

NEW ZEALAND MUSIC COMMISSION TE REO REKA O AOTEAROA

ANNUAL REPORT 2014 – 2015

**SUPPORTING THE GROWTH OF THE NEW
ZEALAND MUSIC INDUSTRY
CULTURALLY AND ECONOMICALLY,
AT HOME AND ABROAD**





NZ MUSIC COMMISSION TE REO REKA O AOTEAROA

ANNUAL REPORT 2014 – 2015

For the period starting 1 July 2014

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



Ministry
for Culture
& Heritage

EXECUTIVE OVERVIEW

In 2014-2015, New Zealand contemporary music businesses continued to take an increasingly global strategic view as opportunities for worldwide digital marketing and distribution grew and strengthened.

Revenue streams continued to diversify as the market rapidly embraced streaming, which now represents 24% of NZ wholesale recording revenues. Although growing, streaming has not yet achieved sufficient subscriber volume to create the returns previously derived from physical product and downloads. Live performance, synchronisation and merchandising are becoming of increasing importance to artist earnings.

The Music Commission maintained its extensive industry consultation during this year with both Domestic and International industry discussion and feedback sessions in March and April 2015, and 57 Outward Sound recipients taking part in a survey assessing the programme. This high level of consultation will continue throughout the rest of 2015, with the Music Commission having organised a music industry symposium in August to discuss the outlook for 2016 – 2020, involving the Chief Executive and a Board member from Recorded Music NZ, APRA AMCOS, Independent Music NZ, the Music Managers Forum, NZ On Air and Creative New Zealand.

Key issues arising from our consultation remain similar to 2013-2014:

- A global perspective and presence is critical.
- The responsibility and workload of artist managers and independent labels continue to grow and these practitioners are required to frequently update their skill sets and networks to be successful.
- Support for both artists and music businesses is crucial for the NZ music industry to thrive.

We are currently tracking over 50 NZ artists who are achieving on an international level and are seeing on-going growth in the opportunities for NZ artists offshore, creating continued growth in demand for the resources and support provided by the organisation. Export ready applications to Outward Sound in 2014-15 totaled \$923,038 against the \$400,000 pool available. The Music Commission is the only agency charged with supporting NZ artists and music businesses who have genuine international opportunities.

Over the past twelve months the Music Commission coordinated the New Zealand representation at eight international events, attended by 61 NZ music businesses.

Our up-skilling initiative 'The NZ Music Month Summit' in association with the Music Managers Forum was particularly successful this year. Likewise our Going Global Music Summit in partnership with Independent Music NZ attracted an extremely high caliber of international participants, including Glastonbury Festival booker Martin Elbourne, and resulted in several international deals for Kiwi artists.

Also as a result of our consultation process, we facilitated the formation of the Auckland Live Music Forum, an advocacy body for music venue operators.

NZ Music Month 2015 garnered huge support in both traditional and social media, and in the live performance area.

These and other highlights and key achievements for the year are detailed in the report.

In September 2014, the Christchurch rehearsal space and music community hub, 'BeatBox', which was initiated and supported by the Music Commission, opened its doors.

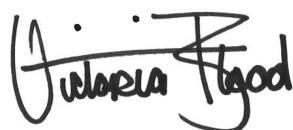
The updated PWC report The Economic Contribution of the NZ Music Industry 2014 has been completed and work will continue in 2015-16 on improving its scope. This report also mitigates one measure that will not be achieved this year – *a growing number of users access data and statistics online.*

The Music Commission was pleased to coordinate a broader group of partners for this work, expanded to include all members of the Contemporary Popular Music Group (CPMG).

The Board has appointed a new Financial Trustee, Greg Bonnett, from the commercial banking sector. His background and contacts will prove highly valuable in the mix of skills at the Board table. The Board again completed a rigorous self-assessment process and governance remains a key focus.

The key challenge for the Music Commission is how the organisation can best support growth and opportunities in the current and future environment. The Music Commission has partially funded its core activities from reserves for three years. These reserves are now depleted to the lowest permissible threshold, which will mean changes are necessary to continue to support the music industry in New Zealand.

However, the ever-increasing opportunities show the exciting possibilities for the future of the NZ music industry, both culturally and economically, and home and abroad.



Victoria Blood
Chairperson



Cath Andersen
Chief Executive

KEY HIGHLIGHTS

In the year ending 30 June 2015, some of the highlights for the Music Commission were:

- 1,841 students from 62 schools participated in the Musicians Mentoring in Schools Programme. 88.6% of those students rated the Programme as having a positive or strong influence in the sought impact areas.
- New Mentors to join the Musician Mentoring team included MC Tali, Troy Kingi, Indirah Force from Doprah, Hani Totorewa from Katchafire, Jon Toogood from Shihad and Brooke Singer from French for Rabbits.
- A range of resources for both primary and secondary school teachers was produced for NZ Music Month this year including a quiz, a webquest, 'Song of the Day' calendar and accompanying fact sheet. There were 1,000 downloads of these resources from our website.
- In NZ Music Month, there were more than 1,567 traditional media stories about NZ music, a 30% increase from 2014, and over 1,300 live music events occurred around the country.
- On news and current affairs shows, there were great NZ Music Month stories on Seven Sharp, Breakfast, One News and The Paul Henry Show. The Paul Henry Show played only NZ music throughout May – a big undertaking as they play a different song into and out of every ad break. Air NZ had only NZ music inflight and local music questions added to the inflight quiz, and for the first time, Jetstar played only NZ tracks on all domestic and trans-Tasman flights.
- There were 6,500 uses of the hashtag #nzmusicmonth, which is a 100% increase on the previous year, and the twitter reach grew 400% to 2.9m.
- The upskilling initiative 'The NZ Music Month Summit' was particularly successful this year, with 90% of audience feedback rating the upskilling event overall 8 out of 10 or higher.
- Three music managers participated in the inaugural CONTROL programme, funded by the Music Commission and the Australian Government. This was an intensive five-stage business development scheme for mid-career music managers.
- 61 NZ music businesses attended or showcased at an international trade event (detailed on page 33) and 75% of these businesses reported future offers and new connections. The events were BIGSOUND and AWME in Australia, CMJ Music Marathon and SXSW in USA, Womex in Spain, Celtic Connections in Scotland, and The Great Escape and Sound City in England.
- High-profile American entertainment magazine *Variety* featured a 'Spotlight on New Zealand' in their September 2014 edition, comprising one page on NZ film and a page on NZ music, predominantly featuring the NZ Music Commission.
- 15 international speakers participated in the Going Global Music Summit 2014. 87% of the attendees rated the event as 8 out of 10 or higher.
- Billboard Magazine ran a feature on '14 NZ Acts You Need to Know About' as a result of Going Global 2014.
- The Price Waterhouse Coopers report '*Economic Contribution of the New Zealand Music Industry 2014*' was completed.

KEY HIGHLIGHTS FOR OUTWARD SOUND RECIPIENTS

In the past year, the Music Commission has allocated 61 Outward Sound grants, comprising 39 International Music Market Development Grants, 6 Business Development Grants and 16 Delegate Grants. Between these recipients, there have been 43 international tours, 11 album deals signed and 23 commitments of international investment via sync, distribution or publishing deals. Some of the highlights from the 2014-15 Outward Sound recipients are:

- **Aldous Harding** – Signed to Spunk Records in Australia, Aldous showcased at The Great Escape. This was followed by a full European tour during June, with an exceptionally received live-to-air performance on a Marc Riley's BBC Radio 6 show. Performing at CMJ in October 2015, she is currently negotiating an international publishing deal with multiple offers on the table.
- **Electric Wire Hustle** – Recently signed to Questlove from The Roots label Okayplayer (US), and voted as one of the Top Albums in 2014 by the influential New York Times, the band toured extensively throughout the USA, UK and Europe in 2015 with over 6,700 fans tracking them on live music alert site Songkick.
- **Lontalius** – After several features in high profile US music magazines and blogs, including The Fader, the young Wellingtonian signed with US label Artisan Records. Lontalius is currently in New York recording new material with Ryan Hemsworth, who has previously worked with Frank Ocean and Grimes, among others.
- **Lord Echo** – New Zealand producer and multi-instrumentalist Lord Echo (aka Mike Fabulous) has signed to labels Wonderful Noise in Japan, Bastard Jazz from New York and Jakarta Records for Europe.
- **Marlon Williams** – Named as one of the “14 New Zealand Acts You Need To Know About” by influential Billboard Magazine US, Marlon announced a worldwide deal with Dead Oceans / Secretly Group for the release of his debut album and has signed with touring agency Billions.
- **Popstrangers** – They released their second album '*Antipodes*' on Carpark Records for USA and UK and were named by NME as one of the 'Five Bands to Watch from Liverpool Sound City'. Popstrangers received excellent reviews for their showcase performance at The Great Escape 2015 with a large queue making it impossible to see the show. Popstrangers are signed with booking agents Artist Group International (The Strokes, Metallica).
- **Princess Chelsea** - With YouTube views of her '*Cigarette Duet*' now in excess of 24.5 million, Princess Chelsea completed a full six-week tour in Europe, with Prague, London, Paris, Usti Nad Labem, Berlin & Bruno all selling out.
- **Thomston** – Signed to Saiko Management, Thomston has several serious international deals on the table. His first two EP's have now had over 11.5 million streams on Spotify. Thomston performed at the to The Great Escape in May and performed at nine European festivals in nine different countries throughout August and September 2015.
- **Unknown Mortal Orchestra** – Following the acclaimed release of their album '*Multi Love*', UMO are touring extensively worldwide in support of the release, with sixty-plus tour dates confirmed throughout the USA and Europe. This included promotional performances on Conan O'Brien and Late Night With Seth Meyers (average viewership 1.5m). Their Youtube channel has grown eight-fold in the past year to 3.8 million views to date.

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 – the Music Commission, NZ On Air, Creative New Zealand and Te Mangai Paho. Collectively, the agencies comprise the Contemporary Popular Music Working Group.

When formed in 2012, this 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.

The roles of each organisation were defined, as illustrated in this chart.

Subsequently, an inter-agency strategy was developed to:

- Assist the CPMG to take a strategic and collaborative approach with common goals.
- Encourage each agency to 'own' specified aspects, incorporate in their own strategies as appropriate, and report on progress.

The CPMG meets twice a year and annually provides a report to the relevant Ministers on its outcomes, and following years priorities.



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:

Australasian Performing Right Association (APRA AMCOS): Contribution to economic impact research, partner for NZ Music Month, May Book contributor, various seminars nationwide.

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, international grant applicant comparison, economic impact research, various seminars nationwide.

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

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

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

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

Te Mangai Paho: Contemporary Popular Music Working Group, economic impact research.

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, various seminars nationwide.

Smokefree Pacifica Beats: Bands Mentoring in Schools Programme.

Smokefree Rockquest: Bands Mentoring in Schools Programme.

Auckland Philharmonic Orchestra: *Remix the Orchestra* project.

Te Oro: *Music & Dance* collaborative arts experience programme.

STRATEGIC DIRECTION

The Strategic Plan 2013 – 2016 was developed by the Board and staff of the Music Commission in consultation with industry stakeholders by looking at where the Music Commission could deliver the best services for the wider music sector.

The Music Commission's Strategic Plan for 2014-2016 continues working towards the three-year strategic Objectives (formerly Outcomes). There were some changes to the Initiatives (formerly Outputs) in 2014-15 to reflect the current environment, and incorporate feedback from both the CPMG Music Forum held in March 2014 and the Music Commission's own industry round-table that specifically reviewed our Strategic Plan in April 2014.

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

The Music Commission's strategic direction is focused on achieving its Mission through undertaking work in three Objective areas:

OUR OBJECTIVES:	RATIONALE:
ENGAGE Public Engagement with music from NZ is enhanced	<ul style="list-style-type: none">• 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.
EXPERTISE The expertise of music industry professionals is increased	<ul style="list-style-type: none">• Continuing to strengthen our music industry's infrastructure is an important and vital function of the Music Commission.• We need to be building our internationally successful companies of the future now.
EXPORT Offshore market initiatives lead to a thriving music industry	<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.

The details of the Initiatives to help the Music Commission achieve these Objectives and the results for 2014 – 2015 can be found in the *Statement of Service Performance* on pages 17 - 34.

STRATEGIC OBJECTIVES FRAMEWORK

The Music Commission Objectives contribute towards achieving the Government's priorities for New Zealand, through the Manatu Taonga Ministry for Culture & Heritage goals for the cultural sector – or Sector Outcomes.

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

Music Commission contributions

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 does not directly contribute to the *Sector Outcome: Preserve*.

KEY INITIATIVES

The Music Commission has a suite of Initiatives it delivers annually to achieve our overarching three Objectives described in the previous section, and contribute toward the MCH sector outcomes.

The key projects of the Music Commission to contribute to our Objectives and the MCH Outcomes in the twenty-four months from 1 July 2014 to 30 June 2016 are:

<p>MCH Outcome: ENGAGE</p> <p>Engagement in cultural activities is increasing</p>	<p>Objective One: ENGAGE</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 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>Cultural activity flourishes in New Zealand</p>	<p>Objective Two: EXPERTISE</p> <ul style="list-style-type: none"> • Supporting the Music Managers Forum NZ (MMF) • Supporting Independent Music NZ (IMNZ) • 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 at least one Master Class per annum • Providing the free legal advice service Music:Law • Producing the music industry handbook 'The May Book' annually • Facilitating an internship programme • Maintaining a website with a directory of NZ musicians, artist news and a resource section of relevant and useful music industry information • Supporting capability growth for NZ music businesses • Contributing toward research on the economic value of the NZ music industry • Providing quarterly reports on the performance of the NZ music industry regarding sales and airplay • Publishing information on key domestic and international upcoming events.

<p>MCH Outcome: EXCEL</p> <p>Artists and organisations achieve excellence</p>	<p>Objective Three: EXPORT</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, Australasian World Music Expo, WOMEX and SXSW • Producing the Going Global Music Summit in partnership with IMNZ • Providing networking opportunities for NZ music businesses with international counterparts via initiatives such as Country Connections • Investigate strengthening cultural diplomacy links, particularly in regard to WW100 commemorations.
	<p>Organisational Outputs:</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.

Sector Outcomes from the Ministry for Culture and Heritage Statement of Intent 2013 – 2016.

ORGANISATIONAL HEALTH & CAPABILITY

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 2014-2015, including financial management. However, a full-time Resource Manager was forgone in favour of part-time Executive Support and contracting additional specific skills for project assistance across the year.

Actual staffing levels was 7.73 FTE.

The organisational structure for the NZ Music Commission is:

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

Organisational Capability:

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

The Board and staff of the Music Commission have maintained their programme of continual growth and development in the area of organisational capability.

Organisational Capability Goals 2013-2016		
Goal 1: The Music Commission has a committed and capable Board of Trustees that effectively govern the organisation.	Actions: <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 on an annual basis.• The Board reviews its policies and procedures on an annual basis.	Progress To Date: <ul style="list-style-type: none">• The Board self-assessment was completed with an action list resulting from this year's evaluation.• The Board have engaged a new Trustee with significant financial experience to replace the outgoing Deputy Chair.• The Board continues its programme of policy development and have reviewed the Financial & Operations Policy and Procedure Manual.
Goal 2: The Music Commission is committed to being a good employer focusing on retention of staff and providing equal opportunities to staff.	Actions: <ul style="list-style-type: none">• All staff have professional development plans to adequately support their goals revised on an annual basis.• All staff will have training opportunities provided to them annually.• That staff turn over is no more than 1.5 FTE annually.	Progress To Date: <ul style="list-style-type: none">• On track to be achieved by year-end 2015-16.• Achieved for 2014-15.• Achieved - Staff turnover was zero in 2014-15.
Goal 3: Our office environment is safe, well maintained and fit for purpose.	Actions: <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.	Progress To Date: <ul style="list-style-type: none">• Achieved for 2014-15 and ongoing.• Achieved for 2014-15 and ongoing.• Achieved for 2014-15 and ongoing.

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 Music Commission has continued to consult widely with the practitioners in the local industry to ensure our programmes and initiatives are fit for purpose within in the current music business environment.

Strategic Capability Goals 2013-2016		
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 Objective classes determined in the Strategic Plan. The impact measures from the Strategic Plan will guide future decisions on allocation of resources. 	Progress To Date: <ul style="list-style-type: none"> Achieved for 2014-15 and ongoing. Achieved for 2014-15 and ongoing.
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. 	Progress To Date: <ul style="list-style-type: none"> Achieved for 2014-15 and ongoing. Achieved for 2014-15 and ongoing. A joint strategy between the CPMG member agencies was finalised.
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 yearly, either in smaller focus groups or wider forums to gain insight into sectoral issues and opportunities. 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. 	Progress To Date: <ul style="list-style-type: none"> Both Domestic and International industry consultation sessions were held in March and April 2015 and an Auckland Live Music Forum was convened. Achieved for 2014-15 and ongoing.

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 seek opportunities to partner with other organisations for both in-kind and mutually beneficial financial agreements so that we can maintain our range of services and their sectoral reach.

Financial Capability Goals 2013-2016		
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. 	Progress To Date: <ul style="list-style-type: none"> Ongoing.
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. 	Progress To Date: <ul style="list-style-type: none"> Progressed in 2014-15 towards a joined-up airfare supplier. Achieved in 2014-15 with databases developed, which will continue to be added to on a regular basis.
Goal 2: The Music Commission and its Board of Trustees continue to explore opportunities to partner with external organisations for financial support of its services.	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 has at least one initiative that delivers a profit to the organisation per annum. 	Progress To Date: <ul style="list-style-type: none"> Achieved for 2014-15 – Domestic sponsors included iHeart Radio, H2Go Water, Epic Beer, V Energy Drink and Mediaworks; International sponsors included Spy Valley Wines at CMJ, AWME and SXSW, and DUB Pies at SXSW and CMJ. Achieved - The NZ Music Month May Book.

STATEMENT OF SERVICE PERFORMANCE 2014-2015

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.

Measurements

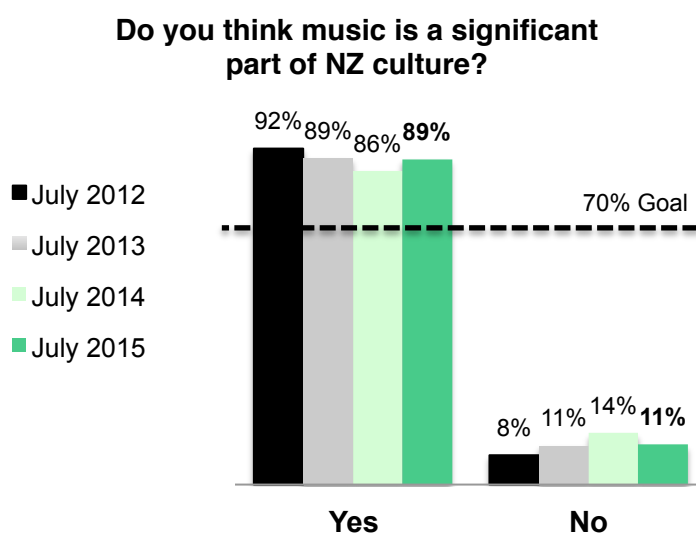
2013 to 2016

Goal: 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.

Results:

89% of survey respondents agree that music is a significant part of NZ's culture.



Source: Perceptive Research Survey July 2015

Goal: Sectoral indicators show a thriving local music environment.

Tracking Radio Play, Sales, APRA membership etc.

Results:

Industry Sector	NZ Only (\$m) 2012	NZ Only (\$m) 2013	NZ Only (\$m) 2014	Total Sales (\$m) 2014
Retail	\$8.0	\$9.6	\$8.9	\$82.6
Music Radio Broadcasting	\$37.4	\$44.4	\$45.2	\$233.6
Live Music	\$20.8	\$27.1	\$28.7	\$102.4
Synchronisation	\$1.8	\$1.9	\$2.1	\$3.9
Communication & Public Performance	\$9.4	\$10.6	\$10.8	\$39.5
Totals	\$77.4	\$93.6	\$95.7	\$462.0

Source: PWC Economic contribution of the New Zealand music industry 2012, 2013 and 2014

RADIO PLAY

2012: Local Content On All Radio – **19.04%**
 2013: Local Content On All Radio – **20.50%**
 2014: Local Content On All Radio – **19.3%**

Source: RadioScope

APRA MEMBERSHIP

2012: **8,760**
 2013: **9,541**
 2014: **10,024**

Source: APRA AMCOS Year in Review

OBJECTIVE ONE: ENGAGE

Public Engagement with music from NZ is enhanced

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

- Number of schools participating in the programmes annually shows value in programmes.
- Number of students participating in the programmes 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 2014-2015

Quantitative Goals: <ul style="list-style-type: none">• 60 Schools participate in the Musicians Mentoring programme.• 1,200 Students participate in the Musicians Mentoring programme.• 40 Schools participate in Bands the Mentoring programme.	Quantitative Results: <ul style="list-style-type: none">• 62 Schools participated in Musicians Mentoring programme (2013-14=70).• 1,841 Students participated in the Musicians Mentoring programme (2013-14=1,400).• 43 Schools participated in the Bands Mentoring programme (2013-14=40).
Qualitative Goal: <ul style="list-style-type: none">• 80% of participants rate the Programmes as having a positive or strong influence in the intended result areas.	Qualitative Result: <ul style="list-style-type: none">• 88.6% of participants rate the Programmes as having a positive or strong influence in the impact areas (2013-14=82.2%).

Musicians Mentoring in Schools Programme Results 2014

- **93%** of students surveyed reported a STRONG or POSITIVE influence on songwriting skills and understandings
- **93%** of students surveyed reported a STRONG or POSITIVE influence on performance skills and understandings
- **95%** of students surveyed reported a STRONG or POSITIVE influence in students' personal commitment to future music participation.

Bands Mentoring in Schools Programme 2014

- **More than 85%** of students surveyed reported a STRONG or POSITIVE value in seeing a professional band perform at their regional event
- **More than 77%** of students surveyed reported a STRONG or POSITIVE influence on their understanding of the New Zealand music industry and possible career paths within it.

Musicians Mentoring in Schools Programme Student Feedback Survey Results 2014

MUSICIANS MENTORING IN SCHOOLS PROGRAMME: PARTICIPATING SCHOOLS 2014-2015

Broadwood Area School, Northland	Naenae College, Lower Hutt
Alfriston College, Auckland	Napier Girls' High School
Avondale College, Auckland	Newlands College, Wellington
Baradene College, Auckland	Pamapurua School, Northland
Campion College, Gisborne	Panguru Area School, Northland
Catholic Cathedral College, Christchurch	Papamoa College, Tauranga
Cromwell College	Porirua College
De La Salle College, Auckland	Raglan Area School, Waikato
Dunstan High School, Alexandra	Rangiora High School, Canterbury
Edgewater College, Auckland	Reporoa College, Bay of Plenty
Ellerslie School, Auckland	Rongotai College, Wellington
Feilding High School	Rotorua Boys' High School
Flaxmere College, Hastings	Rotorua Girls' High School
Gisborne Girls' High School	Rotorua Lakes High School
Hagley Community College, Christchurch	Sacred Heart Girls' College, Auckland
Hato Petera College, Auckland	Selwyn College, Auckland
Heretaunga College, Upper Hutt	Shirley Boys' High School, Christchurch
Hillmorton High School, Christchurch	South New Brighton School, Christchurch
Huntly College, Waikato	St Bernard's College, Lower Hutt
Hutt Valley High School, Wellington	St John's College, Auckland
Kahurangi School, Wellington	St Mary's Diocesan School, Taranaki
Kaikohe Christian School, Northland	St Pius Catholic School, Auckland
Kaitia College, Far North	Taita College, Wellington
Linwood College, Christchurch	Tamaki College, Auckland
Logan Park High School, Dunedin	Tikipunga High School, Whangarei
Makoura College, Masterton	Timaru Boys' High School
Mana College, Porirua	Tuakau College, Waikato
Mangere College, Auckland	Waihi College, Bay of Plenty
Manurewa High School, Auckland	Wairoa College, Hawkes Bay
Mount Aspiring College, Wanaka	Waitara High School, Taranaki
Mount Roskill Grammar School, Auckland	Wellington High School

MUSICIANS MENTORING IN SCHOOLS PROGRAMME: PARTICIPATING MENTORS 2014-2015

Anna Coddington	Jimmy Christmas	Matt Salapu (Anonymouz)
Annie Crummer	Jon Toogood	Mike Fabulous
Bella Kalolo	Josh Mase	Neihana Mackey-Harrison
Brent Strathdee	Katie Thompson	Priya Sami
Brooke Singer	Kim Halliday	Renee Maurice
Estere Dalton	Lance Su'a	Ria Hall
Hera	Lavina Williams	Rio Hemopo
Horomona Horo	Maisey Rika	Shona Laing
Iva Lamkum	Malcolm Lakatani	Tonga Vaea
Jed Parsons	Mark Vanilau	Tyna Keelan

BANDS MENTORING IN SCHOOLS PROGRAMME: PARTICIPATING SCHOOLS 2014

Aotea College, Wellington
Ashburton College
Auckland Girls' Grammar School
Auckland Grammar
Bay of Islands College
Buller High School, Westport
Christchurch Boys' High School
Forest View High School, Rotorua
Freyberg High School, Palmerston North
Garin College, Richmond
Gisborne Boys' High School
Hagley Community College, Christchurch
Havelock North High School
James Hargest College, Invercargill
Kaikorai Valley College, Dunedin
Kaitaia College, Far North
Kamo High School, Northland
Keikeri High School, Bay of Islands
Kingsway School, Auckland
Marlborough Boys' College
Moerewa School, Whangarei
Mt Aspiring College, Wanaka

Mt Maunganui College
Nelson College
New Plymouth Boys' High School
Otago Boys' High School, Dunedin
Palmerston North Boys' High School
Pukekohe High School, Auckland
Rangitoto College, Auckland
Rudolph Steiner School, Lower Hutt
Rathkeale College, Masterton
Rotorua Boys' High School
Rutherford College, Auckland
St Andrew's College, Christchurch
St Kevin's College, Oamaru
St Peter's School, Cambridge
Wairarapa College
Wairoa College, Gisborne
Waitaki Boys' High School, Oamaru
Wanganui High School
Wellington High School
Western Springs College, Auckland
Whangarei Boys' High School

BANDS MENTORING IN SCHOOLS PROGRAMME: PARTICIPATING MENTORS 2014

Anna Coddington
Annie Crummer
Ben King
Charlie Pome'e - Three Houses Down
Chris Mac - Six60
Grayson Gilmour
Jon Toogood

Julia Deans
Maisie Rika
Mike Fabulous
Neihana Mackey - 1814
Ria Hall
Te Awanui Reeder

INITIATIVE 3: Supporting significant cultural recognition events

WHAT IS INTENDED TO BE ACHIEVED?

Supporting events that celebrate excellence in Māori 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 Māori 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 2014-2015

Quantitative Goal:

- That three events are supported annually.

WAIATA MĀORI MUSIC AWARDS

12 September 2014 in Hastings

Rangi Parker was the winner of the NZ Music Commission Industry Icon Award for 2014.



TAITE MUSIC PRIZE

15 April 2015 in Auckland

Jakob won the Taite Music Prize for their album *Sines*.

The IMNZ Classic Independent Album Award was won by Herbs for *Whats' Be Happen*.



PACIFIC MUSIC AWARDS

13 June 2015 in Auckland

TJ Taotua won the NZ Music Commission Best Pacific Male Artist Award.



Qualitative Goal:

- That the three events produce positive media results.

Qualitative Result:

- All three events showed positive and extensive media coverage in their post event reports.

OBJECTIVE TWO: EXPERTISE

The expertise of music industry professionals is increased

Why:

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

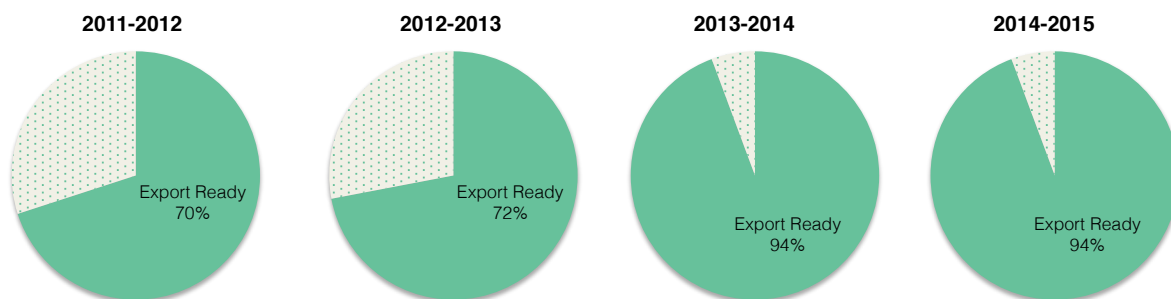
Measurements

2013 to 2016

Goal: NZ artists 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.

Result:

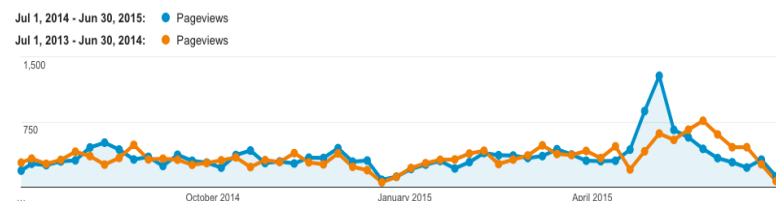


Significant growth has been seen in the volume of export ready Outward Sound applications received in the past four years. There is little capacity for further growth.

Goal: Increased use of support, tools and resources provided by the Music Commission.

Tracking membership of MMF and IMNZ, and usage of Music Commission resources.

Result:



Source: Google Analytics

2.1% Increase in website resource use – from 2,465 users in 2013-14 to 2,517 in 2014-2015.

100% budgeted capacity in Music Law clinics in 2014-2015.

Stable membership has been reported by both the MMF and IMNZ.

OBJECTIVE TWO: EXPERTISE

The expertise of music industry professionals is increased

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.

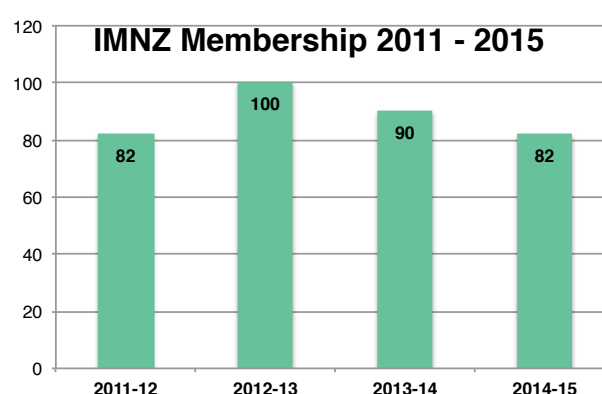
ACHIEVEMENT MEASUREMENTS 2014-2015

Quantitative Goals:

- The paid membership of IMNZ remains stable or grows.
- The paid membership of the MMF remains stable or grows.

Quantitative Results:

- The paid membership of IMNZ has remained stable, showing value in IMNZ's services.
- The paid membership of the MMF has remained stable, showing value in the MMF's services.



Qualitative Goals:

- 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.

Qualitative Result:

- The IMNZ Members Survey showed value in the events and programmes of the organisation.
- The MMF have collected an impressive range of testimonials from their members.
- All agreed key performance measures for both organisations were met in 2014-15.

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 2014-2015

Quantitative Goals:

- *A minimum of five upskilling events occur annually.*
- *That usage of resources is maintained or grows annually.*
- *25% of event audiences or resource users are first time attendees or clients.*

Quantitative Results:

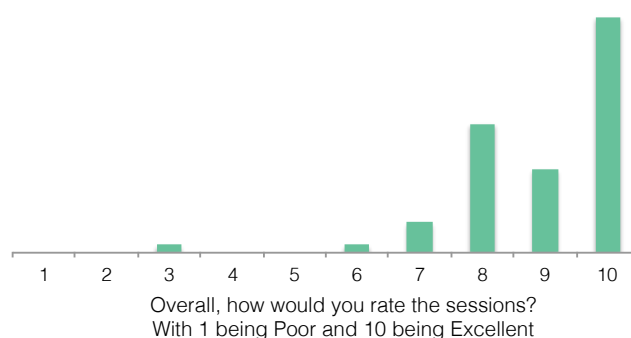
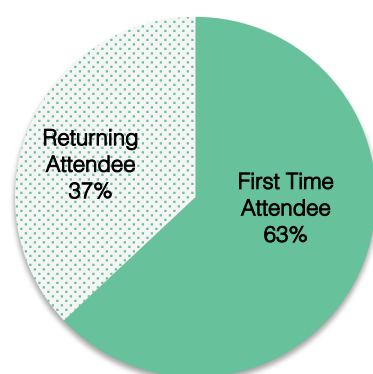
- Achieved in 2014-15 with the Music Organisation Roadshow, Auckland University Road Map Seminar, NZ Music Month Summit, Going Global Music Summit, Smokefree Rockquest and Pacifica Beats mentoring days, AUT Event Management Classes and YAMI in Wanaka.
- **2.1%** increase in access of the resource section of the Music Commission website, therefore usage is maintained.
- **63%** of event audiences were first time attendees, showing new audiences are being gained.

Qualitative Goal:

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

Qualitative Result:

- **90%** of attendees rated upskilling events rated the event 8 out of 10 or higher based on overall satisfaction.



Source: NZ Music Month Summit 2015 Participant Survey

INITIATIVE 6: Improved research on the performance of the NZ music industry.

WHAT IS INTENDED TO BE ACHIEVED?

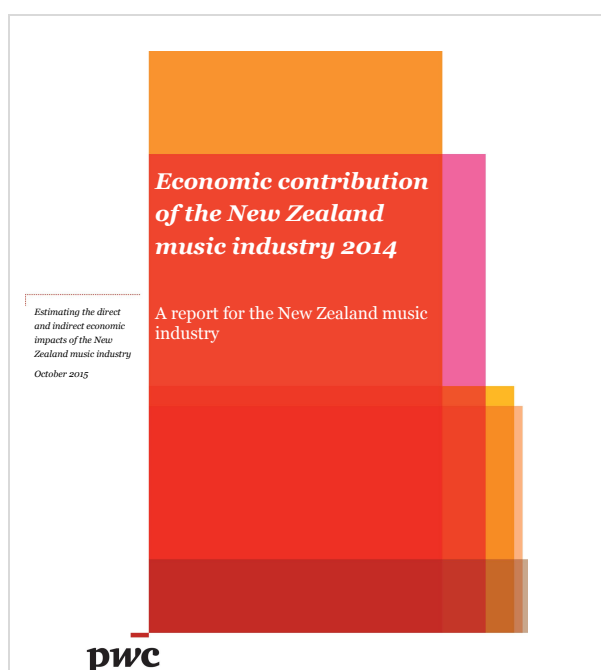
Facilitating the collection of data relevant to the NZ music industry will provide the industry (and the Music Commission) with important knowledge about the economic performance of the industry and greater societal benefits of music. Research and development will lead to greater investment, as returns 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 2014-2015

<p>Quantitative Goals:</p> <ul style="list-style-type: none"> • One sectoral report is produced in partnership with the key national music organisations. 	<p>Quantitative Results:</p> <ul style="list-style-type: none"> • Achieved 2014/15. The PWC report The Economic Contribution of the NZ Music Industry 2014 has been completed. • This year a wider range of organisations contributed towards the research. The partners were Recorded Music NZ, APRA AMCOS, NZ Music Commission, NZ On Air, Creative New Zealand and Te Mangai Paho.
<p>Qualitative Goal:</p> <ul style="list-style-type: none"> • A growing number of users access data and statistics collected and published online. 	<p>Qualitative Result:</p> <ul style="list-style-type: none"> • Not achieved in 2014-15. A delay in delivery of data statistics meant little new information was published this year.



NEW ZEALAND
MUSIC COMMISSION
TE REO REKA O AOTEAROA
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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.

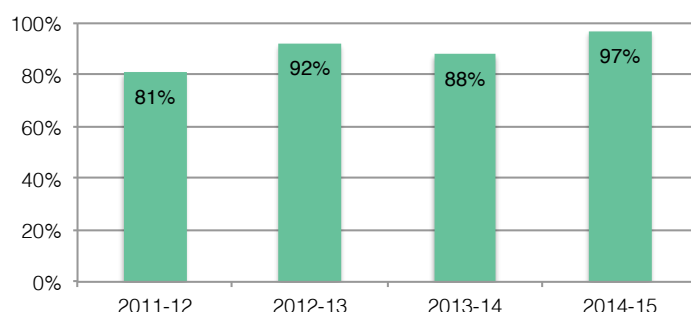
Measurements

2013 to 2016

Goal: *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.

Result:

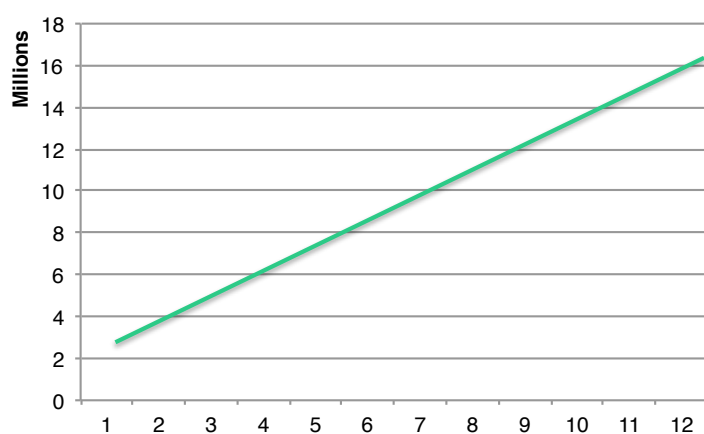


Tracking across the three years from 2011/12, the percentage of Outward Sound supported recipients that have gained international opportunities as a result of their in-market initiatives has maintained a high percentage rate.

Goal: *Artists we work with internationally receive greater coverage and engagement.*

Monitoring the impact of offshore market initiatives via social media metrics.

Result:



Source: SoundCloud, YouTube, Facebook and Twitter

This is the second year of tracking the social media metrics for Outward Sound recipients. Unfortunately Next Big Sound, the analytics company we had been using, was sold and no longer provides information to use as a comparator.

This graph shows the aggregate combined web traffic on *Soundcloud* (plays and followers), *YouTube* (views), *Facebook* (likes) and *Twitter* (followers) across the eleven Outward Sound artists funded in both 2013-14 and 2014-15. This shows the comparative growth over the twelve-month period.

OBJECTIVE THREE: EXPORT

Offshore market initiatives lead to a thriving music industry

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 2014/2015

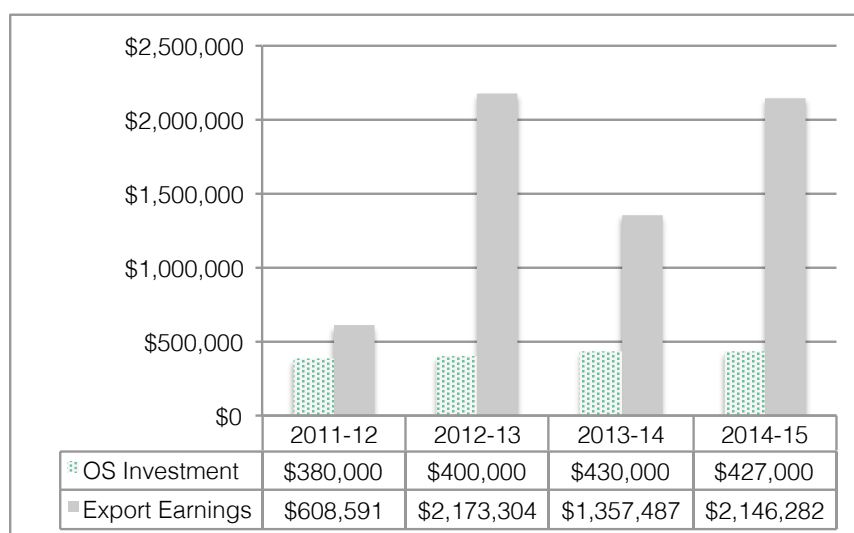
Quantitative Goals:

- *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 industry advisory group.*

Quantitative Results:

- **Four funding rounds** were undertaken and a **random audit of four** applications were undertaken. There were no issues found as a result of the audit.
- **100%** of projects funded through Outward Sound had robust plans and demonstrated the capability to achieve increased overseas earnings.

OUTWARD SOUND INVESTMENT VS REPORTED OFFSHORE EARNINGS IN THE SAME PERIOD



Qualitative Goals:

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

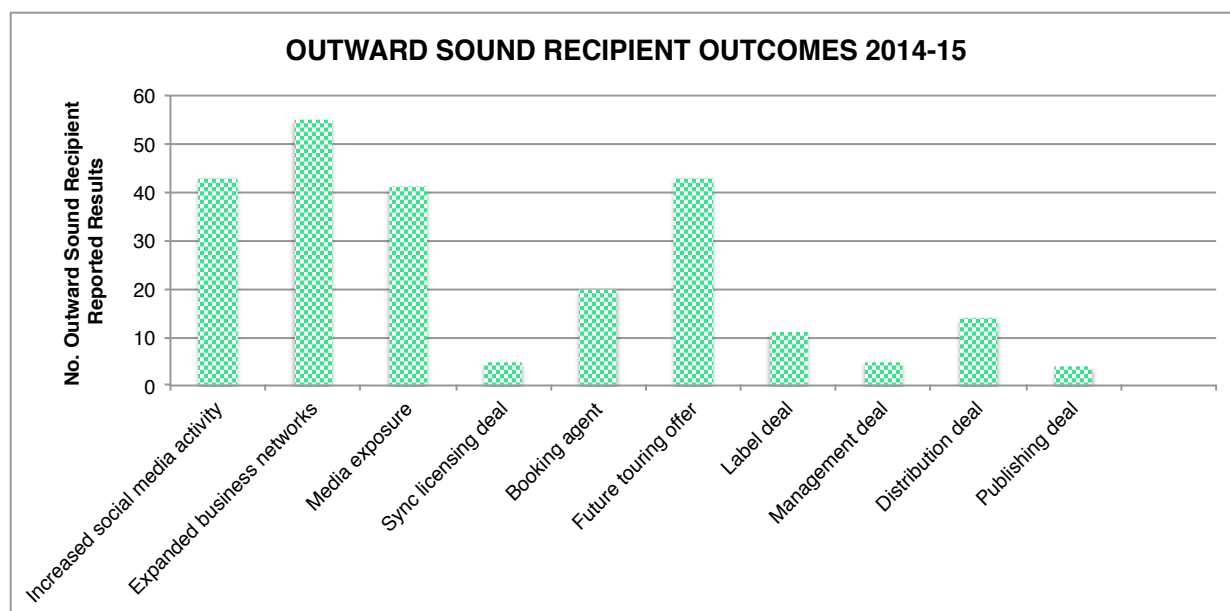
Qualitative Results:

- **57 applicants** took part in a survey to assess the funding process, management of the programme and report results. The expanded applicant survey this year was held as part of the preparation for a new four-year Music Commission Strategic Plan.

OUTWARD SOUND RECIPIENTS 2014-15

Between the 61 recipients of Outward Sound grants in 2014-15 (2013-14=47), their achievements include:

- **43** international tours (2013-14=27)
- **11** deals for international record releases (2013-14=3)
- **23** commitments of international investment via sync, distribution or publishing deals (2013-14=17).



OUTWARD SOUND INTERNATIONAL MUSIC MARKET DEVELOPMENT GRANTS

The International Music Market Development Grants provide assistance for market development initiatives to encourage the entry of New Zealand music and musicians into global markets. New Zealand music industry practitioners (artists, managers etc) and firms (record companies, associated businesses) can apply for assistance. The programme is inclusive of music from all genres, styles and niches and applicants may target relevant markets around the world. The successful applicants in 2014-15 were:

Aldous Harding for a UK and European showcase tour including an appearance at The Great Escape 2015.

Brooke Fraser for a North America tour in support of the release of her fourth album 'Brutal Romantic' through Vagrant Records.

Cairo Knife Fight to undertake an Australian tour opening for Shihad in late 2014 to promote a new Cairo single and album via Warner Music Australia, and to attend SXSW in March 2015.

Connan Mockasin for two tours supporting Mac DeMarco and Julian Casablancas respectively and facilitating a collaborative recording residency in Texas as part of 'Marfa Myths', a Mexican Summer curated cultural programme.

David Kilgour & The Heavy 8's for a showcase tour of USA in support of his album 'Endtimes Undone' through Merge Records, including a performance at the Merge 25th Anniversary festival.

Delaney Davidson for a North American tour.

Delaney Davidson to showcase in and around at SXSW 2015, following on from his 2014 North American tour.

Devilskin for an Australian showcase tour.

Devilskin for a USA, Europe and UK showcase tour including performances in and around The Rock Summit in Los Angeles.

Electric Wire Hustle for a tour of the UK and Europe to support the album release of EWH's sophomore album 'LoveCanPrevail' through London based Somethinksounds and Questlove's New York based record label Okayplayer.

Ezra Vine for a tour of the USA in support of his debut EP release.

French For Rabbits for undertaking a 14 date European tour supporting Agnes Obel and a 19 date European tour promoting the release of their debut album 'Spirits'.

Hollie Smith for a showcase tour of the US, UK and Canada, including performances at the Montreal Jazz Festival and Vancouver Jazz festival.

Jakob for a European Tour in April and May 2015 in support of the release of their fourth album 'Sines' through label The Mylene Sheath.

Jesse Sheehan for showcasing in and around BIGSOUND 2014.

Jesse Sheehan to showcase in and around Brighton's The Great Escape and Liverpool's Soundcity festivals.

Katchafire for the 14 date Winter Greens North American Tour 2015.

Katchafire for a follow-up 27 date USA and European Tour.

Lord Echo for a follow up Japanese tour pre-promoting his third studio album, due to be released in September 2015 through label Wonderful Noise.

Louis Baker for a showcase tour of the UK, Europe and Australia in support of the release of Louis' debut EP, including appearances at The Great Escape in Brighton and Soundcity in Liverpool.

Luckless for a 34 date UK and European tour including showcasing in and around Soundcity Liverpool.

Marlon Williams for performances at BIGSOUND 2014 and touring as support for Justin Townes Earle in Australia.

Marlon Williams for a USA and Canada trip to secure deals and set up the North American release of Marlon's self-titled debut album.

Mel Parsons for touring in Canada, plus showcasing and presenting a seminar at the International Folk Alliance Conference in Kansas City, USA.

Myele Manzanza for a showcase performance at the 2014 Australasian World Music Expo (AWME) in Australia.

Orchestra of Spheres for a showcase tour of USA and Iceland, including Iceland Airwaves Festival, in support of their sophomore album through Fire Records.

Popstrangers for North American shows, including the Culture Collide Festivals in both Los Angeles and San Francisco, and the CMJ Music Marathon 2014 in New York.

Princess Chelsea for a seven week European tour to coincide with the release of Princess Chelsea's second album 'The Great Cybernetic Depression'.

Silicon for worldwide touring to set up the release of debut Silicon album 'Personal Computer' through Domino Recordings, including supporting Chet Faker across Australia at 5,000-10,000 capacity venues.

Streets of Laredo for a month-long North American tour to support the release of their debut album released worldwide in October 2014 via Dine Alone Records.

Surf City for a showcase tour of the UK and Europe in support of the release of the band's third album 'Jekyll Island' through Fire Records and Popfrenzy, including an appearance at The Great Escape.

Tahuna Breaks for a 2015 European tour including appearances at Glastonbury and the Montreux Jazz Festival.

The Bads for meeting with business partners in Nashville and Los Angeles and performing at Marty Stuart's annual *Late Night Jam* concert at Nashville's Ryman Auditorium.

Thomston for a North American promotional and writing trip to work on tracks for his debut album. **Thomston** for showcasing and festival shows in Europe and UK including an appearance at The Great Escape, and writing sessions.

Tiny Ruins for a 2014 showcase tour of Australia, USA, Canada and Europe in support of the album 'Brightly Painted One'.

Ulcerate for a 25 date European tour in support of their album 'Vermis' through Relapse Records.

Unknown Mortal Orchestra for a North American and European tour in support of the release of their third album 'Multi-Love' through label Jagjaguar.

Wellington International Ukulele Orchestra for a debut tour of USA.

OUTWARD SOUND BUSINESS SUPPORT GRANTS

The Business Development grant enables up to two representatives to undertake a market development visit. This involves traveling to the desired market (or markets) and meeting with companies/individuals and to capitalise on opportunities created. It supports managers, artists, and companies undertaking business-to-business meetings as well as attending tradeshow and associated events. The recipients of Business Development Grants in 2014-15 were:

Aston Road
CRS Management
Devilskin Ltd
Jason Kerrison
Music Live Ltd | Koru Artists
Yellow Eye

OUTWARD SOUND INTERNATIONAL DELEGATE GRANTS

The Delegate grants enables one applicant to attend a supported tradeshow. The current supported tradeshow are BIGSOUND, AWME (Australian World Music Expo) and WOMEX (World Music Expo). The grants offer successful applicants 50% recoupable support up to a event specific value to cover flights, accommodation, registration and per diems. The recipients of International Delegate Grants in 2014-15 were:

BIGSOUND 2014

Anthonie Tonnon
Rhythm Group
Royale Dalton Management
Te Ao Records
Triple M Management

AWME 2014

Aston Road
Toni Huata Creations Limited
Triple M Management
Yellow Eye

WOMEX 2014

Elizabeth Woolacott, Manager
Graffiti Entertainment
Hayley Dingwall, Manager
Homespun Music Management
Moretone Music
Southbound Distribution
Waahuu Creations

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 2014/2015

<p>Quantitative Goals:</p> <ul style="list-style-type: none"> • <i>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.</i> • <i>Number of international trade events hosting a NZ presence.</i> 	<p>Quantitative Results:</p> <ul style="list-style-type: none"> • 61 NZ music businesses attended a music market or trade event this year to showcase or grow their networks and business. • 8 international trade events hosted a NZ presence this year. These were: BIGSOUND, CMJ Music Marathon, Womex, Australasian World Music Expo (AWME), Celtic Connections, SXSW, The Great Escape and Liverpool Soundcity.
<p>Qualitative Goals:</p> <ul style="list-style-type: none"> • <i>Increase in volume of social media metrics for artists attending or represented at international trade events.</i> • <i>Volume of new business connections reported by attending NZ music businesses.</i> 	<p>Qualitative Results:</p> <ul style="list-style-type: none"> • 75% reported an increase in social media or media. • 75% reported their main results were future offers and new connections. • 67% reported increased revenue from their activity.

New Zealand Music Businesses Trade Show Attendees 2014-15 – showcasing artists noted in bold

AWME – Melbourne, Australia

Adrian Tangaroa Wagner, Waahuu Creations; Arani Cuthbert, Diva Management; **Batucada Sound Machine**; Bobby Mukai, Latinaotearoa; Craig Pearce, Triple M Management; Cushla Aston, Aston Road; Emere Wano, WOMAD New Zealand; **Estère**; Gareth Farry, British Council NZ; Hayley Dingwall, Manager; Jeffrey Stothers, Southbound Distribution; **Louis Baker**; Lynne Christie, SouNZ Inc/Rippon Festival; **Marlon Williams**; Morgana James –Te Kohikohinga Kohatu; **Myele Manzanza**; Ngahiwi Apanui, Toi Maori Aotearoa; Ngatapa Black, Toi Maori Aotearoa; Sarah Crowe, NZ On Air; Scott Grafton, Graffiti Entertainment; Toni Huata, Artist.

BIGSOUND – Brisbane, Australia

Anthonie Tonnon; Craig Pearce, Triple M Management; **Eden Mulholland**; James Southgate, Devilskin; **Jesse Sheehan**; Julie Warmington, Rhythm Group; **Males**; Rodney Hewson, NZTix; Samuel Flynn Scott, The Phoenix Foundation; Shayna King, Te Ao Records; Tom Dalton, Royale Dalton Management.

CELTIC CONNECTIONS – Edinburgh, Scotland

Cushla Aston, Aston Road; Elizabeth Woolacott, Waiora; Emere Wano, WOMAD New Zealand; Gareth Farry, British Council NZ; **Jake Cropley**; **Louis Baker**; **Maisey Rika**; Simon Vare, Yellow Eye; **Thomas Oliver**; **Tiny Ruins**; **Trinity Roots**; **Waiora**.

CMJ MUSIC MARATHON – New York, USA

Ben Howe, Flying Nun/Arch Hill; **Chelsea Jade**; **Doprah**; **Eden Mulholland**; Jason Kerrison; **Orchestra Of Spheres**; **Popstrangers**; Manu Taylor, 95bFM.

THE GREAT ESCAPE – Brighton, UK

Aldous Harding; Ayisha Jaffer, Saiko Management; Ben Howe, Flying Nun/Arch Hill; Broods; Cushla Aston, Aston Road; **Jesse Sheehan**; Lisa Paris, The Label; **Louis Baker**; Peter Baker, Rhythm Method; **Popstrangers**; Rodney Hewson, Homespun Music Management; Surf City; Teresa Patterson, CRS Management; **Thomston**.

SOUNDCITY – Liverpool, UK

Cushla Aston, Aston Road; **Jesse Sheehan**; **Jesse Will**; **Luckless**; **Louis Baker**; Rodney Hewson, Homespun Music Management; **Unknown Mortal Orchestra**.

SXSW – Austin, USA

Cairo Knife Fight; **Delaney Davidson**; Jeffrey Stothers, Southbound Distribution; **Mika Haka**; **Yumi Zouma**.

WOMEX – Santiago de Compostela, Spain

Adrian Tangaroa Wagner, Waahuu Creations; Bobby Mukai, Latinaotearoa; Dylan Keating, Moretone Music; Elizabeth Woolacott, Waiora; Hayley Dingwall, Manager; Mariela Barale Baricco, Graffiti Entertainment; Pippa Ryan-Kidd, Southbound Distribution; Rodney Hewson, Homespun Music Management; Scott Grafton, Graffiti Entertainment.

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

WHAT IS INTENDED TO BE ACHIEVED?

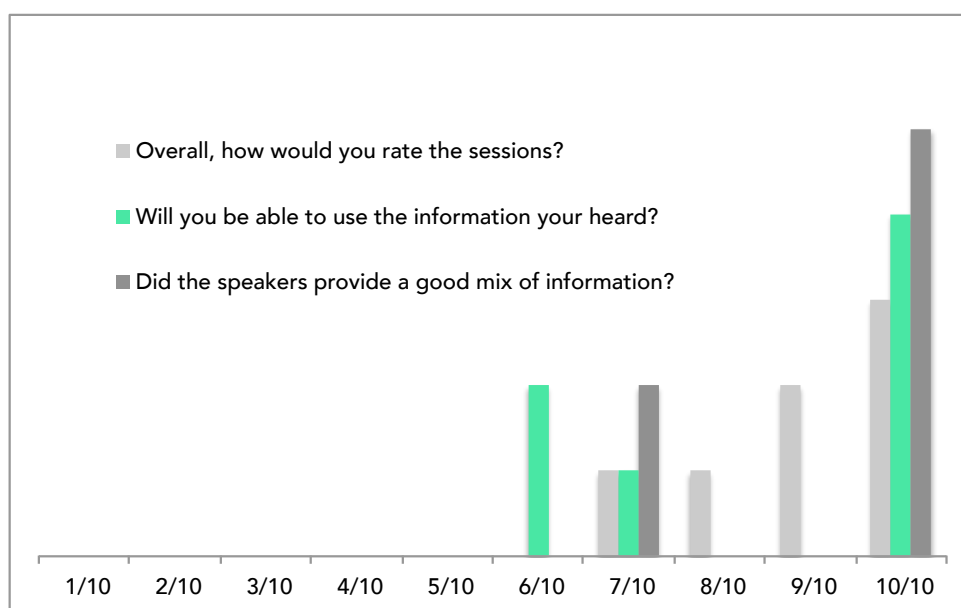
Facilitating opportunities for international specialists to pass on knowledge to local music businesses via seminars and networking opportunities will enable NZ artists and professionals to make more informed plans and decisions with regard to overseas market initiatives, improving their chances of success.

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 2014/2015

<p>Quantitative Goals:</p> <ul style="list-style-type: none"> That at least 50 NZ music businesses participate per annum. That three local companies undertake an extensive business development programme. That at least 15 international professionals participate per annum. 	<p>Quantitative Results:</p> <ul style="list-style-type: none"> 67 local music businesses or artists participated in the Going Global Music Summit. 3 NZ management companies - Aston Road, Taane Productions and Graffiti Entertainment – participated in the CONTROL business development programme in partnership with the Australians Music Industry Network and the Australian Government. 15 international speakers participated in Going Global and 24 international companies participated in Country Connections at BIGSOUND 2014.
<p>Qualitative Goals:</p> <ul style="list-style-type: none"> Percentage of attendees / participants surveyed that rate their satisfaction with events as good or excellent, and beneficial to their businesses. 	<p>Qualitative Results:</p> <ul style="list-style-type: none"> 87% of attendees rated the Going Global Music Summit 2014 as 8 out of 10 or higher in their overall satisfaction with the event. 81% of the attendees also said they will be able to use the information gained at the event. The speakers providing a good mix of information was rated 10 out of 10 by 50% of the attendees.



Source: Going Global Music Summit 2014 Attendee Survey

FINANCIAL STATEMENTS:

For Year End 30 June 2015

VARIANCES TO NOTE IN THE FINANCIAL ACCOUNTS

As noted in the Executive Overview, there increasing demand for support via the Outward Sound and a very high number of the applications received are suitable for funding.

Due to this increased pressure on the Outward Sound scheme, an additional \$27,000 was transferred to the Outward Sound cost centre this year. That transfer represents savings were made in other work areas across the organisation during the 2014-15 year. Those additional funds were utilised for the high-demand last round of the financial year.

Contributions income is lower this year as a major NZ Music Month sponsor was not secured. Expenditure was lowered to offset this. There is also a significant variance in *People Expenses*, which is primarily due to offshore trade show activity – two new trade shows were additions to the international work programme this year, Celtic Connections in Scotland and Sound City in Liverpool, UK. We also attended Canadian Music Week as a delegate. All three of these were one-off promotional or exploratory events and at least two will not be repeated in the coming years.

Positive variances for the period include a reduction in *Manufacturing and Resources*, which relates mainly to a reduction in promotional materials produced and *Administration Expenses* that was a result of focusing on lowering expenditure.

There are significant variances from the previous year in the *Professional Services* cost centre. This is due to additional legal work undertaken on the Trust and charitable status of the organisation and the 2014 audit fee accrual was transferred to non-deductible for taxation purposes.

Overall, the Music Commission performed well against budget in 2014-15.



walkerwayland

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INDEPENDENT AUDITOR'S REPORT

To the Board of New Zealand Music Commission Trust

Report on the Financial Statements

We have audited the financial statements of New Zealand Music Commission Trust on pages 2 to 11, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm carries out other assignments for New Zealand Music Commission Trust in the areas of formatting of the financial statements and agreed upon procedures. The firm has no other relationship with, or interest in, the trust.

Opinion

In our opinion, the financial statements on pages 2 to 11

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of New Zealand Music Commission Trust as at 30 June 2015 and its financial performance for the year ended on that date.

Our audit was completed on 30 October 2015 and our opinion is expressed as at that date.

Walker Wayland Auckland

**CHARTERED ACCOUNTANTS
AUCKLAND NEW ZEALAND**

NEW ZEALAND MUSIC COMMISSION
Statement of Financial Performance
For the year ended 30 June 2015

Trading Account	2015	2014	Variance
<u>Income</u>			
<u>NZMC</u>			
Contributions	19,607	51,041	(31,434)
Dividends and Interest Received	31,490	29,380	2,110
Government Grants	1,178,004	1,178,004	-
Services / Fees	12,304	15,350	(3,046)
Other Income	8,500	3,662	4,838
	<u>1,249,905</u>	<u>1,277,437</u>	<u>(27,532)</u>
<u>EDUCATION</u>			
Contributions	-	-	-
Government Grants	267,000	266,833	167
	<u>267,000</u>	<u>266,833</u>	<u>167</u>
<u>OUTWARD SOUND</u>			
Government Grants	404,642	399,996	4,646
	<u>404,642</u>	<u>399,996</u>	<u>4,646</u>
Total Income	<u>1,921,547</u>	<u>1,944,266</u>	<u>(22,719)</u>
<u>Less: Deductible Expenditure</u>			
<u>NZMC</u>			
Salary & Wages	393,690	391,991	(1,699)
Personnel Expenses	34,237	35,452	1,215
People Expenses	145,148	107,539	(37,609)
Administration Expenses	61,110	67,032	5,922
Communication Expenses	11,718	13,279	1,561
Manufacturing / Resources	17,744	28,342	10,598
Professional Services	37,994	25,734	(12,260)
Property Expenses	43,427	46,304	2,877
Repairs and Replacements	3,770	1,312	(2,458)
Events	92,378	92,000	(378)
Education & Research	49,921	40,587	(9,334)
Advocacy & Promotions	330,670	333,982	3,312
Other Expenses	3,476	306	(3,170)
	<u>1,225,283</u>	<u>1,183,860</u>	<u>(41,423)</u>
<u>EDUCATION</u>			
Salary & Wages	95,512	80,955	(14,557)
Personnel Expenses	11,298	9,448	(1,850)
People Expenses	95,622	100,212	4,590
Administration Expenses	5,288	4,570	(718)
Communication Expenses	1,677	1,906	229
Manufacturing / Resources	581	1,723	1,142

Professional Services	81,476	75,880	(5,596)
Property Expenses	11,653	8,755	(2,898)
Repairs and Replacements	60	114	54
Events	924	-	(924)
Education & Research	300	962	662
Advocacy & Promotions	3,136	5,741	2,605
Other Expenses	-	28	28
	307,527	290,294	(17,233)
<u>OUTWARD SOUND</u>			
Instant Action Fund	-	-	-
Travel & Accommodation - Domestic	4,946	6,181	1,235
Travel & Accommodation - International	402,093	289,856	(112,237)
Administration	1,684	26,611	24,927
Production	15,035	44,011	28,976
Events	4,733	3,542	(1,191)
Advertising & Promotion	(1,619)	59,398	61,017
	426,872	429,599	(12,135)
Total Deductible Expenditure	1,959,682	1,903,753	(55,929)
Net Profit/(Loss) Before Taxation	(38,135)	40,513	(78,648)
Taxation - Current Year	-	4,381	4,381
Taxation - Prior Year	-	9,605	9,605
Net Profit/(Loss) After Taxation	(38,135)	26,528	64,663
<u>Less: Non Deductible Expenditure</u>			
NZMC	4,384	(449)	(4,833)
Education	2,206	(1,890)	(4,096)
Outward Sound	-	-	-
Total Non Deductible 'Expenditure	6,590	(2,339)	(8,929)
Net Profit/(Loss)	(44,725)	28,867	(73,592)

NEW ZEALAND MUSIC COMMISSION
Statement of Movements in General Funds
For the year ended 30 June 2015

	2015	2014
General Funds as at 1 July 2014	379,095	350,228
Plus Net Surplus (Deficit) for Year	(44,725)	28,867
Prior Year Adjustments	-	-
General Funds as at 30 June 2015	334,370	379,095

NEW ZEALAND MUSIC COMMISSION

Statement of Financial Position

For the year ended 30 June 2015

General Funds		2,015	2,014
Accumulations Account	1	334,370	379,095
Prior Year Adjustments	2	-	-
Education Reserve	3	-	-
Outward Sound Reserve	4	-	-
World Series Reserve	5	-	-
		<u>334,370</u>	<u>379,095</u>
<i>Represented by:</i>			
Fixed Assets	6	5,098	4,908
Investments			
ANZ - Term Deposit		<u>343,814</u>	<u>304,154</u>
		<u>343,814</u>	<u>304,154</u>
Current Assets			
ANZ - General Cheque Account		32,135	40,229
ANZ - General Call Account		14,599	152,071
Petty Cash		300	300
Debtors and Prepayments		211,393	323,662
GST Refund		2,291	22,387
Taxation		8,560	2,873
Payroll Clearing		25,803	-
Petty Cash Clearing		-	300
		<u>295,081</u>	<u>541,822</u>
Non Current Assets			
Preliminary Expenses		14,681	14,681
Outward Sound Formation Costs		11,176	11,176
Logo		-	-
		<u>25,857</u>	<u>25,857</u>
Total Assets		<u>669,850</u>	<u>876,741</u>
Current Liabilities			
Trade Creditors		81,213	136,134
Accruals		254,267	361,513
Income in Advance		-	-
GST Payable		-	-
Taxation		-	-
		<u>335,480</u>	<u>497,647</u>
Total Liabilities		<u>335,480</u>	<u>497,647</u>
Net Assets		<u>334,370</u>	<u>379,094</u>

NEW ZEALAND MUSIC COMMISSION
Statement of Financial Performance
For the year ended 30 June 2015

<u>Trading Account</u>	2015	2014
<u>Income</u>		
<u>NZMC</u>		
Domestic	786,493	877,393
International	463,412	400,044
Outward Sound	404,642	399,996
Rugby World Cup 2011	-	-
	<hr/> 1,654,547	<hr/> 1,677,433
<u>EDUCATION</u>		
Making Music	-	-
Mentoring	187,000	186,833
One Off Projects	80,000	80,000
Sweet	-	-
Administration	-	-
	<hr/> 267,000	<hr/> 266,833
Total Income	<hr/> 1,921,547	<hr/> 1,944,266
<u>Less: Deductible Expenditure</u>		
<u>NZMC</u>		
Domestic	776,415	761,777
International	448,868	422,083
Outward Sound	426,872	429,599
Rugby World Cup 2011	-	-
	<hr/> 1,652,155	<hr/> 1,613,459
<u>EDUCATION</u>		
Making Music	-	-
Mentoring	185,576	175,511
One Off Projects	80,000	79,246
Sweet	-	-
Administration	41,951	35,537
	<hr/> 307,527	<hr/> 290,294
Total Deductible Expenditure	<hr/> 1,959,682	<hr/> 1,903,753
Net Profit/(Loss) Before Taxation	<hr/> (38,135)	<hr/> 40,513
Taxation - Current Year	-	4,381
Taxation - Prior Year	-	9,605
Net Profit/(Loss) After Taxation	<hr/> (38,135)	<hr/> 26,528

Less: Non Deductible Expenditure**NZMC**

Domestic	585	9,584
International	3,799	(10,033)
Outward Sound	-	-
Rugby World Cup 2011	-	-
	<hr/> 4,384	<hr/> (449)

EDUCATION

Making Music	-	-
Mentoring	533	36
One Off Projects	-	-
Sweet	-	-
Administration	1,673	(1,926)
	<hr/> 2,206	<hr/> (1,890)

Total Non Deductible Expenditure

6,590	(2,339)
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Net Profit/(Loss)

(44,725)	28,867
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NEW ZEALAND MUSIC COMMISSION

Statement of Movements in General Funds

For the year ended 30 June 2015

	2015	2014
General Funds as at 1 July 2014	379,095	350,228
Plus Net Surplus (Deficit) for Year	(44,725)	28,867
Prior Year Adjustments	-	-
General Funds as at 30 June 2015	<hr/> 334,370	<hr/> 379,095

NEW ZEALAND MUSIC COMMISSION
Statement of Financial Position
For the year ended 30 June 2015

General Funds

		2015	2014
Accumulations Account	1	334,370	379,095
Prior Year Adjustments	2	-	-
Education Reserve	3	-	-
Outward Sounds Reserve	4	-	-
World Series Reserve	5	-	-
		<u>334,370</u>	<u>379,095</u>

Represented by:

Fixed Assets	6	5,098	4,908
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Investments

ANZ - Term Deposit		343,814	304,154
		<u>343,814</u>	<u>304,154</u>

Current Assets

ANZ - General Cheque Account		32,135	40,229
ANZ - General Call Account		14,599	152,071
Petty Cash		300	300
Debtors and Prepayments		211,393	323,662
GST Refund		2,291	22,387
Taxation		8,560	2,873
Payroll Clearing		25,803	-
Petty Cash Clearing		-	300
		<u>295,081</u>	<u>541,822</u>

Non Current Assets

Preliminary Expenses		14,681	14,681
Outward Sound Formation Costs		11,176	11,176
Logo		-	-
		<u>25,857</u>	<u>25,857</u>

Total Assets		<u>669,850</u>	<u>876,741</u>
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Current Liabilities

Trade Creditors		81,213	136,134
Accruals		254,267	361,513
Income in Advance		-	-
GST Payable		-	-
Taxation		-	-
		<u>335,480</u>	<u>497,647</u>

Total Liabilities		<u>335,480</u>	<u>497,647</u>
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Net Assets		<u>334,370</u>	<u>379,094</u>
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