

NEW ZEALAND MUSIC COMMISSION TE REO REKA O AOTEAROA

**Supporting the Growth of the New Zealand Music Industry
Culturally and Economically, at Home and Abroad**

STRATEGIC PLAN 2015 - 2016



**NEW ZEALAND
MUSIC COMMISSION**
TE REO REKA O AOTEAROA



NZ MUSIC COMMISSION TE REO REKA O AOTEAROA

Strategic Plan 2015 – 2016 For the period starting 1 July 2015

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The NZ Music Commission
Te Reo Reka O Aotearoa is funded by



FOREWORD FROM THE BOARD OF TRUSTEES

The world-wide music industry's rapid transition to digital persisted in 2014, with music businesses, artists, and consumers further utilising the potential of transformative technologies. Digital sales and promotion pathways continued to remove traditional territorial boundaries and improve NZ contemporary music's opportunities to market globally.

THE GLOBAL ENVIRONMENT:

Digital is the keyword for the global music marketplace with the International Federation of the Phonographic Industry's (IFPI) 2015 report showing 6.9% growth in digital revenues to US\$6.85 billion in 2014, matching revenues from physical format sales for the first time. 23% of global digital revenues are now derived from music subscription services, such as Spotify, with an estimated 41 million subscribers worldwide.

Overall, the recorded music market declined very slightly (0.4%) to US\$14.97 billion, showing the transition to streaming adversely affecting physical format sales (- 8.1%) and downloads (- 8.0%). Income from performance rights and synchronisation however, both increased by over 8%.

Francis Keeling, Global Head of Digital Business for the world's largest record company, Universal Music Group, states in the IFPI report: *'The strength of the industry today is seen in the wide-ranging portfolio of diverse businesses operating in the market. The consumer is now being offered an incredible array of music experiences and artists have more opportunities to reach the widest possible audience'*.

THE NEW ZEALAND ENVIRONMENT:

Recorded Music New Zealand's report on the 2014 domestic market shows NZ to be ahead of the trend to digital with digital sales now well ahead of physical at 60%, and streaming representing 24% of all wholesale revenues, an increase of 15% on 2013. The overall recorded music market declined by 0.8% to NZ\$66.2 million but is seeing greater diversification with physical sales generating \$21.4m, digital downloads \$19.1m, streaming \$12.7m and public performance/broadcast \$13m.

The NZ Music Commission continues to monitor developments in the global and local industries in order to support its vision of a successful music industry in NZ, via regular formal and informal consultation with its stakeholders, the wider industry, and its partners in the Contemporary Popular Music Group. In the coming year we will convene a 'State of the Nation' round table with music professionals to seek input from stakeholders about the most effective support that can be provided in our rapidly changing environment. This will inform our sector development priorities for the Music Commissions new four-year plan commencing in 2016.

The Music Commission Board, which is actively involved in formulating and executing the organisation's Strategic Plan, comprises successful sector practitioners, from music managers to local record label owners, songwriters to marketing and business specialists, who have a balance of both local and international experience.

The international experience and global focus of the Board has never been more pertinent. The Music Commission is currently tracking more than 50 NZ artists (84% of whom have been funded at some stage of their careers by Outward Sound) who are enjoying genuine international prospects. The Outward Sound export support programme has seen applications to fund firm offshore commitments more than double in the past two years, with funds applied for in the past year three times the funds available. This is the greatest challenge the Music Commission faces in the forthcoming year.

This Strategic Plan outlines the Music Commission's key initiatives for 2015-16 for continuing to support the growth of the NZ music industry, culturally and economically, at home and abroad, at a time when the potential for NZ music has never been greater.



Victoria Blood, Chairperson
For the Board of Trustees of the New Zealand Music Commission

INTRODUCTION

The NZ Music Commission Strategic Plan 2015-2016 is the final year of the three-year strategy that was devised by the Board and staff of the Music Commission, in consultation with industry members, in early 2013. This Strategic Plan has been refined annually to reflect the current environment for New Zealand music businesses and practitioners.

In March and April of this year, the Music Commission reviewed its strategic direction with both end-users and observers of many of our core initiatives at two Outlook Discussion strategy sessions; one focused on the domestic outlook and one focused on the international outlook for New Zealand music.

Key points that arose from these consultation sessions, which helped to inform the review of this Strategic Plan, were:

- Managers are taking on ever more complex and weighty responsibilities and continue to need professional development resources.
- Greater complexity of revenue streams (especially in publishing) requires on-going discussion and education.
- Smaller domestic live music venues (a vital revenue source for developing artists) are suffering and an industry strategy is needed to support them.
- Whilst global opportunities for NZ artists are increasing, funding to support taking advantage of the opportunities has remained static.

The Music Commission will continue, and expand, our consultation processes over the coming twelve months as we prepare for the upcoming four-year plan to commence on 1 July 2016.

A new area of focus for the Music Commission will be investigating the best ways to support the emerging and growing revenue streams for the music industry, in particular synchronisation and utilising new technologies.

In addition, the Music Commission recently convened a Live Music roundtable in Auckland and will look to widen this throughout the country. Live performance continues to be one of the most significant income areas for artists domestically.

Also in the coming year we will be refining our Education programmes and looking to the future as we plan for the best educational outcomes, and widening the reach, of our work in this important part of the sector.

We will also be looking for areas of synergy with relevant government partners, such as the New Zealand Film Commission, where we can combine resources to maximise our individual projects and initiatives.

Finally, the Music Commission will be looking to grow its network of excellent ambassadors around the world who champion new music from New Zealand.

The staff of the organisation look forward to assisting New Zealand music businesses to succeed both domestically and internationally in the coming year.



Cath Andersen
Chief Executive

ABOUT THE NZ MUSIC COMMISSION

Nature & Scope of Functions:

The NZ Music Commission Te Reo Reka o Aotearoa is a trust with a national reach that is funded primarily by Government through Vote: Arts, Culture and Heritage. Its purpose is to provide services and support to grow New Zealand music businesses.

These services are not provided by other government agencies or through the music industry itself. The Music Commission is in a unique position to take a long-term developmental approach for the contemporary popular music sector as a whole.

Reporting Framework:

The Music Commission reports to the Minister for Arts, Culture and Heritage via Manatu Taonga the Ministry for Culture and Heritage.

The terms of the funding relationship are set out in an Outcome Agreement between the Music Commission and the Ministry. Further expectations of the Minister are communicated to the Music Commission in an annual Letter of Expectations.

Inter Agency Coordination:

Across the Government, there are four agencies supporting contemporary popular music. These are the Music Commission, NZ On Air, Creative NZ and Te Mangai Paho.

In 2012, the first three of the agencies created the Contemporary Popular Music Working Group to formalise ongoing consultation in areas of shared interest.

Together the inter-agency group reviewed their support of contemporary popular music. This was to ensure better coordination of support, with the roles of each agency defined, and to make sure that funding did not overlap. Te Māngai Pāho subsequently joined the inter-agency group.

As a result of the review the roles of each organisation have been defined in this chart.



Collaboration:

The Music Commission works with a range of other organisations to help us achieve the best value and reach for our services.

Organisations we collaborate with, and the collaborative activities undertaken on an annual basis, include:

APRA AMCOS: Contribution to economic impact research, partner for NZ Music Month, May Book contributor.

Christchurch Music Trust (CHART): Board membership of Music Commission representative, NZ Music Month partner, ongoing seminar programme.

Creative New Zealand: Contemporary Popular Music Working Group, May Book contributor, various seminars nationwide.

Independent Music NZ: Shared office services, Going Global Music Summit, ongoing seminar and upskilling programme, various national networking events, May Book contributor.

Music Managers Forum NZ: Official NZ Music Month Summit, ongoing seminar and upskilling programme, various national networking events, May Book contributor.

Music Education Aotearoa NZ (MENZA): National songwriting competition and performance day 'Hook, Line & Singalong'.

NZ On Air: Contemporary Popular Music Working Group, NZ Music Month partner, Official NZ Music Month Summit, various seminars nationwide, various national networking events, May Book contributor.

Te Mangai Paho: Contemporary Popular Music Working Group.

Radio Broadcasters Association (RBA): NZ Music Month partner, NZ Music Performance Code Committee.

Recorded Music New Zealand (RMNZ): Contribution to economic impact research, partner for NZ Music Month, May Book contributor.

Smokefree Pacifica Beats: Bands Mentoring in Schools Programme.

Smokefree Rockquest: Bands Mentoring in Schools Programme.

STRATEGIC OBJECTIVES FRAMEWORK

The Music Commission Objectives contribute towards achieving the Government's priorities for New Zealand, through the Ministry for Culture & Heritage Manatu Taonga goals for the cultural sector – or Sector Outcomes. Through achieving our Objectives, the Music Commission will play a key role in furthering the Ministry for Culture & Heritage's Strategic Priorities as they relate to contemporary popular music in the coming year.

Government Priorities:	Build a more productive and competitive economy
	Deliver better public services
	Rebuild Christchurch
Ministry for Culture & Heritage Sector Outcomes:	Create: Cultural and sporting activity flourishes in New Zealand
	Preserve: Our heritage can be enjoyed by future generations
	Engage: Engagement in cultural and sporting activities is increasing
	Excel: Artists, athletes and organisations achieve excellence
Ministry for Culture & Heritage Strategic Priorities:	<ul style="list-style-type: none"> • Fostering inclusive New Zealand identity • Front footing transformative technology • Supporting Māori cultural aspirations • Improving cultural asset sustainability • Measuring and maximising public value

Contributions to Government Priorities and MCH Sector Outcomes

Music is a key component of New Zealand's distinctive culture and provides significant artistic, economic and social benefits for New Zealanders. The Music Commission believes that successful music companies and successful music exports grow cultural pride and cultural output. A successful music industry will also contribute to the Government's goal to build foundations for a stronger economy.

The Music Commission's Objectives contribute to the *Sector Outcomes Create, Engage and Excel*. The specific initiatives in these areas are detailed in the table on pages 10 and 11.

The Music Commission does not directly contribute to the *Sector Outcome Preserve*.

Contributions to MCH Sector Priorities

Through a range of projects undertaken by the Music Commission, there is a direct positive contribution towards the MCH Sector Priorities for arts and culture in New Zealand.

Fostering inclusive New Zealand identity

New Zealand music enriches the lives of New Zealanders, and strengthens our sense of ourselves, and of our place in the world. By supporting and celebrating the success of NZ artists, the Music Commission aims to foster New Zealanders' sense of identity. Additionally, New Zealanders excelling on the world stage is a direct source of national pride – a key characteristic of nurturing national identity. Success in offshore markets also encourages participation through inspiring New Zealanders; both to be active within the sector as practitioners, and by fostering supportive audiences at home.

Supporting Māori cultural aspirations

Offshore contemporary music interventions can support the exposure of our unique Māori culture and generate business for Māori musicians and music businesses. The Music Commission will continue professional representations at strategic relevant international trade markets that focus on indigenous music (ie. the Womex World Music Expo and Australasian World Music Expo). The Music Commission is the sole agency that supports representation at these events.

Front footing transformative technology

The Music Commission will continue to explore initiatives that will enable more local music businesses to embrace new digital resources for borderless music production, promotion and distribution. Excellent online strategies are now the key to promoting artists internationally, and utilising new technologies will ensure NZ music businesses strategically target their markets and investments. Data set technology, which uses analytic information across a comprehensive range of networks and can provide unprecedented access to audience analytics, is an emerging tool, which with early adoption, will give New Zealand artists a competitive edge at comparatively low cost. Additionally, the management of copyrights from remote locations, such as New Zealand, has become feasible with developments in the area of online digital rights administration. These recent advancements in burgeoning technologies will markedly assist music export growth in the coming years.

Improving cultural asset sustainability

In addition to creating export revenue, Outward Sound investment directly assists NZ companies to retain copyrights, which may have previously been assigned overseas in order to gain the financial resources needed to reach international markets. Domestic retention of copyrights allows New Zealand music businesses to earn long-term income from their development investments, and to reinvest locally. Not only does this keep export revenue within New Zealand, but it preserves the cultural assets generated – the intellectual property of our music.

Measuring and maximising public value

Broadly, continued support of contemporary popular Music via the Music Commission will enhance perceived public value of the arts via the enrichment of national identity detailed previously, and provide tools for measurement through the data-technologies discussed above.

STRATEGIC DIRECTION

The New Zealand Music Commission Strategic Plan 2013 – 2016 was developed by the Board and staff of the organisation in consultation with industry stakeholders, via regular forums and round-table discussions focussing on where, and how, the Music Commission can deliver the best services for the wider music sector.

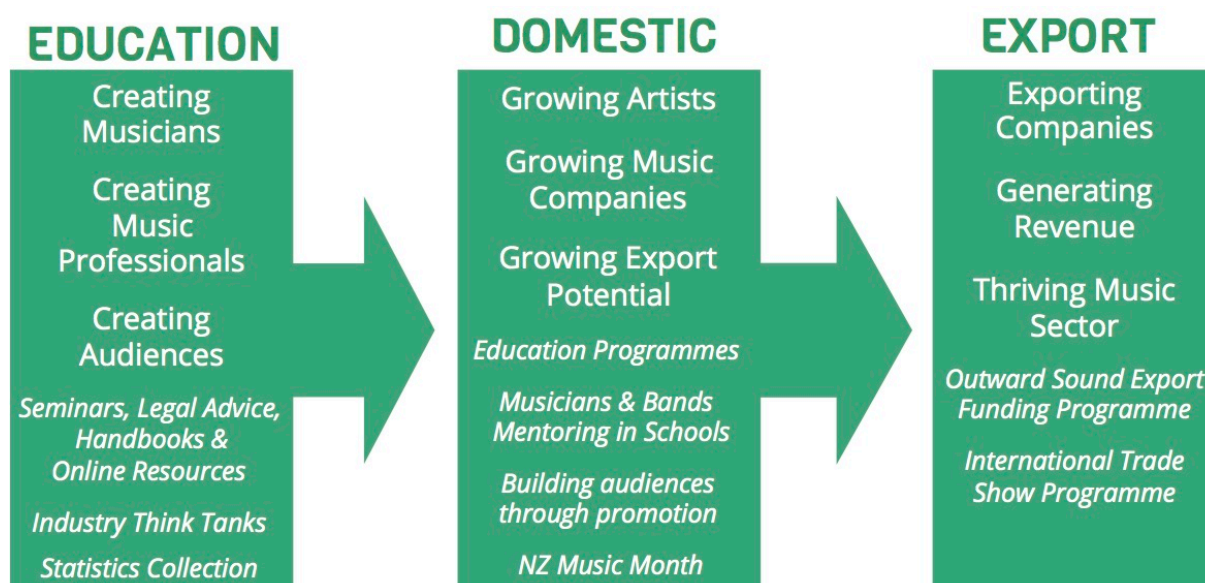
The Music Commission Board bring industry knowledge and networks to their positions as Trustees. All members are sector practitioners, from music managers to local record label owners, and songwriters to marketing and business specialists, with a balance of both local and international experience (see Board Directory on page 27).

Our Vision:	A successful music industry in New Zealand
Our Mission:	Supporting the growth of the New Zealand music industry, both culturally and economically, at home and abroad

Our working principles are that all Objectives and Initiatives should:

<i>Demonstrate</i>	Excellence
<i>Encourage</i>	Investment
<i>Promote</i>	Awareness
<i>Utilise</i>	Innovation

An Auckland based organisation, the Music Commission has five full-time and three part time staff who work across three departments – **Education, Domestic Growth** and **Export Growth**.



KEY INITIATIVES

The Music Commission's strategic direction is focused on achieving its Mission through undertaking work in three Objective areas. The key projects which will contribute to our Objectives, and MCH Outcomes, in the year from 1 July 2015 are:

<p>MCH Outcome: ENGAGE</p> <p><i>Engagement in cultural activities is increasing</i></p>	<p>Objective One: ENGAGE</p> <p>Public Engagement with music from NZ is enhanced</p> <p>We do this because:</p> <ul style="list-style-type: none"> • New Zealand music enriches the lives of New Zealanders, and strengthens our sense of ourselves, and of our place in the world. • Building future audiences begins with young people. • Supporting the diverse range of contemporary popular NZ music. 	<p>Our Projects in this area:</p> <ul style="list-style-type: none"> • Operating the Musicians Mentoring in Schools Programme • Operating the Bands Mentoring in Schools Programme • Organising NZ Music Month • Supporting significant cultural recognition events – eg. The Waiata Maori Music Awards, the Pacific Music Awards and the Taite Music Prize • Investigating research into the societal benefits of music, especially pertaining to young people.
<p>MCH Outcome: CREATE</p> <p><i>Cultural activity flourishes in New Zealand</i></p>	<p>Objective Two: EXPERTISE</p> <p>The expertise of music industry professionals is increased</p> <p>We do this because:</p> <ul style="list-style-type: none"> • Continuing to strengthen our music industry's infrastructure supports cultural and economic growth for New Zealand. • We need to be building our internationally successful companies of the future now. 	<p>Our Projects in this area:</p> <ul style="list-style-type: none"> • Supporting the Music Managers Forum NZ • Supporting Independent Music NZ • Continuing to monitor emerging income streams, including digital developments • Producing the Official NZ Music Month Summit in partnership with the MMF • Participating in and hosting seminars and upskilling events • Facilitating Master Classes • Providing a free legal advice service • Producing the music industry handbook 'The May Book' annually • Maintaining a website with a directory of NZ musicians, artist news and a resources • Supporting capability growth for NZ music businesses • Contributing toward research on the economic value of the music industry • Providing quarterly reports on the performance of the NZ music industry regarding sales and airplay • Publishing information on key domestic and international events.

<p>MCH Outcome: EXCEL</p> <p>Artists and organisations achieve excellence</p>	<p>Objective Three: EXPORT</p> <p>Offshore market initiatives lead to a thriving music industry</p> <p>We do this because:</p> <ul style="list-style-type: none"> • NZ can achieve further offshore success for our music industry exports, which will lead to both enhanced cultural pride and higher levels of economic return to our country. • Leveraging across all NZ export and trade opportunities will enhance the NZ music industry's reputation on the world stage. 	<p>Our Projects in this area:</p> <ul style="list-style-type: none"> • Operating the Outward Sound Programme • Coordinating and managing the representation of NZ music at international music trade events – eg. CMJ Music Marathon, The Great Escape, BIGSOUND, AWME, WOMEX and SXSW • Producing the Going Global Music Summit in partnership with IMNZ • Providing networking opportunities for NZ music businesses with international counterparts ie. Country Connections • Investigate strengthening cultural diplomacy links, particularly in regard to WW100 commemorations.
	<p>Organisational Objectives:</p>	<ul style="list-style-type: none"> • Working with other government funded arts agencies to improve cooperation in the planning and delivery of government support for contemporary popular music • Identify opportunities for joined-up purchasing of services for both the Music Commission and the wider sector • Actively look for mutually beneficial partnerships and collaborations with other organisations.

The details of the initiatives for the Music Commission 2015 – 2016 to help us achieve these Objectives can be found in the *Forecast Statement of Service Performance* on pages 15 – 20.

ORGANISATIONAL HEALTH & CAPABILITY

Organisational Capability:

The Music Commission has a small staff and recognises that its people are its greatest organisational asset.

The operations of the organisation are managed by the Chief Executive, with input from two senior managers. Additional staff work in each outcome area with the full-time equivalent (FTE) staff projected to be 8.2 in 2015/2016, including financial management.

The organisational structure for the NZ Music Commission is:

Board Of Trustees		
Chief Executive		
Finance Manager	Education Manager	International Manager
Communications & Projects Officer	Education Assistant	International Coordinator
Executive Assistant		
Resource Officer		
Administration Assistant		

Organisational Capability Goals	
<p>Goal 1: The Music Commission has a committed and capable Board of Trustees that effectively govern the organisation.</p>	<p>Actions:</p> <ul style="list-style-type: none"> The Board undertake an annual self-assessment to evaluate the effectiveness of its governance. The Board reviews its make-up to ensure the right balance of skills is around the table as vacancies arise. The Board reviews its policies and procedures on an annual basis.
<p>Goal 2: The Music Commission is committed to being a good employer focusing on retention of staff and providing equal opportunities to staff.</p>	<p>Actions:</p> <ul style="list-style-type: none"> All staff have professional development plans to adequately support their goals revised on an annually. All staff will have training opportunities annually. That staff turn over is no more than 1.5 FTE annually.
<p>Goal 3: Our office environment is safe, well maintained and fit for purpose.</p>	<p>Actions:</p> <ul style="list-style-type: none"> Business Continuity Planning is part of the ongoing life of the organisation and reviewed on a quarterly basis. Zero tolerance is maintained for harassment or bullying and all staff are aware of the serious misconduct policy. Any safety hazards issues are dealt with promptly and reported in a document controlled file.

Strategic Capability:

The Music Commission has a strategic direction framework developed by the Board, in consultation with staff and external stakeholders, which responds to the current environment.

The strategic direction of the organisation will enable the Music Commission to be both proactive within the sector and reactive when the environment changes, and demonstrate the delivery of better public services in the impact measures we attain. The organisation will also investigate opportunities to collaborate with other agencies on programmes and initiatives that will contribute towards the Music Commission's Mission and Objectives.

Strategic Capability Goals	
Goal 1: The Strategic Plan of the Music Commission provides a structure in which the organisation can achieve its outcomes to contribute towards the sector.	Actions: <ul style="list-style-type: none">• The Music Commission can undertake work it resolves is most valuable for the sector within the Objectives determined in the Strategic Plan.• The impact measures from the Strategic Plan will guide future decisions on allocation of resources.
Goal 2: The Music Commission will collaborate with other agencies, both government and non-government, to provide services to support the growth of the music industry in New Zealand where appropriate.	Actions: <ul style="list-style-type: none">• The Music Commission identifies common goals with other agencies and where appropriate participates in partnerships for service provision.• The Music Commission continues to collaborate with the joint-agency Contemporary Popular Music Working Group.
Goal 3: The Music Commission will consult with the wider industry on an annual basis to ensure our strategic goals are aligned with the current environment.	Actions: <ul style="list-style-type: none">• The Music Commission will host external industry representatives every year, either in small focus groups or wider forums, to gain insight into sectoral issues and opportunities. Specifically in 2015-2016, a music industry roundtable will be held to inform the upcoming four-year strategy for the organisation.• The staff and Board will be proactive in their roles as ambassadors for the Music Commission and provide feedback and ideas to inform the organisations strategic framework.

Financial Capability:

The Music Commission receives 90% of its income from the Government. We continue to rely on the Government to fund our core activities, however we will also actively explore alternative sources of financial support.

The Music Commission will continue to explore opportunities to partner with other organisations for both in-kind and mutually beneficial financial agreements so that we can grow our range of services and their sectoral reach.

Financial Capability Goals	
Goal 1: The Music Commission explores opportunities for increasing its income to leverage on the current international spotlight on music from New Zealand.	Actions: <ul style="list-style-type: none">• The Music Commission advocates for greater investment in contemporary popular music, particularly to support New Zealand music businesses in the global market.
Goal 2: The Music Commission explores opportunities for joined-up purchasing of services for the organisation, and where applicable, the sector as a whole.	Actions: <ul style="list-style-type: none">• The Music Commission investigates and executes at least one contract for joined-up purchasing with a supplier.• The Music Commission collates information on the most commonly used offshore suppliers for international market development initiatives and provides this information to NZ music businesses.
Goal 3: The Music Commission and its Board of Trustees continue to explore opportunities to partner with external organisations.	Actions: <ul style="list-style-type: none">• The Music Commission gains a minimum of three domestic and three international financial or in-kind sponsors per annum.• The Music Commission undertakes a minimum of five partnership projects with shared financial input.

STATEMENT OF FORECAST SERVICE PERFORMANCE 2015/2016

OBJECTIVE ONE: ENGAGE

Public Engagement with music from NZ is enhanced

Why:

- New Zealand music enriches the lives of New Zealanders, and strengthens our sense of ourselves and our place in the world.
- Building future audiences begins with young people.
- Supporting the diverse range of contemporary popular NZ music.

We will measure this by:

2015 to 2016

Music is recognised by the public as a significant part of NZ's culture, as measured by an annual survey.

70% of survey respondents agree that music is a significant part of NZ's culture.

Sectoral indicators show a thriving local music environment.

Tracking Radio Play, Sales, APRA membership etc.

Our initiatives are in the areas of:

- Engaged and enthused young people.
- Providing compelling research into the societal benefits of music and music education.
- Providing forums for celebrating NZ music and its creators.
- Championing a diverse range of NZ music businesses.
- Creating ambassadors for the value of music.

INITIATIVE 1: Musicians Mentoring in Schools Programme & Bands Mentoring in Schools Programme

WHAT IS INTENDED TO BE ACHIEVED?

Teachers and students develop knowledge, skills and understanding of contemporary popular NZ music through a practical based framework in which professional musicians act as mentors in participating schools.

Participants in the Pacifica Beats and Smokefreerockquest programme will be assisted to develop their live performance and event management skills through partnering them with a professional band who provides support, and shares their experiences and knowledge.

INTENDED RESULT

- The number of schools participating in the programme annually shows value in programmes.
- The number of students participating in the programme annually indicates value in programmes.
- Participants rate the Programmes to have had a positive or strong influence in the areas of song writing skills, performance skills, theoretical and practical musical skills and enhanced understanding of the NZ music industry and possible career paths.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- 60 Schools participate in Musician Mentoring.
- 1200 Students participate in Musician Mentoring.
- 40 Schools participate in Bands Mentoring.

Qualitative:

- 80% of participants rate the Programmes as having a positive or strong influence in the intended result areas.

INITIATIVE 2: New Zealand Music Month

WHAT IS INTENDED TO BE ACHIEVED?

Promotional activities lead to increased coverage celebrating NZ Music and the people who create it.

INTENDED RESULT

- The volume of live music events nationwide during May show engagement by artists.
- Level of coverage of NZ music during NZ Music Month in the traditional media and by the public through social media indicates public engagement.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- Volume of music events occur nationwide (*Baseline 2013/14 – 600 events*).
- Number of traditional media stories covering NZ music and artists as tracked by an alert system (*Baseline 2013/14 – 1,198 tracked*).

Qualitative:

- Social Media engagement grows as shown through a combination of social media analytic data.

INITIATIVE 3: Supporting significant cultural recognition events

WHAT IS INTENDED TO BE ACHIEVED?

Supporting events that celebrate excellence in Maori Music, Pacific Music and independent music showcase to the public the importance of their contribution to the contemporary popular music industry.

INTENDED RESULT

- That the events such as the Waiata Maori Music Awards, the Pacific Music Awards and the Taite Music Prize continue to be recognised as culturally significant events, and supported annually by the Music Commission.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- That three events are supported annually.

Qualitative:

- That the three events produce positive media results.

OBJECTIVE TWO: EXPERTISE

The expertise of music industry professionals is increased

Why:

- Continuing to strengthen our music industry's infrastructure is a vital function of the Music Commission.
- We need to be building our internationally successful companies of the future now.

We will measure this by:

2015 to 2016

Volume of NZ artists that are demonstrably export ready as evidenced by the percentage of high potential Outward Sound applications (those that are suitable to fund - whether or not there are sufficient funds available to fund them) received annually.	Percentage of high potential (or 'export ready') Outward Sound applications received increases on the previous year.
Increased access of support, tools and resources provided by the Music Commission.	Tracking membership of MMF and IMNZ, and usage of Music Commission resources (Music Law, online access and upskilling event attendance).

Our initiatives are in the areas of:

- Supporting organisations that enhance the impact of NZ music companies (eg. MMF & IMNZ).
- Providing upskilling opportunities, resources and tools for doing better business and raising professionalism.
- Contributing to research that monitors the health and value of the industry, including monitoring the digital change.

INITIATIVE 4: Provide support to Independent Music New Zealand (IMNZ), and the Music Managers Forum (MMF)

WHAT IS INTENDED TO BE ACHIEVED?

Providing support to independent music companies via IMNZ and professional artist managers through the MMF enables the delivery of important industry support and professional development initiatives for the benefit of the wider industry.

INTENDED RESULT

- The Music Commission through providing an annual operating grant to the MMF and IMNZ will receive services, including an upskilling schedule based on membership surveys and feedback, to benefit both their memberships and the wider industry.
- The paid membership of both organisations remains at least stable showing value perceived in the organisations' services.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- The paid membership of IMNZ remains stable or grows (*Baseline 2013/14 – 90 members*).
- The paid membership of the MMF remains stable or grows (*Baseline 2013/14 – 185 members*).

Qualitative:

- Both organisations show a positive result in a membership survey regarding their services.
- The Music Commission receives a positive report of the organisations' impacts via a range of agreed performance measures.

INITIATIVE 5: Delivering professional development opportunities and resources for the NZ music industry**WHAT IS INTENDED TO BE ACHIEVED?**

Supporting and participating in upskilling events across NZ from grassroots learning through to higher professional development opportunities, and producing practical information and resources, will provide industry practitioners with useful and high quality information with which to expand their skill base and help to grow the industry's expertise.

INTENDED RESULT

- Usage of services and attendance at upskilling events indicates the value of our range of resources to music industry practitioners; new audiences at seminars and first time users of services show that the industry is aware of resources.

ACHIEVEMENT MEASUREMENTS 2015/2016**Quantitative:**

- A minimum of five upskilling events occur annually.
- That usage of resources is maintained or grows annually (*Baseline 2013/14 – 5.84% increase in website resource usage*).
- 25% of event audiences or resource users are first time attendees or clients.

Qualitative:

- At least 75% of upskilling event attendees rate the events as good or excellent.

INITIATIVE 6: Improved research on the performance of the NZ music industry.**WHAT IS INTENDED TO BE ACHIEVED?**

Facilitating the collection of data relevant to the NZ music industry will provide the industry (and the Music Commission) with important knowledge about the economic performance of the industry and greater societal benefits of music. Research and development will lead to greater investment, as returns can be better documented.

INTENDED RESULT

- A quantifiable figure of the financial value of NZ music is published annually via a sectoral report produced in partnership with the key national music organisations to show the economic impact of NZ music businesses.
- Useful empirical evidence regarding the societal value of music is gathered and disseminated to strengthen the understanding of the non-economic contribution music makes to New Zealand.

ACHIEVEMENT MEASUREMENTS 2015/2016**Quantitative:**

- One sectoral report is produced in partnership with the key national music organisations.

Qualitative:

- A growing number of users access data and statistics collected and published online.

OBJECTIVE THREE: EXPORT

Offshore market initiatives lead to a thriving music industry

Why:

- NZ can achieve further offshore success for our music industry exports, which will lead to both enhanced cultural pride and higher levels of economic return to our country.
- Leveraging across all NZ export and trade opportunities will enhance the NZ music industry's reputation on the world stage.

We will measure this by:

2015 to 2016

Percentage of Outward Sound recipients offered subsequent international opportunities after undertaking an Outward Sound supported project therefore increasing their business.	Percentage of Outward Sound recipients offered subsequent opportunities increases annually.
Artists we work with internationally receive greater coverage and engagement.	Monitoring the impact of offshore market initiatives via social media metrics.

Our initiatives are in the areas of:

- Outward Sound international music market development programme.
- Representation at key international markets and trade events.
- Opportunities for upskilling and networking to grow offshore impact.

INITIATIVE 7: Operation of the Outward Sound Programme

WHAT IS INTENDED TO BE ACHIEVED?

Through providing a robust and transparent grants assistance programme that invests up to 50% of costs for representatives or artists to undertake offshore music market initiatives, NZ music projects will have an increased chance at success in overseas markets, foreign exchange earnings from NZ music will increase, and the profile of NZ music in international markets will improve.

INTENDED RESULT

- Outward Sound continues to operate in a robust and transparent manner with positive results from two independent applicant project audits.
- A growing number of Outward Sound supported export initiatives that gain foreign investment annually.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- Four funding rounds are held annually and random audits are undertaken for a minimum of two completed Outward Sound projects.
- 100% of projects funded through Outward Sound have robust plans and demonstrate capability to achieve increased overseas earnings, as assessed by an industry advisory group.

Qualitative:

- Four applicants take part in a survey to assess the funding process and management of the programme.

INITIATIVE 8: Coordinating and managing the representation of NZ music at strategically identified international music trade events

WHAT IS INTENDED TO BE ACHIEVED?

The offshore business potential for NZ music businesses will be increased through a coordinated, professional and territory-relevant national representation promoting New Zealand as a source of repertoire.

INTENDED RESULT

- The number of NZ music businesses who chose to attend international trade events shows the value of investing in offshore market initiatives, and the number of trade shows attended by the Music Commission acting as an export office is driven by interest in attendance and perceived value.
- The engagement with NZ music businesses (including artists) as a result of attending offshore trade events correlates investment with impact of export initiatives; and the volume of new business connections shows the value of different trade events.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- Number of NZ music businesses (including artists) that attend music markets or trade fairs to showcase New Zealand artists and promote New Zealand as a source of repertoire (*Baseline 2013/14 – 43 NZ music businesses attended*).
- A minimum of four international trade events host a NZ presence.

Qualitative:

- Increase in volume of social media metrics for artists attending or represented at international trade events.
- Volume of new business connections reported by attending NZ music businesses.

INITIATIVE 9: Facilitating the availability of offshore expertise to local practitioners

WHAT IS INTENDED TO BE ACHIEVED?

Facilitating opportunities for international specialists to pass on knowledge to local music businesses via seminars and networking opportunities will enable NZ artists and professionals to make more informed plans and decisions with regard to overseas market initiatives, improving their chances of success.

INTENDED ACHIEVEMENT

- That experts participate in upskilling or networking opportunities annually both in New Zealand and offshore providing useful information and contacts for NZ practitioners.

ACHIEVEMENT MEASUREMENTS 2015/2016

Quantitative:

- That at least 50 NZ music businesses participate per annum.
- That three local companies undertake an intensive business development programme.
- That at least 15 international professionals participate per annum.

Qualitative:

- At least 70% of attendees / participants surveyed rate their satisfaction with events as good or excellent, and beneficial to their businesses.

FORECAST FINANCIAL STATEMENTS:

**For the Year Ending
30 June 2016**

NZ Music Commission

For Year End 30 June 2016

	Jun-15	Jun-16
BALANCE SHEET		
Working Capital		
Cash and Investments	454,181	332,825
Receivables	168,346	172,897
Prepayments	28,240	28,019
	650,768	533,741
Less		
Payables & Accruals	(398,641)	(418,753)
Income In Advance	0	0
Taxation	10,269	5,543
	(388,371)	(413,209)
Net Working Capital:	262,396	120,532
Non Current Assets		
Fixed Assets	7,128	8,018
Preliminary Expenses	14,681	14,681
Outward Sound Set Up Costs	11,177	11,177
Logo	-	-
	32,986	33,876
	295,382	154,408
Represented by:		
Retained Earnings	379,099	295,382
Prior Year Adjustment	-	-
Net Profit	(83,717)	(140,975)
	295,382	154,408
FIXED ASSETS		
Assets at Cost - 2014	110,139	85,344
Purchases/(Sales) - Prior Months		7,200
Purchases/(Sales) - Current Year	(24,795)	-
	85,344	92,544
Accumulated Depreciation - 2014	(105,233)	(78,216)
Depreciation Expense - Prior Months		-
Depreciation Expense - Current Year	27,017	(6,310)
	(78,216)	(84,526)
Fixed Assets	7,128	8,018

NZ Music Commission

For Year End 30 June 2016

Notes to the Management Reports

1 Retained Earnings	2015	2016
Balance at beginning of year	379,099	295,382
Net Surplus / (Loss)	(83,717)	(140,975)
Prior Year Adjustment	-	-
Transfer to Education Reserve	-	-
Transfer to Outward Sound Reserve	-	-
Transfer to World Series Reserve	-	-
	<hr/>	<hr/>
	295,382	154,408
	<hr/>	<hr/>
2 Education Reserve	2015	2016
Balance at beginning of year	-	-
Transfer from Retained Earnings	-	-
Transfer to Retained Earnings	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
3 Outward Sound Reserve	2015	2016
Balance at beginning of year	-	-
Transfer from Retained Earnings	-	-
Transfer to Retained Earnings	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
4 World Series Reserve	2015	2016
Balance at beginning of year	-	-
Transfer from Retained Earnings	-	-
Transfer to Retained Earnings	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
5 Retained Earnings as per Balance Sheet	295,382	154,408
	<hr/>	<hr/>

NZ Music Commission

For Year End 30 June 2016

	Jun-15	Jun-16
CASHFLOW		
Net Profit Before Tax (Inclusive of Non Deductible)	(83,717)	(140,975)
Depreciation	(27,018)	6,310
Decrease / (Increase) in Receivables	42,449	(4,551)
Decrease / (Increase) in Prepayments	84,625	221
Decrease / (Increase) in Long Term Assets	-	-
Increase / (Decrease) in Payables / Accruals	(76,313)	20,111
Decrease / (Increase) in Income in Advance	-	-
Decrease / (Increase) in Taxation	(7,397)	4,726
Prior Year Adjustment (Retained Earnings)	-	-
Operating Cashflow:	(67,370)	(114,156)
Purchase of Fixed Assets	24,795	(7,200)
Movement in Cash:	(42,575)	(121,356)

SOURCE AND APPLICATION OF FUNDS STATEMENT

The Bank started at (1/7/15)	496,756	454,181
Cash was received from		
Grants, donations and other income	1,962,006	1,922,336
Taxation	-	10,267
	1,962,006	1,932,603
Cash was applied to		
Expenses (Including Non Deductible)	(2,021,979)	(2,041,218)
Long Term Assets	-	-
Taxation	(7,397)	(5,541)
Fixed Assets	24,795	(7,200)
	(2,004,580)	(2,053,959)
The Bank Closed at (30/6/16)	454,181	332,825
Memo:		
Cash Received	1,962,006	1,932,603
Cash Applied	(2,004,580)	(2,053,959)
Movement in Cash:	(42,575)	(121,356)

NZ Music Commission

SURPLUS FUNDS

Balance of Reserves:	
To 30 June 2016	
Outward Sound:	
Opening Balance -1 July 2015	-
Plus:	
Budget Income for 2016	400,000
TOTAL FUNDS	400,000
Less:	
Budget Expenditure for 2016	(400,000)
NET SURPLUS TO BE RETAINED	-

NZMC Cash In Bank - 30 June 2016	332,825
Less:	
Accounts Payable - 30 June 2016	(418,753)
Taxation - 30 June 2016	5,543
Plus:	
Accounts Receivable - 30 June 2016	172,897
NZMC NET SURPLUS FUNDS	92,512

NZMC NET Surplus Funds Analysis	
Surplus Funds	92,512
Made up of:	
2014 / 15 Surplus Funds Brought Forward	234,155
2015 / 16 Net Profit / (Loss) - MCH Funded	(75,414)
2015 / 16 Education - MCH Funded	(65,561)
2015 / 16 Outward Sound - MCH Funded	-
+ 2015 / 16 Non Cash Expenditure (Depreciation)	6,310
Less Capital Expenditure	(7,200)
Movement in Taxation	-
Movement in Income in Advance	-
Movement in Prepayments & Long Term Assets	221
NZMC NET SURPLUS FUNDS	92,512

NZ Music Commission
For Year End 30 June 2016

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	BUDGET 2016	R-CAST 2015	Variance
TOTAL NZMC SUMMARY BY DEPT							
Income							
Domestic	189,283	187,070	195,927	251,968	824,248	784,503	39,745
Education	-	133,500	-	133,500	267,000	267,000	-
International	108,910	108,910	108,910	108,910	435,638	463,411	(27,773)
Outward Sound	100,000	100,000	100,000	100,000	400,000	404,643	(4,643)
Total Income	398,193	529,480	404,837	594,377	1,926,886	1,919,557	7,330
Expenses (Including Non Deductible)							
Domestic	405,949	135,615	121,658	236,440	899,662	805,986	(93,676)
Education	61,700	96,056	51,821	122,984	332,561	315,258	(17,303)
International	72,048	147,739	109,157	106,694	435,638	454,910	19,271
Outward Sound	100,000	100,000	100,000	100,000	400,000	427,120	27,120
Total Expenses	639,697	479,409	382,636	566,118	2,067,861	2,003,273	(64,587)
Profit / (Loss) Inclusive Non Deductible	(241,505)	50,070	22,201	28,259	(140,975)	(83,717)	(57,258)
Taxation	-	-	-	-	-	-	-
NET Profit / (Loss)	(241,505)	50,070	22,201	28,259	(140,975)	(83,717)	(57,258)

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