



Briefing to Incoming Minister December 2011

1. Background

Radio New Zealand Limited is a Crown entity company under the Crown Entities Act 2004.

It is New Zealand's only national public service broadcaster and the country's only independent, non-commercial media organisation.

Unlike other media organisations which exist to serve the needs of proprietors, advertisers and media buyers, Radio New Zealand operates under a parliamentary Charter with the sole purpose of serving the public interest.

Radio New Zealand provides the following broadcasting services:

- Radio New Zealand National
- Radio New Zealand Concert
- Radio New Zealand International and
- Live broadcasts of Parliament on the Radio New Zealand AM Network

It also operates New Zealand's national radio and sound archive, Radio New Zealand Sound Archives / Ngā Taonga Kōrero.

Virtually all news and programming material broadcast live by Radio New Zealand on its radio networks is also carried live and on-demand through its website. These services are available to all New Zealanders at any time, anywhere in the world.

In recent years Radio New Zealand has amassed an online programme library containing almost 90,000 audio items or more than 12,000 hours of recorded content. This massive online expansion, achieved with no additional funding, has exponentially increased the value we provide for current audiences while unlocking the long-term value of our public investment for the benefit of future generations.

2. Current Performance

Record Audience Levels

Radio New Zealand National is New Zealand's No.1 radio station.

It has a higher market share and a larger audience than any other radio station in the country. This is one of the strongest performances by a dedicated public service broadcaster anywhere in the world.

In the year to the end of September, **Radio New Zealand National** had an average weekly audience of 522,000. This represents "live" listening only and does not include the millions of Radio New Zealand programmes which are consumed on-demand via the internet each year both in New Zealand and around the world.

Radio New Zealand's flagship news and current affairs programme, Morning Report, is the most listened to radio programme in New Zealand.

New Zealand's fine music network, **Radio New Zealand Concert**, has an average weekly audience of just over 140,000, a significant audience by international standards. Per capita, Radio New Zealand Concert has a larger audience than its ABC equivalent in Australia and a similar audience to the BBC classical music station in the United Kingdom, Radio 3.

Radio New Zealand Concert plays a vital role in the health and well-being of many of New Zealand's premier cultural institutions including the New Zealand Symphony Orchestra, the Auckland Philharmonia Orchestra, Chamber Music New Zealand, the New Zealand String Quartet, the Royal New Zealand Ballet, New Zealand Opera and the regional orchestras of Wellington, Christchurch and Dunedin.

Radio New Zealand International (RNZI) is New Zealand's shortwave service to the Pacific region. RNZI broadcasts on both digital and analogue platforms, partnering with 20 radio stations around the Pacific which carry Radio New Zealand news and current affairs content as part of their own local programming. RNZI is also available via individual shortwave radio receivers, providing an invaluable service to seafarers and those on remote islands outside the reach of local broadcasters.

With greater instability in the Pacific region in recent years and a deterioration in the independence of local news and media organisations, the Radio New Zealand International service is now more important than ever before. In addition to presenting

a New Zealand viewpoint across the region, RNZI is now also playing a vital role as a trusted source of news and information for Pacific audiences about events in their own countries.

Radio New Zealand Sound Archives/Ngā Taonga Kōrero is a national taonga showcasing the social, cultural and political history of New Zealand through sound and radio recordings dating back almost 100 years.

The vast majority of the Sound Archives collection is stored in its original analogue format such as discs, tapes and cassettes and is still awaiting preservation and digitisation. Until this backlog has been cleared, there is a significant risk of losing unpreserved items and public access to the collection is severely limited.

While Radio New Zealand has prioritised the work of the Sound Archives in recent years, limited funding and resources have not allowed us to make any significant inroads into the digital backlog.

We are currently working closely with the Ministry of Culture and Heritage, New Zealand on Air and the New Zealand Film Archive to explore innovative ways of addressing this major problem.

Growing International Role

In addition to its Pacific broadcasting service, Radio New Zealand plays an increasingly important role in informing both the New Zealand diaspora and the international community as a whole about significant issues and events in New Zealand.

By some estimates there are up to one million New Zealanders living and working overseas. Our website statistics and the regular feedback we receive from listeners in many different parts of the world indicate that Radio New Zealand is now providing an essential link for overseas-based New Zealanders, keeping them well-informed and allowing them to stay connected to their homeland.

Events of the past 12 months have also demonstrated that Radio New Zealand is now regarded internationally as one of the major sources of accurate and reliable news and information both from New Zealand and about New Zealand.

Our international media monitoring shows that major news organisations around the world now regularly use and quote Radio New Zealand as their primary source of information about this country and the Pacific region.

In the first 48 hours following the Christchurch Earthquake, Radio New Zealand staff were interviewed by more than 150 overseas news organisations including the BBC, ABC, CNN, CBS, ITV and National Public Radio in the US. Radio New Zealand was quoted in 1300 international news reports in the following few days.

The Australian Broadcasting Corporation (ABC) carried a week-long live stream broadcast of Radio New Zealand's rolling earthquake coverage as a service both to Australian audiences and the hundreds of thousands of New Zealanders living across the Tasman. The ABC also carried a live broadcast of Radio New Zealand's recent six-hour election night coverage.

Public Support

Public support for Radio New Zealand is the strongest it has ever been.

Each year Radio New Zealand surveys the population as a whole to gauge their views on Radio New Zealand's performance as a public service broadcaster.

In the latest Radio New Zealand Value Indices Research, 87% of New Zealanders said it was important for New Zealand to have a public service radio broadcaster. Only 5% disagreed. 79% agreed that Radio New Zealand provided a valuable service for the people of New Zealand and again, only 5% disagreed.

The vast majority of those who do not consider themselves to be regular Radio New Zealand listeners still agree that Radio New Zealand provides a valuable service. However among Radio New Zealand listeners themselves support is even higher, with 97% saying we provide a valuable service.

Charter performance

Radio New Zealand surveys its listeners each year to measure its performance against nine key Charter objectives set by Parliament.

Satisfaction with Radio New Zealand's Charter performance is also near record levels with most approval ratings between 80% -90% and disapproval ratings below 5%.

92% of listeners agree that Radio New Zealand contributes to the development of an informed society.

Industry Recognition

The quality of Radio New Zealand's news and current affairs service and its general radio programming was recognised by the radio industry with 10 awards for excellence at the 2011 New Zealand Radio Awards, twice as many as any other station.

Radio New Zealand's awards included Best Daily Programme, Best Weekly Programme, Radio Journalist of the Year, Best Documentary and Best News Reader. Overall Radio New Zealand produced 30 finalists in 13 different award categories.

Financial Management

Radio New Zealand has consistently enjoyed one of the highest audit ratings in the public sector.

3. Current Financial Position

Radio New Zealand's total income for the current financial year 2011-2012 is \$38.9 million.

Of this, approximately 88% (\$34.4 million) is made up of Government funding and almost 12% (\$4.5 million) is third party revenue generated by Radio New Zealand itself.

Recent Financial History

Radio New Zealand is well aware of the Government's focus on the repayment of debt as a financial priority in this term in office.

With that in mind we accept that the present freeze on Government funding will continue within the present budgetary framework.

While reviews of the impact on Radio New Zealand's static baseline funding underscore a growing gap between the cost of services and ability to fund we appreciate this situation is not going to be addressed in the immediate fiscal future.

As a consequence Radio New Zealand has pared back its activities to accommodate increases in non-discretionary operating costs of approximately \$2 million per year. Wherever possible these savings have been made in non-programme-related areas to protect Charter services to the public.

However, in the last five years staff salaries have been seriously eroded in terms of comparisons with the New Zealand public sector median and external broadcasting organisations.

These circumstances have made the recruitment of senior staff more difficult and will eventually lead to the erosion of programming and public service delivery.

Third Party Revenue

Over the past three years Radio New Zealand has attempted to increase its third party revenue to make up the shortfall in government funding.

Most current revenue sources such as transmission co-siting arrangements with commercial broadcasters and parliamentary broadcasting services are already at optimum levels with little scope for growth.

The greatest potential for generating new revenue is from the sale of Radio New Zealand news services to other media organisations. However, the recent closure of the New Zealand Press Association (NZPA) has resulted in three new news agencies being launched in New Zealand selling similar services to those offered by Radio New Zealand. Intense competition between the three new players has adversely affected Radio New Zealand's ability to enter the market.

4. Current Issues

Emergency Response

In the aftermath of the Christchurch Earthquake, Radio New Zealand demonstrated the fundamental importance of its dual roles as the nation's only public service radio broadcaster and in its civil defence capacity as a national lifeline utility.

With no power across a vast area, television and internet services were lost and the only means of communication for those affected was through traditional battery-operated radios. For many thousands of people, Radio New Zealand was their only link with the outside world and a vital source of the accurate, reliable and often life-saving information they needed to help them through.

The Canterbury and Christchurch earthquakes, together with the Pike River tragedy and the Japanese earthquake and tsunami threat in March underscored the importance of Radio New Zealand as a 24-hour national broadcaster with the staff and resources to respond instantly to emergency situations.

Radio New Zealand was inundated with thanks and congratulations from the people of Christchurch and greater Canterbury for the vital part it played in keeping individuals,

families and whole communities supplied with the essential information they needed in the days and weeks following the earthquakes.

Parliament formally commended Radio New Zealand's performance as the designated civil defence lifeline utility radio broadcaster and in May the Commerce Select Committee also acknowledged the outstanding public service Radio New Zealand provided. The Select Committee noted that Radio New Zealand had responded with admirable speed to the needs of the community despite limited resources due to the impact of events on Christchurch-based staff and its own Christchurch building suffering serious damage.

Radio New Zealand receives no specific funding for its statutory obligations under the Civil Defence and Emergency Management Act and in that context the Select Committee drew attention to the random impact emergencies can have on Radio New Zealand's budget.

Radio New Zealand has boosted its resources in Christchurch to provide comprehensive coverage of the after-effects of the February earthquake and the city's reconstruction over the next five years. We are currently operating out of temporary premises which are inadequate for our current and future needs however investigations are underway to identify more suitable longer-term options.

Snowdon Employment Dispute

For almost ten years now, Radio New Zealand has been involved in an employment dispute initiated by its former Head of News, Lynne Snowdon.

Radio New Zealand has done everything within its power to resolve this litigation however the matter has been subject to repeated adjournments over the years due to Ms Snowdon's ill-health and last-minute changes in her legal representation. At no time has Radio New Zealand initiated any legal action in this matter. It has simply responded to charges and allegations made by Ms Snowdon both in the courts and through the media.

The matter is currently adjourned indefinitely due to Ms Snowdon's health issues however Radio New Zealand has applied to the Employment Court to have it heard at the earliest available opportunity.

Serious Fraud Office

In July this year the Herald on Sunday newspaper reported that parties associated with Ms Snowden had lodged a complaint with the Serious Fraud Office alleging serious wrongdoing by Radio New Zealand. Radio New Zealand advised the SFO that the allegations were completely without foundation and that the complaint had been lodged for the tactical purpose of obtaining a further adjournment in the employment proceedings.

On 18 November, after a preliminary investigation lasting almost four months, the SFO advised Radio New Zealand that it had closed the file on the complaint and the matter would not be taken any further.

The SFO claims, as reported in the Herald on Sunday, were largely the same unsubstantiated allegations which had been made many times, over many years, by parties associated with Ms Snowden. Similar claims had already been dismissed by the Office of the Auditor General and the Ombudsman. A complaint to the police in 2003 had also been rejected.

5. Outstanding Issues

Charter Review

The Radio New Zealand Act 1995 requires the public service broadcaster's parliamentary Charter to be reviewed every five years.

In accordance with that legislation, the Charter was last reviewed in 2005. After extensive public consultation a new Charter was drafted and referred to the Commerce Select Committee which reported back to Parliament on 22 March 2006 recommending that the new Charter be adopted. Legislation was drafted but not introduced into Parliament before it rose for the 2008 Election.

On 2 June 2009 amendments to the Radio New Zealand Act to adopt the new Charter were introduced into Parliament and the bill had its first reading on 24 June 2009. The Bill was referred to the Commerce Select Committee which reported back to Parliament on 16 December 2009, again recommending that the bill be passed. The Radio New Zealand Amendment is still awaiting its second reading.

The introduction of a new Charter for Radio New Zealand is now six years overdue.

Radio New Zealand
20 December 2011