations by Pakeha and Chinese of death reported through print media.
- The broadcast of US National Public Radio's on-going series, *Jazz Profiles* – focussed on jazz legends and venues.
- The recording and broadcasting of events from the 2006 Wellington International Jazz Festival.
- *Composer of the Week* marked several major anniversaries including Dmitri Shostakovich, Robert Schumann and Edward Elgar, plus New Zealand composer Edwin Carr, Canadian songwriter Joni Mitchell, and jazz composer Ornette Coleman.
- Radio New Zealand Concert broadcast a series of documentaries on film composers including, Elmer Bernstein, Howard Shore, Hans Zimmer, John Williams, James Horner, and Danny Elfman.
- Radio New Zealand Concert broadcast a documentary series and a live concert broadcast marking the New Zealand Symphony Orchestra's 60th anniversary.
- News programmes and bulletins represented a wide range of social, ethnic and cultural groups. Key stories were then used to stimulate debate and encouraged a diverse participation.

IMPACT 4:

PROVIDING A STRONG REGIONAL PRESENCE AND COVERAGE.

OUTPUTS	INDICATORS
A network of regional correspondents.	Maintenance of at least seven district and regional offices.
Diverse geographic programme content and participation.	Regular broadcasting from regional locations. Report on programming of significance during the period.

ACHIEVEMENT – ACHIEVED:

Radio New Zealand operated nine regional news offices in Whangarei, Hamilton, Tauranga, Napier, Palmerston North, Nelson, Dunedin, Queenstown and Christchurch.

Radio New Zealand News contributed to the achievement of this impact including the following programming of significance:

- *Morning Report* broadcasts from Queenstown, Hamilton and Turangawaewae.
- Ruapehu lahar: regional reporters were on the scene after the lahar burst, and remained there for two days broadcasting updates.
- Ratana Church celebrations: broadcasts from the church grounds during one of Maoridom's most important annual events.
- Waitangi Day live broadcasts from the Treaty Grounds in the Bay of Islands.
- Northland floods were covered providing on the spot broadcasts from the disaster areas. The Whangarei District Council commended Radio New Zealand for providing a significant civil defence service.
- Live coverage on developments of the Wanganui shooting of a small child.
- Live coverage from a range of sites in Canterbury and Otago reporting on the worst snowfalls in decades that affected the South Island.



Radio New Zealand National and Radio New Zealand Concert contributed to the achievement of this outcome through the recording and broadcasting of programmes from regional locations. Programming of significance during the period included:

- *Country Life* – programming recorded in Hokianga, Orini, Waikato, Te Kuiti, Pukawa, the Waioeka Gorge, Opotiki, Gisborne, Wairoa, Ohakune, Tokomaru, Levin, Wellington, Kinloch, Moutere, Christchurch, Port Levy, Dunsandel, Cromwell, Waimate, Oamaru, and the Hakataramea Valley.
- *Spectrum* – programming recorded in Dargaville, Kaipara harbour, Helensville, Auckland city and region, Waitakere ranges, Pukekohe, Coromandel Peninsula, Hamilton, Taupo, the central plateau of the North Island, Levin, the Kapiti Coast, Wellington city and region, Porirua, Oxford, Christchurch city and region, Darfield, Banks Peninsula, Glenroy, Craigmore valley, Ashley river, Wanaka, and Dunedin.
- Science programming recorded on location in Antarctica as well as from a research vessel on a voyage along the East Coast of the North Island, in the Chatham Islands and the subantarctic islands.
- The music news programme, *Upbeat!* broadcast live editions from Queenstown and Auckland, and live inserts from regional centres including Whangarei, Hamilton, Tauranga, Napier, Palmerston North and Dunedin.

IMPACT 5:

TAKING ACCOUNT OF SERVICES PROVIDED BY OTHER BROADCASTERS.

OUTPUTS	INDICATORS
Programmes for New Zealanders whose interests are not served by other broadcasters.	<p>Radio New Zealand will deliver programming that is demonstrably different from other broadcasters.</p> <p>Report on programming of significance during the period.</p> <p>Listener perceptions that Radio New Zealand broadcasts programmes not generally found on other radio stations, as derived from responses to annual surveys (a positive response of at least 80%).</p>
Programmes which offer an alternative to other broadcasters.	

ACHIEVEMENT – ACHIEVED:

Radio New Zealand delivered programming covering the diverse cultures that make up New Zealand's unique identity. This is discernibly different from other broadcasters who deliver programmes in particular formats to meet the needs of a more narrow audience. Other attractions for the audience are detailed, uninterrupted and commercial free news and programming, with high editorial principles and a strong tradition of editorial independence.

Radio New Zealand News provides a service to listeners that cannot be compared to other broadcasters. News bulletins are provided hourly and twice hourly 365 days of the year. In addition, particular programmes such as *Focus on Politics* are unique to Radio New Zealand. No other stations provided a service as comprehensive as the one Radio New Zealand provides.

Radio New Zealand Concert's music format is demonstrably different, being the only New Zealand broadcaster offering a classical music service. A further accent on the esoteric end of jazz and ethnic World Music satisfies other minority audiences. Programming of significance for Radio New Zealand Concert during the period included:

- Broadcast of the 100th anniversary of the birth of Russian composer Dmitri Shostakovich, through a five-hour Radio New Zealand feature, DSCH - Russia in the time of Shostakovich, the Shostakovich anniversary 'I Remember Shostakovich' from WFMT Chicago and a two-part from BBC World Service, simply titled 'Dmitri Shostakovich'.
- MOZART 250, the 250th anniversary of Mozart's birth. For this a twelve-hour feature broadcast traced his life through his music and the letters of the Mozart family; a ten-part series *Mozart Moments* also explored ten crucial times in his life and career.

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ showed that 82% of Radio New Zealand listeners agree that Radio New Zealand broadcasts programmes not generally found on other radio stations.



6

INFORMED PACIFIC ISLAND NATIONS.

IMPACT 1:

PROVIDING RADIO NEW ZEALAND INTERNATIONAL, AN INTERNATIONAL SERVICE TO THE SOUTH PACIFIC IN BOTH ENGLISH AND PACIFIC LANGUAGES.

OUTPUTS	INDICATORS
News rebroadcast within the Pacific.	Radio New Zealand International listenership KPIs.
Range of programmes including Pacific news.	Radio New Zealand International programming hours KPIs.

ACHIEVEMENT – ACHIEVED:

Since the introduction of the new digital radio service, ten stations in Cook Islands, Niue, Solomon Islands, Vanuatu, Tonga, Fiji and Samoa have begun using the digital signal for part or all of their relays of Radio New Zealand International. Stations in Samoa, Cook Islands and Vanuatu have all increased the amount of material they are relaying because of the quality of the digital service.

This year saw the introduction of bulletins of Pacific news in Fijian and Hindi for broadcast by the Fiji Broadcasting Corporation.

A total of 18 Pacific radio stations relayed Radio New Zealand International material each day.

Dateline Pacific was broadcast on the BBC's service via satellite and FM local relays to a range of Pacific countries. In return Radio New Zealand International broadcast BBC world news and sports programmes to the Pacific. The Statement of Service Performance provides details of the achievements against programming hours. The following sessions were broadcast via shortwave transmission:

- 307 morning sessions against a target range of 305 to 310.
- 242 afternoon sessions against a target range of 236 to 242.
- 242 evening sessions against a target range of 236 to 242.
- 364 replays of Radio New Zealand National against a target range of 347 to 383.

Radio New Zealand International's Pacific text news service at www.rnzi.com was expanded during the period and accessed by New Zealand, Pacific, Asian and worldwide media. The searchable online Pacific news archive currently holds around 33,000 news items, dating back to May 2003.



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MAINTAIN RADIO NEW ZEALAND'S POSITION AS NEW ZEALAND'S PRE-EMINENT PUBLIC SERVICE BROADCASTER.

IMPACT 1:

PROVIDING SERVICES OF THE HIGHEST QUALITY.

OUTPUTS	INDICATORS
Programmes which are authoritative, informative and challenging.	Listener perceptions that Radio New Zealand contributes to the development of an informed society, as derived from responses to annual surveys (a positive response of at least 82%).
Programmes based on in-depth research, knowledge and expertise.	
Programmes which achieve the highest technical, craft and broadcasting standards.	Report on significant achievements, external awards and peer recognition during the period.
Technology upgrades.	Report on significant technological developments and initiatives undertaken during the period.

ACHIEVEMENT – ACHIEVED:

Results from the 2007 Radio New Zealand Listener Survey conducted by The Nielsen Company among Radio New Zealand listeners aged 15+ show that 89% of Radio New Zealand listeners agree that Radio New Zealand contributes to the development of an informed community.

Radio New Zealand achieved outstanding results at the 2007 New Zealand Radio Awards, winning eleven individual category awards and receiving two special commendations. At the Qantas Media Awards the Radio New Zealand website received the award for Best Designed Website and Radio New Zealand journalist Hannah Ockelford won the award for Best Student Journalist Broadcasting. For a full list of award winners see pages 8–9.

The Radio New Zealand website was upgraded to include provision of audio-on-demand and podcasting services and to allow capacity for increased online traffic.

Radio New Zealand purpose-built premises and studios in Dunedin were constructed and old equipment replaced to incorporate News, Presentation and Features production facilities.

The Regional News Offices were upgraded to improve mobile broadcasting technology via wireless internet. Audio and text are now available to our programmes within a few minutes.

Radio New Zealand upgraded and replaced servers and audio storage equipment as part of its on-going maintenance and move towards digital storage.

The Parliamentary transmission network was upgraded and expanded and replacement FM transmitters installed for Radio New Zealand Concert.

**IMPACT 2:****PROVIDING PUBLIC SERVICE BROADCASTING OF VALUE TO NEW ZEALAND SOCIETY.**

OUTPUTS	INDICATORS
The Charter compliant provision of all Radio New Zealand services.	Public perceptions of the value of Radio New Zealand's public service broadcasting role as derived from responses to annual surveys.

ACHIEVEMENT – ACHIEVED:

Results from the 2007 Radio New Zealand Value Indices Research, conducted nationwide by The Nielsen Company among all New Zealanders aged 15+, show that:

- 84% of New Zealanders agree that it is important for New Zealand to have a public service radio broadcaster. 5% disagree, 8% neither agree nor disagree and 3% don't know.
- 77% of New Zealanders agree that Radio New Zealand provides a valuable service for New Zealanders. 6% disagree, 8% neither agree nor disagree and 9% don't know.

IMPACT 3:**PROVIDING SERVICES OF RELEVANCE TO THE PUBLIC.**

OUTPUTS	INDICATORS
Radio New Zealand will undertake research of radio listening to monitor audience trends.	Listenership KPIs.

ACHIEVEMENT – ACHIEVED:

Radio New Zealand has undertaken three audience surveys in 2007:

The 2007 All New Zealand Radio Survey

Conducted this year by The Nielsen Company, the All New Zealand Radio Survey is fully representative, nationwide, and conducted among all people aged 15+. It is designed to monitor audience listening trends and once fully implemented will have survey diaries in the field continuously for 40 weeks of the year.

Continuous surveying is a move away from the traditional six to eight week 'snapshot' survey undertaken by Radio New Zealand in previous years. Timing of the survey period means that 2007 must be regarded as a transitional year with interim results obtained from just 20 weeks of survey data and a sample size (n= 2,058) approximately half that of the previous year.

Interim results are presented on page 57 and page 62 of this Annual Report.

The 2007 Radio New Zealand Listener Survey

The Radio New Zealand Listener Survey is undertaken by The Nielsen Company as an extension of the All New Zealand Radio Survey and is conducted among listeners to Radio New Zealand National and Radio New Zealand Concert. Respondents are asked about their listening and how well they think Radio New Zealand performs against Charter criteria.

Interim results are presented on page 7 of this Annual Report.

2007 Radio New Zealand Value Indices Research

A new initiative this year, the Radio New Zealand Value Indices Research undertaken by The Nielsen Company is a fully representative nationwide survey among all New Zealanders (both listeners and non-listeners) aged 15+, designed to measure the perceived importance and value of Radio New Zealand services to all New Zealanders. This year 1,000 people were interviewed.

Results are presented on page 7 of this Annual Report.

**IMPACT 4:****RECRUITING AND RETAINING TALENTED, CAPABLE STAFF.**

OUTPUTS	INDICATORS
Initiatives to attract, develop and retain staff of the highest calibre.	Staff turnover of less than 13%. At least 95% of vacancies filled following first advertisement.
Development of integrated remuneration framework.	Remuneration strategy implemented.

ACHIEVEMENT – PART ACHIEVED:

Radio New Zealand annual permanent staff turnover to 30 June 2007 was 11.6%. This was below the target indicator of less than 13%. It should be recognised that turnover did not take account that approximately 20% of the workforce were temporary or casual employees. The comparative figure to 30 June 2006 was 8.5%.

Radio New Zealand was not able to meet the objective of filling 95% of vacancies following the first advertisement of the position. Due to financial constraints most vacancies were only advertised internally; of the 31 positions advertised externally 84% were filled following the first advertisement. Failure to meet the objective was due to an inability to attract suitable applicants and to meet applicants' remuneration expectations.

Radio New Zealand did not have sufficient funding to implement the remuneration strategy. However, it was able to ensure overall remuneration did not fall further behind public sector rates.

During the period, Radio New Zealand can report the following achievements relating to human resources and, in particular, equal employment opportunities and diversity:

- Implementation of a revised, competency-based performance management system encompassing equal employment opportunities and diversity.
- Settlement of the multi-union Collective Agreement and revision of the Radio New Zealand Employment Principles that govern individual employment agreements.
- Development and implementation of a new superannuation scheme and Kiwisaver scheme for Radio New Zealand staff.
- The review and update of the Equal Employment Opportunity and Diversity Plan 2006/07. The plan identified eleven key actions that Radio New Zealand was to deliver during the period. Radio New Zealand has made progress in implementing all eleven actions, with only three of the actions remaining partly achieved at the end of the period.
- Delivery of training in reporting on diversity.
- Continued consideration given to flexible working requests.
- Continuing use of traineeships to strengthen ethnic diversity.
- Embedding equal employment opportunity in the recruitment and selection processes, and analysing data to identify diversity trends.

The Radio New Zealand Equal Employment Opportunity and Diversity Plan can be accessed online at www.radionz.co.nz.



8

NEW ZEALAND'S HISTORY PRESERVED AND ACCESSIBLE.

IMPACT 1:

ACQUIRING AND PRESERVING BROADCASTING MATERIAL OF HISTORICAL INTEREST.

OUTPUTS

INDICATORS

Material acquired.

Recordings acquired KPI.

Material preserved.

Recordings preserved KPI.

ACHIEVEMENT – ACHIEVED:

Radio New Zealand Sound Archives Ngā Taonga Kōrero acquired a total of 1,917 hours of material, well above the target of 1,300 hours.

Additional acquisitions were, in the main, material of high heritage value attributed to the Historical programme category and donated or deposited with the archive. The total received exceeded the number of hours the Archive was resourced to manage.

Radio New Zealand Sound Archives Ngā Taonga Kōrero preserved 1,988 hours of broadcast material against a target of 1,900 hours.

48% of the total preserved was the digitisation of media to a high-resolution digital file; the remainder was the transfer of audio from a rapidly deteriorating media type to the more stable CDR format. This interim transportation is designed to extend the lifespan of the audio until resources allow inclusion in the digitisation programme.

IMPACT 2:

MAKING RECORDINGS AVAILABLE TO ALL NEW ZEALANDERS ON REQUEST.

OUTPUTS

INDICATORS

Material available, accessible and provided.

Public access to the archives.

ACHIEVEMENT – PART ACHIEVED:

During the period material was accessed through Radio New Zealand Sound Archives Ngā Taonga Kōrero by members of the public, students and researchers, libraries and museums, and broadcasters and programme producers.

Material was made available and accessed on-site at our Auckland and Christchurch offices, with most the material being distributed via CD for listeners. Not all archive material is available for public access at this point.

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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 governors. There were eight governors appointed as at 30 June 2007.

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

Christine Grice was appointed on 1 December 2006.

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 a Board member (Ms Judith Fyfe). 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 five 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 serve on this committee and it met on two occasions during the year.

BOARD MEETINGS

The Board normally meets on eleven scheduled occasions each year and convenes special meetings as required.

TABLE OF ATTENDANCE FOR THE YEAR ENDED 30 JUNE 2007

	BOARD MEETINGS	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Brian Corban QSO – Chairman	9	5	2
Alison Timms – Deputy Chairman	10	5	2
Judith Fyfe	10	4	–
Judy Finn	9	3	–
Alan Dick QSO	10	5	–
Steve Murray	9	3	2
Sifa Taumoepeau	9	4	–
Christine Grice	5	2	–



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

Mr John O'Connell, 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 2007

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 2007 fairly reflect the financial position and operations of Radio New Zealand Limited.

The audit opinion on these financial statements is on pages 69–70

BRIAN CORBAN QSO – Chairman
31 October 2007

STEVE MURRAY – Audit Committee Chairman
31 October 2007

PETER CAVANAGH – Chief Executive and Editor in Chief
31 October 2007



Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2007

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 (100% owned). Sound Archives/Ngā Taonga Kōrero Limited was incorporated in August 1998 and has operated the archive since 1 October 1998.

The financial statements and group financial statements of Radio New Zealand Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Crown Entities Act 2004.

In addition Radio New Zealand has reported the funding administered on behalf of the Crown described in note 1 to the financial statements.

B. MEASUREMENT SYSTEM

The financial statements have been prepared on an historical cost basis modified by the revaluation of certain Fixed Assets.

C. ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied:

1. 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.

2. 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.

The 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.

3. 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.

4. TAXATION

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's earnings after allowing for permanent and timing differences.

Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or tax losses are only recognised where there is virtual certainty of realisation.

5. ACCOUNTS RECEIVABLE

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

6. INVESTMENTS

Investments, including those in subsidiary companies, are stated at the lower of cost or net realisable value. Any decreases are recognised in the Statement of Financial Performance.



7. NON-CURRENT ASSETS

Property, plant and equipment are stated at historical cost, except for library and archival collections, which are stated at fair value.

Library and archival collections are revalued to fair value at least every five years. Library collections are revalued by independent valuers. Archival collections are revalued by the directors using discounted expected future revenues as an approximation to fair value. From 1 July 2003 library collection acquisitions have been capitalised and depreciation charged in accordance with FRS-3.

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

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 Financial Performance in future periods.

8. DEPRECIATION

Depreciation is provided on a straight-line basis on all fixed assets 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 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 ordinarily 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 has not been depreciated in the current year.

9. 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.

10. LEASES

Finance leases

Radio New Zealand had no finance leases as at 30 June 2007.

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 expenses in the periods in which they are incurred. Radio New Zealand leases its motor vehicles and a majority of its premises.



Statement of Accounting Policies (continued)

FOR THE YEAR ENDED 30 JUNE 2007

11. 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 Financial Performance.

All financial instruments are shown at their fair value.

12. STATEMENT OF CASH FLOWS

Cash means current bank accounts and demand/call deposits.

Operating activities include cash received from all income sources of Radio New Zealand and cash payments made for the supply of goods and services.

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

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

13. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions have been 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.

14. REVENUE RECOGNITION

Radio New Zealand Limited derives revenue from the Government through NZ On Air, from the Ministry for Culture and Heritage, and Parliamentary Services from its trading activities and interest from bank deposits. All revenue is recognised when earned and is reported in the financial period to which it relates.

15. 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 73.48% (2006: 73.23%).

“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 26.52% (2006: 26.77%).

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

There have been no changes in accounting policies from those adopted in the last audited financial statements.

Statement Specifying Financial Performance

FOR THE YEAR ENDED 30 JUNE 2007



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 2006–2007 Statement of Intent.

	BUDGET \$000	ACHIEVEMENT \$000
REVENUE	34,123	34,200
EXPENDITURE	34,023	34,124
OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION	100	76
TAXATION EXPENSE/(BENEFIT)	33	0
NET SURPLUS/(DEFICIT) AFTER TAXATION	67	76
EQUITY	29,080	28,477
WORKING CAPITAL RATIO (Current assets as percentage of current liabilities)	62.2%	65.2%
RATIO OF EQUITY TO TOTAL ASSETS (Equity as percentage of total assets)	86.8%	87.4%

Radio New Zealand has substantially met its financial performance targets in hours of charter delivery within operating budgets. Both operating revenue and expenses are within 5% material variance limits of budget. These two minor variances combine to yield a net surplus after tax of \$76,000 compared to a planned surplus of \$67,000.

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2007

		GROUP BUDGET 2007 \$000	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
	NOTE					
OPERATING REVENUE						
NZ On Air:						
Radio New Zealand National and Radio New Zealand Concert		27,857	27,857	27,257	27,857	27,257
Sound Archives/Ngā Taonga Kōrero		649	700	649	0	0
Ministry for Culture and Heritage		1,899	1,900	1,900	1,900	1,900
Parliamentary Services		1,030	935	716	935	716
Interest income		65	46	61	46	61
Gain on sale of assets		65	59	0	59	0
Other income		2,558	2,703	2,865	3,403	3,514
Total operating revenue	1	34,123	34,200	33,448	34,200	33,448
OPERATING EXPENDITURE						
Audit fees	2	53	63	53	63	53
Directors' fees	10	225	214	220	214	220
Lease and rental costs		1,416	1,429	1,369	1,429	1,369
Depreciation	9	3,051	2,800	2,980	2,800	2,980
Fixed assets written off		0	2	4	2	4
Superannuation		470	463	476	463	476
Personnel costs		17,249	17,683	17,015	17,683	17,015
Bad debts written off/(recovered)		0	0	0	0	0
Increase/(decrease) in doubtful debts provision		0	(1)	(6)	(1)	(6)
Interest expense		50	39	81	39	81
Other expenditure		11,509	11,432	11,851	11,432	11,851
Total operating expenditure		34,023	34,124	34,043	34,124	34,043
Operating surplus/(deficit) before taxation		100	76	(595)	76	(595)
Taxation expense/(benefit)	3	33	0	0	0	0
Net surplus/(deficit) after taxation		67	76	(595)	76	(595)

Statement of Movements in Equity

FOR THE YEAR ENDED 30 JUNE 2007

		GROUP BUDGET 2007 \$000	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
		29,013	28,401	22,504	27,622	21,725
Increase in share capital		0	0	6,492	0	6,492
Net surplus/(deficit) after taxation for the year		67	76	(595)	76	(595)
Total recognised revenues and expenses		67	76	(595)	76	(595)
Equity at the end of the year		29,080	28,477	28,401	27,698	27,622

The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of Financial Position

AS AT 30 JUNE 2007

		GROUP BUDGET 2007 \$000	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
	NOTE					
EQUITY						
Share capital	4a	20,291	20,291	20,291	20,291	20,291
Revaluation reserve	4b	2,280	2,280	2,280	1,480	1,480
Retained earnings	4c	6,509	5,906	5,830	5,927	5,851
Total equity		29,080	28,477	28,401	27,698	27,622
CURRENT LIABILITIES						
Trade creditors		1,166	1,996	1,872	1,915	1,792
Employee entitlements	5	955	1,258	1,203	1,258	1,203
Provision for tax	3	34	(4)	(90)	(4)	(90)
Bank loan	6	1,710	0	0	0	0
Revenue received in advance		569	562	568	562	568
Total current liabilities		4,434	3,812	3,553	3,731	3,473
NON-CURRENT LIABILITIES						
Revenue received in advance		0	224	301	224	301
Employee entitlements	5	0	73	68	73	68
		0	297	369	297	369
Total liabilities and equity		33,514	32,586	32,323	31,726	31,464
CURRENT ASSETS						
Bank balances and deposits	7	266	1,306	1,148	1,247	1,091
Trade receivables	8	657	689	653	689	653
Other receivables and prepayments		1,833	491	493	490	491
Total current assets		2,756	2,486	2,294	2,426	2,235
NON-CURRENT ASSETS						
Prepayments		401	488	663	488	663
Fixed assets	9	30,357	29,612	29,366	28,812	28,566
		30,758	30,100	30,029	29,300	29,229
Total assets		33,514	32,586	32,323	31,726	31,464

For and on behalf of the Board



BRIAN CORBAN QSO – Chairman
31 October 2007



STEVE MURRAY – Audit Committee Chairman
31 October 2007

The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2007

	GROUP BUDGET 2007 NOTE	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers	5,884	6,168	5,697	6,116	6,331
NZ On Air funding	28,532	28,557	27,906	27,857	27,257
Interest earned	45	46	61	46	61
Income tax refund	90	89	0	89	0
GST (net)	0	0	141	0	141
	34,551	34,860	33,805	34,108	33,790
Cash was applied to:					
Payments to employees	17,416	18,086	17,381	18,086	17,381
Payments to suppliers	15,321	13,585	13,863	12,835	13,854
Interest expense	0	39	81	39	81
Income tax paid	0	0	276	0	276
GST (net)	(30)	30	0	30	0
	32,707	31,740	31,601	30,990	31,592
Net cash inflow/(outflow) from operating activities	1,844	3,120	2,204	3,118	2,198
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Proceeds from sale of fixed assets	50	57	0	57	0
	0	57	0	57	0
Cash was applied to:					
Prepayments made	0	0	25	0	25
Purchase of fixed assets	3,520	3,019	4,821	3,019	4,821
	3,520	3,019	4,846	3,019	4,846
Net cash inflow/(outflow) from investing activities	(3,470)	(2,962)	(4,846)	(2,962)	(4,846)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Increase in capital	0	0	6,492	0	6,492
Increase in loan	6	1,710	18,388	18,388	0
	1,710	18,388	6,492	18,388	6,492
Cash was applied to:					
Repayment of loan	6	0	18,388	18,388	2,820
	0	18,388	2,820	18,388	2,820
Net cash inflow/(outflow) from financing activities	1,710	0	3,672	0	3,672
Net increase/(decrease) in cash held	84	158	1,030	156	1,024
Add opening bank balance at 1 July 2006	182	1,148	118	1,091	67
Realised foreign exchange gain (loss)	0	0	0	0	0
Closing bank balance at 30 June 2007	7	266	1,306	1,247	1,091
Comprising:					
Cash and call accounts	266	1,306	1,148	1,247	1,091
Demand deposits	0	0	0	0	0
Closing bank balance	266	1,306	1,148	1,247	1,091

The accompanying notes and accounting policies form an integral part of the financial statements.

Reconciliation of the Net Surplus/(Deficit) from Operations with the Net Cash Flows from Operating Activities

FOR THE YEAR ENDED 30 JUNE 2007

	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
NET SURPLUS/(DEFICIT) AFTER TAXATION	76	(595)	76	(595)
Add/(less) non-cash items:				
Depreciation	2,800	2,980	2,800	2,980
Bad debts written off	0	0	0	0
Change in provision for doubtful debts	(1)	(6)	(1)	(6)
Fixed assets written off	0	3	0	3
Amortised expenses	164	138	164	138
Other	(85)	(40)	(85)	(40)
Total non-cash items	2,878	3,075	2,878	3,075
Add/(less) items classified as investing activities:				
Net (gain)/loss on sale of fixed assets	(59)	0	(59)	0
Add/(less) movements in working capital items:				
Decrease/(increase) in receivables	(36)	(85)	(36)	(101)
Decrease/(increase) in prepayments	2	(87)	1	(85)
Increase/(decrease) in creditors and accruals	124	(116)	123	(107)
Increase/(decrease) in current employee entitlements	55	100	55	100
Increase/(decrease) in provision for tax	86	(275)	86	(276)
Increase/(decrease) in revenue received in advance	(6)	187	(6)	187
Working capital movement – net	225	(276)	223	(282)
Net cash flow from operating activities	3,120	2,204	3,118	2,198

The accompanying notes and accounting policies form an integral part of the financial statements.

Statement of Commitments

AS AT 30 JUNE 2007

	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
Capital commitments approved and contracted	243	122	243	122
Non-cancellable operating lease commitments:				
– payable within 1 year	1,076	1,142	1,076	1,142
– payable between 1–2 years	437	1,080	437	1,080
– payable between 2–5 years	424	849	424	849
– payable after 5 years	247	370	247	370
	2,184	3,441	2,184	3,441
Other non-cancellable operating commitments:				
– payable within 1 year	3,933	3,333	3,933	3,333
– payable between 1–2 years	3,227	2,572	3,227	2,572
– payable between 2–5 years	4,748	4,214	4,748	4,214
	11,908	10,119	11,908	10,119
Total non-cancellable commitments	14,092	13,560	14,092	13,560

Statement of Contingent Liabilities

AS AT 30 JUNE 2007

	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
Legal proceedings and disputes with third parties.	876	910	876	910

Statement of Contingent Assets

AS AT 30 JUNE 2007

At balance date a contract existed with a third party which entitled Radio New Zealand to apply a CPI adjustment for its services in arrears. The quantum of the settlement is likely to realise an amount to be in excess of \$100,000.

The accompanying notes and accounting policies form an integral part of the financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2007



1. TRANSACTIONS WITH RELATED PARTIES

FUNDING

Radio New Zealand Limited received funding of \$28.55 million (2006: \$27.91 million) from NZ On Air for the year ended 30 June 2007. The contract between the two parties for broadcasting services prescribes the services which must be provided in relation to transmission coverage and hours, and types of programmes to be broadcast, and also places restrictions on advertising.

Included in the above amount is \$700,000 funding received by the subsidiary company of Radio New Zealand Limited, Sound Archives/Ngā Taonga Kōrero Limited, under separate contract for sound archiving services for the year ended 30 June 2007 (2006: \$649,000).

Radio New Zealand International, a division of Radio New Zealand Limited, received funding of \$1.90 million (2006: \$1.90 million) from the Ministry for Culture and Heritage for the year ended 30 June 2007.

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 \$751,000 has been transacted, for the period 1 July 2006 to 30 June 2007 (2006: \$720,000).

KEY MANAGEMENT AND DIRECTORS

Brian Corban, the Chairman of Radio New Zealand Limited's Board, is also Chairman of Genesis Power Limited, which is the main power supplier for Radio New Zealand Limited. In the current period \$83,686 (2006: \$471,372) was paid to Genesis Power Limited. These transactions are on normal commercial terms. 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.

	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
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2. AUDIT FEES

External audit	63	53	63	53
	63	53	63	53

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2007

	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
3. TAXATION				
NET SURPLUS/(DEFICIT) BEFORE TAXATION	76	(595)	76	(595)
Tax @ 33%	(25)	(196)	(25)	(196)
Plus/(less) the tax effect of:				
Permanent differences	13	(12)	13	(12)
Timing differences not recognised	0	56	0	56
Prior year adjustment	0	0	0	0
Tax loss not recognised	12	152	12	152
Tax expense/(benefit)	0	0	0	0
Current tax/(benefit)	0	0	0	0
IMPUTATION CREDIT ACCOUNT				
Opening balance	1,375	1,099	1,371	1,095
Tax paid	0	276	0	276
Tax refunded	(85)	(0)	(85)	(0)
Closing balance	1,290	1,375	1,286	1,371
PROVISION FOR INCOME TAX				
Opening balance	90	(185)	90	(186)
Tax paid	0	276	0	276
Tax refunded	(86)	(1)	(86)	0
Use of money interest	0	0	0	0
Current tax	0	0	0	0
Taxation receivable/(payable)	4	90	4	90

A deferred tax asset of \$285,587 (2006: \$778,726) has not been recognised. Unrecognised tax losses of \$1,920,752 (2006: \$460,650) tax effect \$633,848 (2006: \$152,015) are available to carry forward. A tax loss benefit of \$0 (2006: \$0) has been recognised. Subsequent realisation of this benefit is subject to the requirements of income tax legislation being met.



	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
4A. SHARE CAPITAL				
(i) Ordinary shares				
Ordinary shares on issue at 30 June 2007	16,171	16,171	16,171	16,171
Ordinary shares have the following rights:				
(a) Normal voting rights				
(b) No fixed dividend rights.				
(ii) Redeemable preference shares of \$1 each				
Preference shares on issue at 30 June 2007	4,120	4,120	4,120	4,120
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.				
(c) On redemption, the company shall redeem the preference shares in cash, by repaying the capital paid up or credited as paid up.				
Total issued share capital	20,291	20,291	20,291	20,291
4B. REVALUATION RESERVE				
Balance as at 1 July 2006	2,280	2,280	1,480	1,480
Revaluation of fixed assets as per FRS-3	0	0	0	0
Balance as at 30 June 2007	2,280	2,280	1,480	1,480
4C. RETAINED EARNINGS				
Retained earnings at 1 July 2006	5,830	6,425	5,851	6,446
Operating surplus/(deficit)	76	(595)	76	(595)
Retained earnings at 30 June 2007	5,906	5,830	5,927	5,851

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2007

	GROUP ACTUAL 2007 \$000	GROUP ACTUAL 2006 \$000	PARENT ACTUAL 2007 \$000	PARENT ACTUAL 2006 \$000
5. EMPLOYEE ENTITLEMENTS				
Annual leave	1,122	1,083	1,122	1,083
Other payroll accruals	209	188	209	188
	1,331	1,271	1,331	1,271
Made up of:				
Current	1,258	1,203	1,258	1,203
Non-current	73	68	73	68
	1,331	1,271	1,331	1,271
6. BANK LOAN				
Multi option credit line	0	0	0	0
<p>Radio New Zealand negotiated a redrawable line of credit of \$3,500,000 with Westpac Banking Corporation. The credit advance was a short-term market advance and the interest rate charged was the Westpac offer rate at the time the advance was made – 8.10% plus a margin of 0.45%. The effective rate at year end was 8.55%. During the year, the cumulative draw downs totalled \$18,388,000 and the maximum amount drawn in any one month was \$2,102,000. At the end of each month the total balance drawn was repaid in full.</p>				
7. BANK BALANCES AND DEPOSITS				
Call and cheque accounts	1,306	1,148	1,247	1,091
	1,306	1,148	1,247	1,091
8. TRADE RECEIVABLES				
Trade receivables	692	657	692	657
Provision for doubtful debts	(3)	(4)	(3)	(4)
	689	653	689	653



ASSET	2007 \$000 COST/ VALUATN	2007 \$000 ACCUM DEPN	2007 \$000 NET BOOK VALUE	2006 \$000 COST/ VALUATN	2006 \$000 ACCUM DEPN	2006 \$000 NET BOOK VALUE	2007 \$000 ANNUAL DEPN	2006 \$000 ANNUAL DEPN
9. FIXED ASSETS								
GROUP								
Land	5,138	0	5,138	5,138	0	5,138	0	0
Buildings	9,727	(1,675)	8,052	9,465	(1,300)	8,165	375	347
Leasehold improvements	6,030	(3,696)	2,334	6,008	(3,248)	2,760	448	445
Plant and equipment	19,317	(12,895)	6,422	15,900	(11,943)	3,957	896	930
Libraries and archival collection	3,163	(603)	2,560	3,021	(432)	2,589	172	170
Computer hardware and software	10,286	(8,219)	2,067	9,377	(7,550)	1,827	669	868
Furniture, fittings and other	2,437	(1,693)	744	2,369	(1,535)	834	240	220
Capital work in progress:								
Buildings	2	0	2	0	0	0	0	0
Plant and equipment	1,955	0	1,955	3,741	0	3,741	0	0
Libraries and archival collection	0	0	0	0	0	0	0	0
Computer hardware and software	335	0	335	353	0	353	0	0
Furniture, fittings and other	3	0	3	2	0	2	0	0
Total fixed assets	58,393	(28,781)	29,612	55,374	(26,008)	29,366	2,800	2,980
PARENT								
Land	5,138	0	5,138	5,138	0	5,138	0	0
Buildings	9,727	(1,675)	8,052	9,465	(1,300)	8,165	375	347
Leasehold improvements	6,030	(3,696)	2,334	6,008	(3,248)	2,760	448	445
Plant and equipment	19,317	(12,895)	6,422	15,900	(11,943)	3,957	896	930
Libraries and archival collection	2,363	(603)	1,760	2,221	(432)	1,789	172	170
Computer hardware and software	10,286	(8,219)	2,067	9,377	(7,550)	1,827	669	868
Furniture, fittings and other	2,437	(1,693)	744	2,369	(1,535)	834	240	220
Capital work in progress:								
Buildings	2	0	2	0	0	0	0	0
Plant and equipment	1,955	0	1,955	3,741	0	3,741	0	0
Libraries and archival collection	0	0	0	353	0	353	0	0
Computer hardware and software	335	0	335	2	0	2	0	0
Furniture, fittings and other	3	0	3	0	0	0	0	0
Total fixed assets	57,593	(28,781)	28,812	54,574	(26,008)	28,566	2,800	2,980

VALUATION

Radio New Zealand Limited has significant library and music collections. In accordance with FRS-3 Accounting for Property, Plant and Equipment these values have been reflected in the Statement of Financial Position.

The reference library was valued at \$433,000 and the music library was valued at \$1.4 million. The valuations were 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, and was valued at \$800,000. This valuation was completed by the directors of Sound Archives/Ngā Taonga Kōrero Limited as at 30 June 2002.

Depreciation has not been charged on the archival assets collection in 2006/2007.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2007

10. DIRECTORS

DIRECTORS' REMUNERATION

The following persons held office as director during the year and received the following remuneration:

	2007	2006
	\$	\$
Brian Corban – Chairman	45,000	45,000
Alison Timms – Deputy Chairman	33,750	33,750
Judith Fyfe	23,000	23,000
Judy Finn	23,000	23,000
Alan Dick	23,000	23,000
Christine Grice – appointed 01/12/2006	13,417	0
Steve Murray	30,000	26,334
Sifa Taumoepeau	23,000	23,000
R Ellis – resigned 01/05/2006	0	22,500
	214,167	219,584

DIRECTORS' INTERESTS

BRIAN CORBAN QSO

Chairman and Shareholder	Corban Consultants Limited, Lindsay Corban Associates Limited, Ngatarawa Wines Limited, Corban Mulcaster Vineyard Ltd
Consultant	Corban Revell Lawyers
Chairman	Melanesian Mission Trust Board, Genesis Power Limited, Corbans Viticulture Limited, West Auckland Trust Services Limited, Butts Bainbridge & Weir Limited, Corban Estate Arts Centre, Languages International Limited, Frontier Global Limited, Frontier Mapping NZ Ltd, Cardiff No 1 Ltd, Cardiff No 2 Ltd, Genesis Power Investments Ltd, G.P. No 2 Ltd, Kupe Holdings Ltd
Trustee	Royal New Zealand Navy Museum, West Auckland Hospice Foundation Trust, Waitakere Enterprise Board
Patron	The Genesis Oncology Trust, Falls Hotel Preservation Trust, Henderson Heritage Trust, Waitakere City Brass Band
Advisory Council Member	NZ Advisory Council, Church of Melanesia

ALISON TIMMS

Chairman	Insurance and Savings Ombudsman Commission
Consultant	Independent Consultant
Trustee	Mercer Individual Retirement Plan
Member	New Zealand Parole Board
Director	Wellington Waterfront Limited

JUDITH FYFE

Principal	Fyfe and Doherty
Co-director	City Associates
Director	Sound Archives/Ngā Taonga Kōrero Limited
Member	Arts Board of Creative New Zealand, Copyright Tribunal
Trustee	New Zealand Branch of Cambodia Trust, Alexander Turnbull Library Endowment Trust

JUDY FINN

Director and Shareholder	Neudorf Vineyards Limited
Trustee	Suter Gallery Trust
Director	Pinot Noir 2007

**ALAN DICK QSO**

Consultant	Business and Commercial Property
Chairman	Hawke's Bay Lotteries Grants Allocation Committee
Deputy Chairman/Councillor	Hawke's Bay Regional Council
Director	ALIZ Investments Limited
Trustee	Napier Cadet Academy Charitable Trust, Hawke's Bay Addiction Centre Trust

CHRISTINE GRICE

Principal	Harkness Henry
Chairperson/Director	Perry Group Ltd, Mental Health Research Programmes Ltd (Te Pou), Tigusi Trust Ltd
Chairperson	NZ Law Society Continuing Legal Education Board
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
Trustee	Riverside Trust

STEVE MURRAY

Managing Director	EDS (New Zealand) Limited
Trustee	EEO Trust

SIFA TAUMOEPEAU

Manager Government Affairs	SKYCITY Entertainment Group Limited
Member	Heart of Auckland City Board, Gaming Machine Association of NZ

DIRECTORS' INDEMNITY AND INSURANCE

Radio New Zealand Limited has insured all of its directors against liabilities to other parties (except the company or a related party of the company) that may arise from their position as directors. The insurance does not cover liabilities arising from criminal actions.

11. EMPLOYEE REMUNERATION

Details of remuneration ranges for employees whose remuneration is over \$100,000 for the year ended 30 June 2007 are:

REMUNERATION RANGES FOR EMPLOYEES	NUMBER OF EMPLOYEES	
	2007	2006
\$100,000 – 109,999	4	3
\$110,000 – 119,999	3	2
\$120,000 – 129,999	3	1
\$140,000 – 149,999	1	1
\$150,000 – 159,999	1	1
\$280,000 – 289,999	1	1
Total number of employees in these ranges	13	9

The Chief Executive's remuneration is within the \$280,000 – \$289,999 range.



Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2007

12. FINANCIAL INSTRUMENTS

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

(A) CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Radio New Zealand Limited in 2006/2007 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 for 83% of Radio New Zealand Limited's revenue. However, NZ On Air is a high-quality credit entity, being the government purchaser of national broadcasting 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, accounts receivable, other receivables, dividends payable, bank borrowings, accounts payable 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.

13. POST BALANCE DATE EVENTS

Since balance date, Radio New Zealand has received a capital injection of \$521,000 from Shareholding Ministers in exchange for the issue of additional ordinary shares. The capital injection is to fund further expansion of the Radio New Zealand National FM network throughout the country.



14. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE PARENT AND GROUP

Radio New Zealand will be adopting the proposed New Zealand International Financial Reporting Standards (NZ IFRS) on 1 July 2007, essentially following the Crown's timing. In complying with NZ IFRS for the first time for the year ended 30 June 2008, Radio New Zealand will restate comparative balances applying NZ IFRS. This will require a restatement of opening balances as at 30 June 2007, the incorporation of initial transitional adjustments, and the restatement of balances which may impact the financial performance, financial position and cash flow.

Radio New Zealand has been classified as a Public Benefit Entity (PBE) and as such will be reporting under NZ IFRS accounting policies as required. The full quantitative and qualitative impact on the financial statements are summarised as follows:

IMPACT OF NZ IFRS ON RADIO NEW ZEALAND

Disclosure

Potential changes will be:

- disclosure of information within the primary financial statements rather than the notes;
- additional details on non-current assets and their movements; and
- calculation and the analysis of deferred tax balances.

Deferred taxation

The approach to measuring deferred tax liabilities under NZ IAS 12 is fundamentally different to SSAP 12 Accounting for Taxes. Under SSAP 12 revaluation of non-current assets generates temporary tax differences which result in a deferred tax liability and are generally not recognised but are recognised under NZ IFRS 12. A deferred tax asset will be disclosed.

Employee benefits

NZ IAS 19 requires an entity to:

- recognise a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- recognise an expense when Radio New Zealand consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

Long service leave is already recognised by Radio New Zealand on an actuarial basis as opposed to recognising a liability on entitlement. No further effect on the income statement will occur.

Financial ratios relating to equity

NZ IFRS potentially requires Redeemable Preference Shares to be classified as debt rather than equity in the determination of debt. This will affect any financial ratio with a debt or equity component in it.

Non-current assets

Computer software is required to be reclassified as an intangible asset. Therefore property, plant and equipment will reduce and intangible assets will increase by the balance of computer software as at balance date.

Asset revaluation reserve restatement

The previous revaluation of the reference library asset is to be reversed as at adoption date.

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2007

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 2007.

	RADIO		SOUND		
	NEW ZEALAND	NEW ZEALAND	ARCHIVES	RADIO	
	NATIONAL	CONCERT	NGĀTAONGA	NEW ZEALAND	TOTAL
	2007	2007	KŌRERO	INTERNATIONAL	2007
	\$000	\$000	\$000	\$000	\$000
RECONCILIATION OF OUTPUT FINANCIAL STATEMENTS TO GROUP NET SURPLUS/(DEFICIT) BEFORE TAX					
INCOME					
NZ On Air funding	23,118	4,668	700	–	28,486
Ministry for Culture and Heritage funding	–	–	–	1,900	1,900
Other	3,115	437	51	211	3,814
Total income	26,233	5,105	751	2,111	34,200
EXPENDITURE					
NZ On Air operations	26,470	4,784	751	–	32,005
Ministry for Culture and Heritage operations	–	–	–	2,119	2,119
Total expenditure	26,470	4,784	751	2,119	34,124
Net surplus/(deficit)	(237)	321	0	(8)	76



OUTPUT CLASS – RADIO NEW ZEALAND NATIONAL

ROLE

Radio New Zealand National is a nationwide network providing news, current affairs, feature documentaries and entertainment programmes, including music programmes featuring both New Zealand and international artists. Many of the quality programmes featured on Radio New Zealand National are not available on commercial radio because they are not considered commercially viable. The following are examples of the non-commercial, public service broadcasting programmes to be found on Radio New Zealand National:

- *Morning Report* – authoritative and comprehensive coverage of local and world events.
- *Midday Report* – delivering comprehensive news bulletin, business news, rural news, sports news, long range weather forecasts and *Worldwatch*.
- *Afternoons with Jim Mora* – An audience participation show to stimulate, enlighten and entertain the listener. Includes *The Panel* promoting critical thought on a wide range of topics.
- *Nine to Noon* – provides in-depth debate on topical national and international news, with feature interview profiles to stimulate new ideas.
- *Checkpoint* – hard-hitting daily news-focussed programme.
- *Nights with Bryan Crump* – dedicated to encouraging fresh ideas and music along with the best radio documentaries and features from here and overseas.
- *This Way Up* – a programme exploring consumer related stories and issues. Entertaining and informative, it includes global and local correspondents, mini features, product tests, studio discussions and a themed feature each week. *Digital Life* is also part of the show.
- *The Arts on Sunday* – The show celebrates the diversity of creativity, both here and overseas, with views, reviews, previews, interviews, a regular comedy slot and the play of the week.
- *Saturday Morning with Kim Hill* – a magazine programme with interviews, food, books and music.
- *Sunday Morning with Chris Laidlaw* – thought-provoking range of interviews, documentaries and music, including *MediaWatch* and *Insight*.

1. Listenership

OBJECTIVE

Listenership as measured by type of rating will equal or exceed the specified targets.

RESULT

TYPE OF RATING	DESCRIPTION	2007 ALL	TARGET	2006 ALL
		NEW ZEALAND RADIO SURVEY (NOTE 1)	RANGE 2007	NEW ZEALAND RADIO SURVEY
Cume	Number of different people who listen for at least an 8 minute period from Monday to Sunday, 12 midnight to 12 midnight. [Note 2]	487,000	488,000 to 540,000	469,900
Percentage of available audience	The Radio New Zealand National percentage of the number of 15+ listeners who listen to any radio station from Monday to Sunday, 12 midnight to 12 midnight. [Note 2]	16.7%	19 to 21%	16.3%

The radio listenership objectives have not been achieved. The surveyed 2007 cume audience of 487,000 and the percentage of available audience do not fall within the target ranges. However, the cume audience and the percentage of available audience have both increased from the 2006 year. With all surveying of this type there is a margin of error commensurate to the survey sample size. The cume audience result is within the margin of error for the survey sample size.

The radio survey figures do not include time-shifted listening through the Radio New Zealand website. Audio-on-demand and podcasts enable the listener to access radio programming at times suitable to them. Listener access to these services has grown significantly during the period and further details are set out on page 19 of the Performance Management section.

[Note 1]

Timing of the survey period means that 2007 must be regarded as a transitional year with interim results obtained from just 20 weeks of surveying (instead of 40 weeks) and a sample size (n= 2,058) approximately half that of 2006. The 2007 survey was conducted by The Nielsen Company. Research International Limited conducted the 2006 survey.

[Note 2]

In previous annual reports listenership was based on the time period Monday to Sunday, 6am to 12 midnight. During the report period the surveyed listenership time period has been changed to Monday to Sunday, 12 midnight to 12 midnight to better reflect broadcast times.

Statement of Service Performance (continued)

FOR THE YEAR ENDED 30 JUNE 2007

2. Programme Hours by Category

OBJECTIVE

To deliver the following programme hours by category.

RESULT

TYPES OF PROGRAMMES AND SERVICES	ACTUAL	TARGET	ACTUAL
	BROADCAST HOURS 2007	RANGE 2007	BROADCAST HOURS 2006
Total programme hours:	8,760	8,760	8,760
New Zealand content programmes which include:	8,057	7,140 to 8,190	8,027
• Māori language and culture	357	333 to 367	309
• Special interest	374	323 to 357	352
• New Zealand drama	291	190 to 210	308
Percentage of New Zealand music on rotate	40.3%	31 to 35%	39%

The target hours by programme types and services have been achieved in all areas with those for New Zealand special interest, drama and music exceeding targets.

3. Programme Hours by Charter Function

OBJECTIVE

To deliver target programme hours by specific Charter function.

RESULT

CHARTER FUNCTIONS ¹	ACTUAL	ACTUAL	TARGET	ACTUAL	ACTUAL
	HOURS 2007	% HOURS 2007	% HOURS 2007	HOURS 2006	% HOURS 2006
A. Intellectual, scientific and cultural development. Informed debate and critical thought.	7,769	89%	81 to 89%	7,595	87%
B. Information, special interest and entertainment. Reflect cultural diversity including Māori language and culture.	8,310	95%	84 to 92%	8,027	92%
C. Varied interests within the community. Information, educational, special interest and entertainment.	1,619	18%	18 to 20%	1,323	15%
D. Musical, dramatic and performing arts. New Zealand and international composers, performers and artists.	1,891	22%	22 to 24%	1,732	20%
E. Nationwide service, highest quality. Sense of citizenship and national identity.	8,760	100%	100%	8,760	100%
F. Comprehensive, independent, impartial, balanced news and current affairs. Regional perspective.	2,723	31%	28 to 32%	2,327	27%
G. Comprehensive, independent, impartial, balanced international news and current affairs.	1,186	14%	11 to 13%	1,130	13%

The targets by Charter function have been achieved in all seven categories with two of the categories exceeding targets.

1 Particular programmes produced and broadcast have been assessed in terms of the contribution that the programme makes to Radio New Zealand's statutory Charter functions. Most programmes contribute to more than one Charter function.



4. Broadcast Standards

OBJECTIVE

Compliance with the Radio Code of Broadcasting Practice and the Broadcasting Act 1989 will be determined by the level of complaints upheld by either Radio New Zealand Limited or the Broadcasting Standards Authority (BSA) for the period under review. Our target was no more than three complaints upheld against any one BSA standard. Multiple complaints about any single perceived breach were regarded as a single complaint for the purposes of this goal. Radio New Zealand will also comply with broadcast standards as specified in its own internal policies and procedures.

RESULT

MEASUREMENT BASES	ACTUAL	TARGET	ACTUAL
	COMPLAINTS 2007	2007	COMPLAINTS 2006
Number of complaints received	44	–	87
Number of complaints upheld	1	Less than 3	0
Number of complaints declined	43	–	87

The objective has been achieved. One complaint upheld is within the target range of less than three. This is an area given particular emphasis by Radio New Zealand. The company has developed an extensive editorial policy manual and the Editor in Chief's expectations in that regard have been clearly conveyed to staff.

5. Quality

OBJECTIVE

Listeners' perception of the "quality" of Radio New Zealand National is derived from annual surveys designed for this purpose. Our goal was for at least 85% of respondents to assess that the quality of programming on Radio New Zealand National has either remained constant or improved during the period under review.

RESULT

	2007 RADIO	TARGET	2006 RESEARCH
	NEW ZEALAND LISTENER SURVEY	2007	INTERNATIONAL SURVEY
Improved	25%	–	22%
Remained constant	68%	–	66%
Deteriorated	7%	–	12%
Percentage improved and constant:	93%	85%	88%

The objective has been achieved. For 2007 the 93% of listeners responding that Radio New Zealand National's programming had improved or remained constant exceeds the target of 85%.



Statement of Service Performance (continued)

FOR THE YEAR ENDED 30 JUNE 2007

6. Transmission Coverage

OBJECTIVE

To provide transmission coverage of Radio New Zealand National broadcasts by AM transmission to 96% of the population, by FM transmission to 90% of the population and by satellite digital services to 100% of the population. Transmission coverage is measured in terms of the percentage of the total New Zealand population able to receive the network signal.

RESULT

TRANSMISSION TYPE	ACTUAL % COVERAGE OF POPULATION 2007	TARGET % COVERAGE OF POPULATION 2007	ACTUAL % COVERAGE OF POPULATION 2006
AM (amplitude modulation)	96%	96%	97%
FM (frequency modulation)	90%	90%	85%
Total terrestrial coverage	97%	97%	97%
Satellite digital service	100%	100%	100%

The objective has been achieved with respect to AM, FM and satellite digital transmission networks.

7. Transmission Outage

OBJECTIVE

The average time lost over all Radio New Zealand transmitters, other than for programmed maintenance, shall not exceed 0.10% for the period.

RESULT

	ACTUAL % OF TIME LOST 2007	TARGET 2007	ACTUAL % OF TIME LOST 2006
Unplanned programme time lost per transmitter	0.05%	Less than 0.10%	0.03%

The objective has been achieved. Actual time lost of 0.05% is within the target range of less than 0.10%. The average time lost is a function of unplanned actual hours lost to the number of hours available for broadcasting. The objective relates to transmission over the AM and FM networks.



8. Statement of Output Financial Performance

	ACTUAL	TARGET	ACTUAL
	2007	2007	2006
	\$000	\$000	\$000
INCOME			
NZ On Air funding	23,118	23,118	22,382
Other	3,115	3,268	3,039
Total income	26,233	26,386	25,421
EXPENDITURE			
NZ On Air operations	26,470	26,302	26,606
Total expenditure	26,470	26,302	26,606
Net surplus/(deficit)	(237)	84	(1,185)

Revenue was 1% under budget and expenditure was 1% over budget. The combined effect was a net deficit of \$237,000 against the budget surplus of \$84,000. The variance equated to 1% of gross revenue. The variances are not considered to be material.

Statement of Service Performance (continued)

FOR THE YEAR ENDED 30 JUNE 2007

OUTPUT CLASS – RADIO NEW ZEALAND CONCERT

ROLE

Radio New Zealand Concert brings fine music in stereo to 100% of New Zealanders, through a network of FM transmitters. Musical, dramatic and performing arts comprise 96% of Radio New Zealand Concert broadcasts, with a repertoire featuring mainly classical music but also including jazz and special interest music. The remaining 4% of broadcasts is comprised of Māori language and culture, news and weather.

1. Listenership

OBJECTIVE

Listenership as measured by type of rating will equal or exceed specified targets.

RESULT

TYPE OF RATING	DESCRIPTION	2007 ALL	TARGET	2006 ALL
		NEW ZEALAND RADIO SURVEY (NOTE 1)	RANGE 2007	NEW ZEALAND RADIO SURVEY
Cume	Number of different people who listen for at least an 8 minute period from Monday to Sunday 12 midnight to 12 midnight. (Note 2)	207,000	147,000 to 163,100	124,600
Percentage of available audience	The Radio New Zealand Concert percentage of the number of listeners who listen to any radio station from Monday to Sunday, 12 midnight to 12 midnight. (Note 2)	7.1%	4 to 6%	-

The listenership objectives have been achieved.

(Note 1)

Timing of the survey period means that 2007 must be regarded as a transitional year with interim results obtained from just 20 weeks of surveying (instead of 40 weeks) and a sample size (n= 2,058) approximately half that of 2006. The 2007 survey was conducted by The Nielsen Company. Research International Limited conducted the 2006 survey.

(Note 2)

In previous annual reports listenership was based on the time period Monday to Sunday, 6am to 12 midnight. During the report period the surveyed listenership time period has been changed to Monday to Sunday, 12 midnight to 12 midnight to better reflect broadcast times.



2. Programme Hours by Category

OBJECTIVE

To deliver the following programme hours by category.

RESULT

TYPE OF PROGRAMMES AND SERVICES	ACTUAL	TARGET	ACTUAL
	ACHIEVEMENT	RANGE	ACHIEVEMENT
	2007	2007	2006
Total broadcast hours	8,760	8,760	8,760
The percentage of New Zealand composed music	3.9%	3 to 4%	4%
The percentage of New Zealand music performance	14.4%	13 to 14%	14%

The targets have been achieved in all areas and in one area, New Zealand music performance, exceeded.

3. Programme Hours by Charter Function

OBJECTIVE

To deliver target programme hours by specific Charter function.

RESULT

CHARTER FUNCTIONS ¹	ACTUAL	ACTUAL	TARGET %	ACTUAL	ACTUAL
	HOURS	% HOURS	HOURS	HOURS	% HOURS
	2007	2007	2007	2006	2006
A. Intellectual, scientific and cultural development. Informed debate and critical thought. ²	–	–	–	–	–
B. Information, special interest and entertainment. Reflect cultural diversity including Māori language and culture. ²	66	1%	1 to 3%	–	–
C. Varied interests within the community. Information, educational, special interest and entertainment.	8,760	100%	100%	8,760	100%
D. Musical, dramatic and performing arts. New Zealand and international composers, performers and artists.	8,406	96%	90 to 98%	8,472	97%
E. Nationwide service, highest quality. Sense of citizenship and national identity. ²	–	–	–	–	–
F. Comprehensive, independent, impartial, balanced news and current affairs. Regional perspective. ²	178	2%	1 to 2%	215	2%
G. Comprehensive, independent, impartial, balanced international news and current affairs. ²	84	1%	1 to 2%	72	1%

The targets by Charter function have been achieved in all five relevant categories.

¹ Particular programmes produced and broadcast by Radio New Zealand Concert have been assessed in terms of the contribution that they make to Radio New Zealand's statutory Charter functions. Most programmes contribute to more than one Charter function.

² While Radio New Zealand Concert programmes may broadly meet the intentions of Charter functions A, B, E, F and G, its primary role is to provide services intended by functions C and D.

Statement of Service Performance (continued)

FOR THE YEAR ENDED 30 JUNE 2007

4. Broadcast Standards

OBJECTIVE

Compliance with the Radio Code of Broadcasting Practice and the Broadcasting Act 1989 will be determined by the level of complaints upheld by either Radio New Zealand or the Broadcasting Standards Authority (BSA) for the period under review. Our target was no more than three complaints upheld against any one BSA standard. Multiple complaints about any single perceived breach were regarded as a single complaint for the purposes of this goal. Radio New Zealand will also comply with broadcast standards as specified in its own internal policies and procedures.

RESULT

MEASUREMENT BASIS	ACTUAL COMPLAINTS 2007	TARGET 2007	ACTUAL COMPLAINTS 2006
Number of complaints received	0	–	1
Number upheld	0	Less than 3	1
Number of complaints declined	0	–	0

The objective has been achieved. No complaints upheld is within the target range of less than three. This is an area given particular emphasis by Radio New Zealand. The company has developed an extensive editorial policy manual and the Editor in Chief's expectations in that regard have been clearly conveyed to staff.

5. Quality

OBJECTIVE

Listeners' perception of the "quality" of Radio New Zealand Concert is derived from annual surveys designed for this purpose. Our goal was for at least 85% of respondents to assess that the quality of programming on Radio New Zealand Concert has either remained constant or improved during the period under review.

RESULT

	2007 RADIO NEW ZEALAND LISTENER SURVEY	TARGET 2007	2006 RESEARCH INTERNATIONAL SURVEY
Improved	9%	–	12%
Remained constant	85%	–	82%
Deteriorated	6%	–	6%
Percentage improved and constant	94%	85%	94%

The objective has been achieved. For 2007 the 94% of listeners responding that Radio New Zealand Concert's programming had improved or remained constant exceeds the target of 85%.



6. Transmission Coverage

OBJECTIVE

To provide transmission coverage of Radio New Zealand Concert broadcasts by FM transmission to 92% of the population and by satellite digital services to 100% of the population. Transmission coverage is measured in terms of the percentage of the total New Zealand population able to receive the network signal.

RESULT

TRANSMISSION TYPE	ACTUAL % COVERAGE OF POPULATION 2007	TARGET % COVERAGE OF POPULATION 2007	ACTUAL % COVERAGE OF POPULATION 2006
FM (frequency modulation)	92%	92%	92%
Satellite digital service	100%	100%	100%

The objective has been achieved.

7. Transmission Outage

OBJECTIVE

Our goal was that the average time lost over all Radio New Zealand Concert terrestrial transmitters other than for programmed maintenance shall not exceed 0.1%.

RESULT

	ACTUAL % OF TIME LOST 2007	TARGET 2007	ACTUAL % OF TIME LOST 2006
Unplanned programme time lost per transmitter	0.05%	Less than 0.10%	0.06%

The objective has been achieved. Actual time lost of 0.05% is within the target range of less than 0.10%. The average time lost is a function of unplanned actual hours lost to the number of hours available for broadcasting.

8. Statement of Output Financial Performance

	ACTUAL 2007 \$000	TARGET 2007 \$000	ACTUAL 2006 \$000
INCOME			
NZ On Air funding	4,668	4,668	4,807
Other	437	243	360
Total Income	5,105	4,911	5,167
EXPENDITURE			
NZ On Air operations	4,784	4,900	4,757
Total expenditure	4,784	4,900	4,757
Net surplus/(deficit)	321	11	410

Revenue was 4% over budget while expenditure was 2% below budget. The combined effect was a favourable net surplus of \$321,000 against a budget surplus of \$11,000.

Statement of Service Performance (continued)

FOR THE YEAR ENDED 30 JUNE 2007

OUTPUT CLASS – SOUND ARCHIVES NGĀ TAONGA KŌRERO LIMITED

ROLE

Radio New Zealand Sound Archives Ngā Taonga Kōrero Limited collects recordings of broadcast radio programmes, and related sound recordings, from across the spectrum of all New Zealand stations and networks, and stores them for posterity. This resource is available to all New Zealanders on a cost recovery basis.

1. Recordings Acquired and Preserved

OBJECTIVE

Radio New Zealand Sound Archives Ngā Taonga Kōrero Limited will archive radio programmes and related recordings which are likely to be of long-term historical and cultural interest to the people of New Zealand and which reflect our cultural diversity.

RESULT

TYPE	ACTUAL HOURS ACHIEVED 2007	TARGET HOURS RANGE 2007	ACTUAL HOURS ACHIEVED 2006
Recordings acquired/accessioned	1,988	1,235 to 1,365	1,315
Recordings preserved	1,917	1,805 to 1,995	1,512

The target range for accessions has been substantially exceeded. The positive variance of 623 hours arose due to significant donations and deposits of historical material. While they were welcomed it has led to an increase in the preservation backlog.

The target for hours preserved has been achieved.

2. Preservation Medium

All recordings will be preserved on compact disc with a minimum rated life of 25 years.

The objective has been achieved. The archiving technology moved away from preservation on to compact disc, which only has a limited lifespan, and a programme was put in place to support a move to a digital archive. In the period, 48% of material was digitally preserved to a high-resolution digital file with the remainder transferred to CDR to await inclusion in the digitisation programme.

3. Statement of Output Financial Performance

	ACTUAL 2007 \$000	TARGET 2007 \$000	ACTUAL 2006 \$000
INCOME			
NZ On Air funding	700	649	649
Other	51	65	71
Total income	751	714	720
EXPENDITURE			
NZ On Air operations	751	714	720
Total expenditure	751	714	720
Net surplus/(deficit)	0	0	0

Revenue and expenditure were both 5.2% over budget following increased funding received from NZ on Air, while the net surplus of zero was constant with budget. The increased funding and expense arose from an adjustment with NZ on Air to carry forward a funding provision from the previous year.



OUTPUT CLASS – RADIO NEW ZEALAND INTERNATIONAL**ROLE**

Radio New Zealand will provide an international radio service to the Pacific through Radio New Zealand International. This service will:

- Broadcast innovative, comprehensive and independent news and programming of interest to the Pacific region;
- Provide a reliable account of Pacific and New Zealand affairs for relay and use by broadcasters and listeners within the Pacific and beyond;
- Broadcast programming which encourages an awareness and understanding of New Zealand policies on regional issues of concern, foreign relations, development assistance, immigration, human rights, economic developments, the environment and trade opportunities; and
- Provide a reliable source of information in the event of natural disasters or a breakdown of local communication services (additional costs of this service are met by the Ministry of Foreign Affairs and Trade and are not included in the cost below).

1. Programme Hours by Category**OBJECTIVE**

To broadcast a range of programmes including programming originated by Radio New Zealand International and tailored specifically for the service.

RESULT

BROADCASTS VIA SHORTWAVE (SESSION NUMBERS)	ACTUAL SESSIONS BROADCAST 2007	TARGET SESSIONS RANGE 2007	ACTUAL SESSIONS BROADCAST 2006
Morning sessions (Radio New Zealand International originated news and programmes – Pacific, World, New Zealand, Business, Sports, Pacific Language, Current Affairs, Entertainment)	307	305 to 310	302
Afternoon sessions (News and Pacific Current Affairs)	242	236 to 242	244
Evening sessions (News and Pacific Current Affairs)	242	236 to 242	244
Replays of Radio New Zealand National	364	347 to 383	365

The objective has been achieved in all categories.

2. Listenership**OBJECTIVE**

Listenership is measured by the degree to which Radio New Zealand International broadcasts are used for retransmission by Pacific radio stations. The target is between nine to eleven Pacific stations will rebroadcast Radio New Zealand International throughout the period. It should be noted that while there is also a significant number of direct short-wave listeners across the Pacific, it is not currently possible to accurately measure this audience.

RESULT

The objective was exceeded, 18 radio stations relayed Radio New Zealand International during the period.

OBJECTIVE

The number of Pacific stations rebroadcasting English language top of the hour breakfast session news bulletins will be at least three.

RESULT

The objective was achieved. At least four stations relayed top of the hour breakfast session news bulletins throughout the period.

OBJECTIVE

The rebroadcasting of Radio New Zealand International Pacific language news bulletins by Pacific stations will be at least one of each language.

RESULT

The objective was achieved. News bulletins were produced and rebroadcast in each of Samoan, Tongan, Niuean, Fijian, Hindi and Solomon Islands Pijin languages.

Statement of Service Performance (continued)

FOR THE YEAR ENDED 30 JUNE 2007

3. Transmission Coverage

OBJECTIVE

Transmission coverage is measured by geographic location and grade of transmission. The transmission grades are measured by the average hours of good quality reception available per day and are Primary, 18 hours; Secondary, 12 hours; and General 6 hours.

TARGET

Primary coverage – French Polynesia, Cook Islands, Tokelau, American Samoa, Samoa, Niue, Tonga, Wallis and Futuna, Fiji, Tuvalu, New Caledonia, Vanuatu and Solomon Islands.

Secondary coverage – Papua New Guinea, Nauru, Kiribati, Federated States of Micronesia, Marshall Islands and Palau.

General coverage – Asia/Pacific and Pacific rim.

RESULT

The objective was achieved in all categories. Additional coverage in Asia was achieved through Radio Australia's rebroadcast of selected Radio New Zealand International material on their short-wave and satellite service across Asia.

4. Transmission Outage

OBJECTIVE

The time lost over Radio New Zealand International transmitters, other than for programmed maintenance, will not exceed 1.00% for the period.

RESULT

	ACTUAL % OF TIME LOST 2007	TARGET 2007	ACTUAL % OF TIME LOST 2006
Unplanned programme time lost per transmitter	0.40%	Less than 1.00%	0.87%

The objective has been achieved. Actual time lost of 0.40% is within the target range of less than 1.00%. The average time lost is a function of unplanned actual hours lost to the number of hours available for broadcasting.

5. Statement of Output Financial Performance

	ACTUAL 2007 \$000	TARGET 2007 \$000	ACTUAL 2006 \$000
INCOME			
Ministry for Culture and Heritage funding	1,900	1,899	1,900
Other	211	213	240
Total income	2,111	2,112	2,140
EXPENDITURE			
Ministry for Culture and Heritage operations	2,119	2,107	1,960
Total expenditure	2,119	2,107	1,960
Net surplus/(deficit)	(8)	5	180

All variances from budget are minimal and not considered material.

Audit Report

FOR THE YEAR ENDED 30 JUNE 2007

TO THE READERS OF RADIO NEW ZEALAND LTD AND GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

The Auditor-General is the auditor of Radio New Zealand Ltd (the company) and group. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the company and group for the year ended 30 June 2007.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the company and group on pages 38 to 55:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of:
 - the company and group's financial position as at 30 June 2007;
 - the results of operations and cash flows for the year ended on that date;
- The statement of service performance of the company and group on pages 56 to 68:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of for each class of outputs:
 - 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
 - actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of 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 and group kept proper accounting records.

The audit was completed on 31 October 2007, and is the date at which our opinion is expressed.

The basis of our 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 the 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 and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements or 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 financial statements and a 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 and group as at 30 June 2007 and the results of 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 and group'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's responsibilities arise from the Financial Reporting Act 1993, 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 Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the company or any of its subsidiaries.

JOHN O'CONNELL – *Audit New Zealand*

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

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS

This audit report relates to the financial statements of Radio New Zealand Ltd (the company) and group for the year ended 30 June 2007 included on the company and group's web site. The company and group's Board of Directors is responsible for the maintenance and integrity of the company and group's web site. We have not been engaged to report on the integrity of the company and group's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. 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 related audit report dated 31 October 2007 to confirm the information included in the audited financial statements presented on this web site.

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

Directory

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is funded by

