



**RADIO NEW ZEALAND LIMITED**  
**STATEMENT OF INTENT**  
**For the Five Years Ending 30 June 2022**

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## CHAIRMAN'S INTRODUCTION

It is my pleasure to present RNZ's Statement of Intent for the five years up to June 2022.

RNZ has been reinvigorated, is connecting with more New Zealanders than before and has secured an increase in funding from the Government.

This plan is our blueprint for the next five years and expresses our confidence in RNZ's capacity to further lift performance and provide even greater value to the New Zealand public.

RNZ's role is to provide New Zealanders with a successful, innovative and forward-looking public media service that creates an informed and connected nation.

We make available information, news and entertainment services, on a wide range of platforms and programmes, at an optimum level and in a responsible and empathetic manner that all New Zealanders can relate to and take pride in.

Our intention is to continue to set the benchmark for public service broadcasting and to be a co-operative partner with other media interested in engaging with us for mutual benefit to the New Zealand public.

We are pleased and relieved that the Government has recognised the value RNZ brings to the New Zealand media sector and intend to now progress our long-term strategy on a strengthened financial base.

Prudent financial management will continue to be a cornerstone of our planning as will our commitment to developing RNZ's highly-capable staff. Modernising our operations and investing in improved technology will be another priority.

The long-term strategy is founded on co-operative, constructive strategic planning between the governing Board and a talented management team.

The Board and senior management remain convinced that the delivery of intelligent, high quality news, information and entertainment to an increasingly discriminating audience remains our competitive advantage and is critical to the continuing success of RNZ.

As part of that we must be increasingly responsive to the impact of changing demographics, significant technological advances and the opportunities that audiences have for greater choice.

The RNZ board looks to the future with a great deal of confidence.

For and on behalf of the Board of Radio New Zealand



**RICHARD GRIFFIN**  
*Chairman*  
30 June 2017



**JANE TAYLOR**  
*Deputy Chairman*  
30 June 2017

## ABOUT RADIO NEW ZEALAND

Radio New Zealand (RNZ) is a Crown owned entity and its function and operations are primarily governed by the Radio New Zealand Act 1995. Legislation has recently been reviewed and the Radio New Zealand Amendment Act has applied since April 2016. The Act made some changes to the Radio New Zealand Charter which sets out Radio New Zealand's purpose, function and operating principles.

### RADIO NEW ZEALAND CHARTER

The key elements of the Charter are:

#### Purpose

- (1) As an independent public service broadcaster, the public radio company's purpose is to serve the public interest.
- (2) Freedom of thought and expression are foundations of democratic society and the public radio company as a public service broadcaster plays an essential role in exercising these freedoms.
- (3) The public radio company fosters a sense of national identity by contributing to tolerance and understanding, reflecting and promoting ethnic, cultural, and artistic diversity and expression.
- (4) The public radio company provides reliable, independent, and freely accessible news and information.

#### Delivery

- (5) In achieving its purpose, the public radio company must endeavour to provide services of the highest quality, which—
  - (a) are predominantly and distinctively of New Zealand:
  - (b) inform, entertain, and enlighten the people of New Zealand:
  - (c) are challenging, innovative, and engaging:
  - (d) foster critical thought, and informed and wide-ranging debate:
  - (e) stimulate, support, and reflect the diversity of cultural expression, including drama, comedy, literature, and the performing arts:
  - (f) stimulate, support, and reflect a wide range of music, including New Zealand composition and performance:
  - (g) reflect New Zealand's cultural identity, including Māori language and culture:
  - (h) provide awareness of the world and of New Zealand's place in it:
  - (i) provide comprehensive, independent, accurate, impartial, and balanced regional, national, and international news and current affairs:
  - (j) provide programmes which balance special interest with those of wide appeal, recognising the interests of all age groups:
  - (k) contribute towards intellectual and spiritual development:
  - (l) include an international service to the South Pacific in both English and Pacific languages:

- (m) take account of services provided by other broadcasters:
- (n) take advantage of the most effective means of delivery:
- (o) preserve and archive broadcasting material of historical interest.

### Principles of Operation

- (1) The public radio company must, in fulfilling its Charter, exhibit a sense of social responsibility by—
  - (a) having regard to the interests of the community in which it operates; and
  - (b) endeavouring to accommodate or encourage those interests when able to do so.
- (2) The public radio company must, in fulfilling its Charter, ensure that it is not influenced by the commercial interests of other parties.
- (3) The public radio company must, in fulfilling its Charter, ensure that it operates in a financially responsible manner and, for this purpose, that it—
  - (a) prudently manages its assets and liabilities; and
  - (b) endeavours to ensure—
    - (i) its long-term financial viability; and
    - (ii) that it acts as a successful going concern.

## **LIFELINE UTILITY**

Radio New Zealand RNZ) is also a designated Civil Defence Lifeline Utility in accordance with the Civil Defence Emergency Management Act 2002. This places extra social and legislative responsibilities on RNZ in the event of a Civil Defence emergency.

RNZ has a statutory duty to ensure that it can function during an emergency and it is required to maintain appropriate systems for the dissemination of emergency-related information.

## OUR SERVICES

RNZ's one key output is the production and distribution of exceptional content that meets our Charter responsibilities and achieves our objective of creating an informed and connected nation.

Historically, when Radio New Zealand was solely a radio company, it treated each service as a separate stand-alone output. In the multimedia environment in which RNZ now operates, emphasis is on the combined impact of RNZ's portfolio of brands and services rather than just its traditional radio networks or any individual service.

Our audience and content strategy and our business planning are based on this new multimedia approach, where each service has a role to play in expanding the combined reach of RNZ and, in doing so, optimising our overall Charter performance.

RNZ's current portfolio includes the following individual branded services:

<b>A. RNZ NATIONAL</b>	<b>B. RNZ CONCERT</b>	<b>C. RNZ INTERNATIONAL</b>
<p>RNZ National is a nationwide radio 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 RNZ National are not available on commercial radio because they are not considered commercially viable.</p>	<p>RNZ Concert brings fine music in stereo to all New Zealanders, through a network of FM transmitters and digital satellite. Musical, dramatic and performing arts comprise the core of RNZ Concert's broadcasts, with a repertoire featuring mainly classical music but also including jazz and special interest music.</p>	<p>RNZ provides an international radio and online service to the Pacific. This service broadcasts innovative, comprehensive and independent news and programming of interest to the Pacific region. We aim to encourage 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. RNZ International provides a reliable account of Pacific and New Zealand affairs for relay and use by broadcasters, listeners and online users within the Pacific and beyond. It provides an essential source of information in the event of natural disasters or breakdowns in local communication services.</p>

<b>D. RNZ PARLIAMENTARY RADIO AND PROCEEDINGS</b>	<b>E. RNZ.CO.NZ</b>	<b>F. THE WIRELESS</b>
<p>Follow Parliament live, when the House is sitting, through the AM Network or audio live stream online.</p>	<p>The website <a href="http://rnz.co.nz">rnz.co.nz</a> provides a comprehensive portal to RNZ's content, allowing users access to live streaming services for RNZ National, RNZ Concert and RNZ International. In addition users have access to comprehensive up to the minute news and analysis as well as access to more than 230,000 on-demand audio items (over 37,000 hours) from RNZ's vast online collection of back catalogue programming and web only collections.</p>	<p>The Wireless is a youth targeted website which is upfront, in-depth and in tune, aiming to produce inspiring, insightful and entertaining stories for New Zealanders who have grown up in the digital age. The site is updated with new content every weekday. The site provides multi format content (text, audio and video) and encourages user interaction through sharing of content across other social media outlets and through commentary on articles posted.</p>

Each of these services has an existing format and an established audience. However, there is also significant cross-fertilisation and sharing of content, staff and other resources between services, as we aim to achieve the most efficient and effective use of our funding.

As we adapt to the changing environment in which we operate, RNZ will be continually reviewing, refreshing and evolving how it creates and delivers content.

Over the next five years each service will be regularly re-assessed to ensure that it is still optimising the overall audience mix, reach and Charter performance of RNZ.

RNZ also shares its content with a number of strategic partners. This third party distribution supports other service providers and enhances the overall reach of RNZ.

It is also highly likely that that new online services will be added over the next five years.

## DELIVERY AND ACCESS TO OUR SERVICES

Access to our services is available through a range of broadcasting platforms and devices.

These are currently:

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- ▶ AM radio networks;
  - ▶ FM radio networks;
  - ▶ Satellite television – Sky TV, Freeview, Free-to-Air;
  - ▶ Digital Terrestrial Television - Free-to-Air, Freeview;
  - ▶ RNZ Websites (live streaming, on-demand, podcasts):
    - radionz.co.nz; and
    - thewireless.co.nz;
  - ▶ Mobile - iPhone and Android applications, online access;
  - ▶ Digital Shortwave (Pacific region);
  - ▶ Satellite radio (Pacific region); and
  - ▶ Third party distributors of RNZ content including iHeartRadio, MSN, Spotify, TVNZ on Demand, Pacific Media Network, BBC World Service (Pacific stream), STUFF.co.nz, Bauer Media, and Te Whakaruruhau iwi radio network.
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It is expected that this list will be added to and/or enhanced frequently over the course of the next five years, notably with new online services and partnerships with other content providers to increase our audience reach.

The migration of audiences to new technologies will, over time, result in a decline in audiences solely using older traditional equipment. As we introduce new opportunities for audiences to access our programming and content, existing delivery platforms will also be reviewed to ensure these are still viable and are the most efficient and effective use of resources.

# CHALLENGES AND OPPORTUNITIES IN THE OPERATING ENVIRONMENT

Media organisations in New Zealand operate in a competitive and challenging environment. The impact of digital disruption and evolving audience expectations is having a significant impact on the media landscape. This ongoing disruption is creating both challenges and opportunities for RNZ. Our strategy is to focus on audience growth across multiple platforms by continuing to deliver exceptional news, current affairs and cultural programming wherever, whenever and however audiences wish to receive it. Our strategic thinking is shaped by five key trends:

**1**

## **PUBLIC TRUST IN MEDIA IS BEING QUESTIONED**

- Public trust in media organisations and political institutions is declining in New Zealand and around the world.
- RNZ's independence from commercial and partisan influences allows it to deliver trusted, accurate, and independent news and current affairs, and play an important role in the New Zealand democratic process.

**2**

## **THE NEW ZEALAND MEDIA SECTOR IS CONTRACTING AND CONSOLIDATING**

- Digital disruption to traditional business models is driving contraction and consolidation in the New Zealand media environment.
- Commercial media organisations are finding it increasingly difficult to fund unique New Zealand content in the way they have in the past.
- By being independent, non-commercial and inherently local, RNZ can differentiate itself from these other media services.
- There are also further opportunities for RNZ to partner with other media organisations to enhance delivery of credible news and information to New Zealanders.

**3**

## **NATIONAL AND INTERNATIONAL TRENDS INDICATE A LONG TERM DECLINE IN LIVE RADIO AUDIENCES.**

- RNZ live radio audiences remain strong but are expected to decline over time in line with international trends.
- In 2000, 96% of the New Zealand population listened to live radio at least once a week - by 2016 this had fallen to 85%.
- Average time spent listening in a week has reduced from 26:14 (hrs: mins) in 2000 to 18:40 in 2016.
- Younger audiences are less likely to access or listen to traditional radio networks.
- In the last decade the RNZ National average weekly audience reach has declined from 15.7% of the population to 13.3%, and the RNZ Concert average weekly audience reach has declined from 6.7% of the population to 3.8%.

**4**

## **OFFSETTING THIS DECLINE IN RADIO IS A RAPID GROWTH IN AUDIENCES FOR NEW DIGITAL MEDIA**

- Audiences now expect content to be delivered in new ways – often across multiple digital platforms.
- Online audiences for rnz.co.nz continue to grow rapidly.
  - 3.9 million sessions for rnz.co.nz in March 2017 were up 73% on March the year before.
  - 1.8 million users on rnz.co.nz in March 2017 were up 54% on March the year before.
  - 7.6 million page views for rnz.co.nz in March 2017 were up 52% on March the year before.

**5**

## **THE NEW ZEALAND POPULATION CONTINUES TO CHANGE**

- New Zealand society is becoming more culturally diverse.
- Geographically Auckland continues to be New Zealand's high growth area.
- The proportion of the New Zealand population with Maori, Pacific Island or Asian heritage is growing.
- These new sectors provide audience growth opportunities for RNZ.

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**RNZ has developed its strategic objectives and planning in response to both the challenges and the opportunities presented by these trends.**

# STRATEGIC PRIORITIES FOR THE NEXT FIVE YEARS

## 1 OPTIMISE OUR CHARTER PERFORMANCE:

Rather than being commercially motivated, our priority is to optimise the achievement of our public service broadcaster responsibilities, as defined by the Charter.

While we will always be open to opportunities to attract non-Government funding, we believe it is critical that we retain our public service (and therefore non-commercial) ethos and funding model throughout our core services.

### ACTIONS:

- Our charter obligations will always underpin our decisions and priorities when it comes to news coverage, programme content, target audiences, and budget prioritisation.
  - Detailed audience research will inform our strategic decisions.
  - Improved co-ordinated use of all our media services, to not just support each other, but also to develop their own specific audiences, and increase our overall reach and impact.
  - Targeted audience and content plans to represent the changing face of New Zealand.
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## 2 TRANSFORMATION:

The main focus of our strategic planning for this period will be on the continued transformation of RNZ from a traditional radio broadcaster to a modern audience-led multimedia organisation, creating unique, essential content and making it available through a variety of delivery platforms, whenever, wherever and however the audience wants it.

### ACTIONS:

- Transformation will require investment in new content, new services, new technology and new ways of working, as well as many changes to what we do, and how we do things.
  - Develop plans to take advantage of new technology and business practices, to operate as efficiently and effectively as possible, and provide staff with an environment that reflects a high-performing media organisation in the 21<sup>st</sup> century.
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KEY OBJECTIVES FOR THE NEXT FIVE YEARS	
1	<b><u>AUDIENCE AND CONTENT GROWTH:</u></b> REACH 1.2 MILLION PEOPLE A WEEK BY 2022
2	<b><u>IMPROVED DISTRIBUTION AND ACCESSIBILITY:</u></b> CONTINUE TO EVOLVE RNZ'S DELIVERY PLATFORMS AND DISTRIBUTION SO THAT CONTENT IS AVAILABLE WHENEVER, WHEREVER, AND HOWEVER PEOPLE WANT TO RECEIVE IT.
3	<b><u>HIGH PERFORMING CULTURE WITH INCREASED CAPABILITY:</u></b> CREATE AN AGILE, MODERN MULTIMEDIA ORGANISATION WITH A DIVERSE, HIGH-PERFORMING STAFF
4	<b><u>RESILIENCE AND SUSTAINABILITY:</u></b> MAINTAIN FINANCIAL AND OPERATIONAL RESILIENCE TO ENSURE RNZ CAN MANAGE UNFORSEEN EVENTS, KEEP ESSENTIAL SERVICES FUNCTIONING AND RESPOND EFFECTIVELY IN TIMES OF EMERGENCY.

## ORGANISATIONAL HEALTH AND CAPABILITY

RNZ recognises the importance of organisational health and capability.

We aim to achieve this through:

- Developing a healthy and engaged, high performing and effective organisational culture.
- Ongoing emphasis on equal opportunities, health and wellbeing at work.
- Supporting and encouraging diversity and equal employment opportunities, gender pay parity and flexible work practices.
- Continuing to review and improve our policies and procedures to ensure fair treatment of all staff.
- Accountable leadership.

The main standards used for achieving our goals are:

- Operating a fair and transparent remuneration system that recognises and rewards high performance.
- Developing, coaching and supporting our staff to ensure they have opportunities to progress and do their best work.
- Maintaining safe working conditions with up to date health and safety policies.
- Seeking and acting on employee feedback, through exit surveys and staff cultural and engagement surveys.
- Feedback and development programmes for senior leaders.

## ASSESSING OUR PERFORMANCE

RNZ has one reportable class of output which is the delivery of Public Broadcasting Services (M8<sup>1</sup>), which is funded through two votes in the appropriations, one via NZ On Air for RNZ (\$35.3 million) and one via the Ministry for Culture and Heritage for the RNZ International service (\$1.9 million).

The purpose of the broadcasting output is as defined in the Charter.

RNZ also receives other Government funding of \$1.7 million relating to third party contracts for coverage of Parliament and The Wireless.

In addition to this Statement of Intent, each year RNZ prepares a Statement of Performance Expectations which provides specific annual outputs, targets and measures that support the longer term strategic priorities. RNZ has an agreed annual reporting framework which allows monitoring agencies to measure and assess achievement against strategic priorities and objectives.

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<sup>1</sup> M8 refers to the indicator for The Estimates and Appropriations for the Government of New Zealand (Maori, Other Populations and Cultural Sector Vote). Crown Entities Act, S136 (1) defines output classes "that is directly funded (in whole or in part) by the Crown in accordance with the appropriations...."