



New Zealand Music Industry Commission Te Reo Reka o Aotearoa

Growing the New Zealand Music Industry
Culturally and Economically, at Home and Abroad

Business Plan 2012 - 2013

For the year beginning 1 July 2012

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





NZ Music Commission Te Reo Reka O Aotearoa

Business Plan 2012 - 2013

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Our vision

A successful music industry in New Zealand.

Our Mission

To grow the music industry in New Zealand, both culturally and economically, at home and abroad.

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



A) Overview from the Chairperson and Chief Executive

On behalf of the Board of Trustees and the staff of the New Zealand Music Commission Te Reo Reka o Aotearoa, we are pleased to present the Music Commission's business plan for the year beginning 1 July 2012. This plan outlines both our strategic direction and our specific work programme for the coming year.

In 2012/2013, the Music Commission is well positioned to deliver services supporting the Government's over-arching objective for the contemporary popular music sector as defined by Manatu Taonga Ministry for Culture and Heritage in 2011. This is: *"To support a thriving music sector in order to ensure New Zealanders can listen to and buy contemporary popular music of their choice"*.

It is the Music Commission's intention to continue to operate consistently with the Government's interest in the effective provision of services and providing value for money.

The Music Commission will:

- Deliver services for the contemporary music sector, domestically and internationally to assist in growing New Zealand music businesses both at home and abroad in a cost-effective manner
- Publish data that identifies music issues and trends across a range of activities in the NZ music industry
- Collaborate with the Manatu Taonga funded agencies Creative NZ, NZ On Air and Te Mangai Paho to minimise duplications, identify funding gaps, and ensure that public investment in funding and support services for contemporary popular New Zealand music demonstrates diversity as well as value to artists and to taxpayers
- Continue to seek additional resources for work in education settings that complements the skills development and advocacy work undertaken for New Zealand music within the wider music sector.

The majority of the Music Commission's funding is attained from Government through Vote: Arts, Culture and Heritage, and we are committed to contributing to Government's desired goal for the sector – "New Zealand's distinctive culture enriches our lives", and to Government's long term goal to build a more competitive and productive economy. The Music Commission's business plan reflects those goals within the scope and financial capability of the organisation. As signaled by our Minister, Hon Christopher Finlayson, we anticipate no budget increases for the foreseeable future and are planning accordingly.

Our Environment

Sales of digital music have grown significantly in the past year, with the final quarter of 2011 seeing 207,000 digital singles sold by New Zealand artists. Sales of local albums have also grown, with 550,000 record sales in 2011. The percentage of NZ albums sold in 2011 was 19.8% of the total market – meaning sales were almost 1 in 5 local product.

Revenue from live music has maintained growth – reflected by the second consecutive year of a record payout by the Australasian Performing Right Association (APRA) to its writer members. This has increased by more than 11% from 2010.

As noted in various reports on the music industry, the sources of income for New Zealand music businesses continue to change and the Music Commission must be adaptable to these changes. New music streaming services that are arriving in New Zealand will broaden the promotional avenues available to NZ artists, and provide new ways of being heard around the world. However, the small royalty payments received for participating in these services mean that New Zealand artists can not rely on these as effective alternative sources of revenue, so other income streams will still need to be sought.

Enhancements To Our Work Programme

The majority of our existing services continue in the coming year's plan. We have grown the New Zealand presence at offshore tradeshows in the past twelve months with financial assistance from NZ On Air. A transfer from NZ On Air to the Music Commission's baseline funding will ensure the key offshore objectives will continue in the 2012/2013 year. We anticipate further refining our work programme during 2012/2013 as collaborative interventions, particularly with NZ On Air and Creative NZ, are developed in line with the Terms of Reference for the Music Agency Group.

In the year beginning 1 July 2012 the Music Commission has seventeen specific outputs. These are detailed in the Statement of Service Performance, which can be found on page 11 of this Business Plan.

Frankfurt Book Fair

In 2012, there will be particular focus on leveraging the opportunities that arising from the significant New Zealand presence as the Guest Country of Honour at the Frankfurt Book Fair. The Music Commission will produce a showcase of New Zealand artists and music to coincide with the Frankfurt Book Fair in September of this year. Additionally, we will work with the Book Fair delivery team to explore all possible opportunities for convergence (for example music for the NZ Pavilion, musicians appearing during the event etc) and to promote the New Zealand cultural River Festival.

Delivering More

As always, we will continue to seek additional commercial income streams for the organisation and look for more innovative ways of delivering future initiatives; for example through partnerships and in-kind sponsorship of our programmes and activities where it is appropriate.

Strategic Review

Over the coming year the Music Commission will undertake a review of its services, with particular focus on the international programmes, and use this as a basis for setting the future strategic direction of the organisation. This will ensure that we are delivering the right mix of interventions and initiatives to best support New Zealand music businesses, whilst contributing to the Governments overarching goals for the sector and New Zealand.

A new Strategic Plan for 2013 to 2016 outlining the goals and aspirations of the Music Commission will be developed with implementation to begin by 1 July 2013.

Anthony Healey
Chairperson

Cath Andersen
Chief Executive

B) Our strategic direction

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

Outcome One - INFRASTRUCTURE **The expertise of music industry professionals is increased**

We focus on this outcome because we believe that:

- A healthy industry requires a healthy and strong infrastructure
- 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

Outcome Two - EXPOSURE **to local music is enhanced, leading to increased financial and cultural returns**

We focus on this outcome because we believe that:

- New Zealand music enriches the lives of New Zealanders, and strengthens our sense of ourselves and our place in the world
- Our music should be taught in our schools
- Building future audiences begins with young people

Outcome Three - EXPORTING **More overseas market initiatives are successful**

We focus on this outcome because we believe that:

- 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
- Outward Sound will continue to be a robust, diverse and transparent international music marketing scheme
- Leveraging across all NZ export and trade opportunities will enhance the NZ music industry's reputation on the world stage

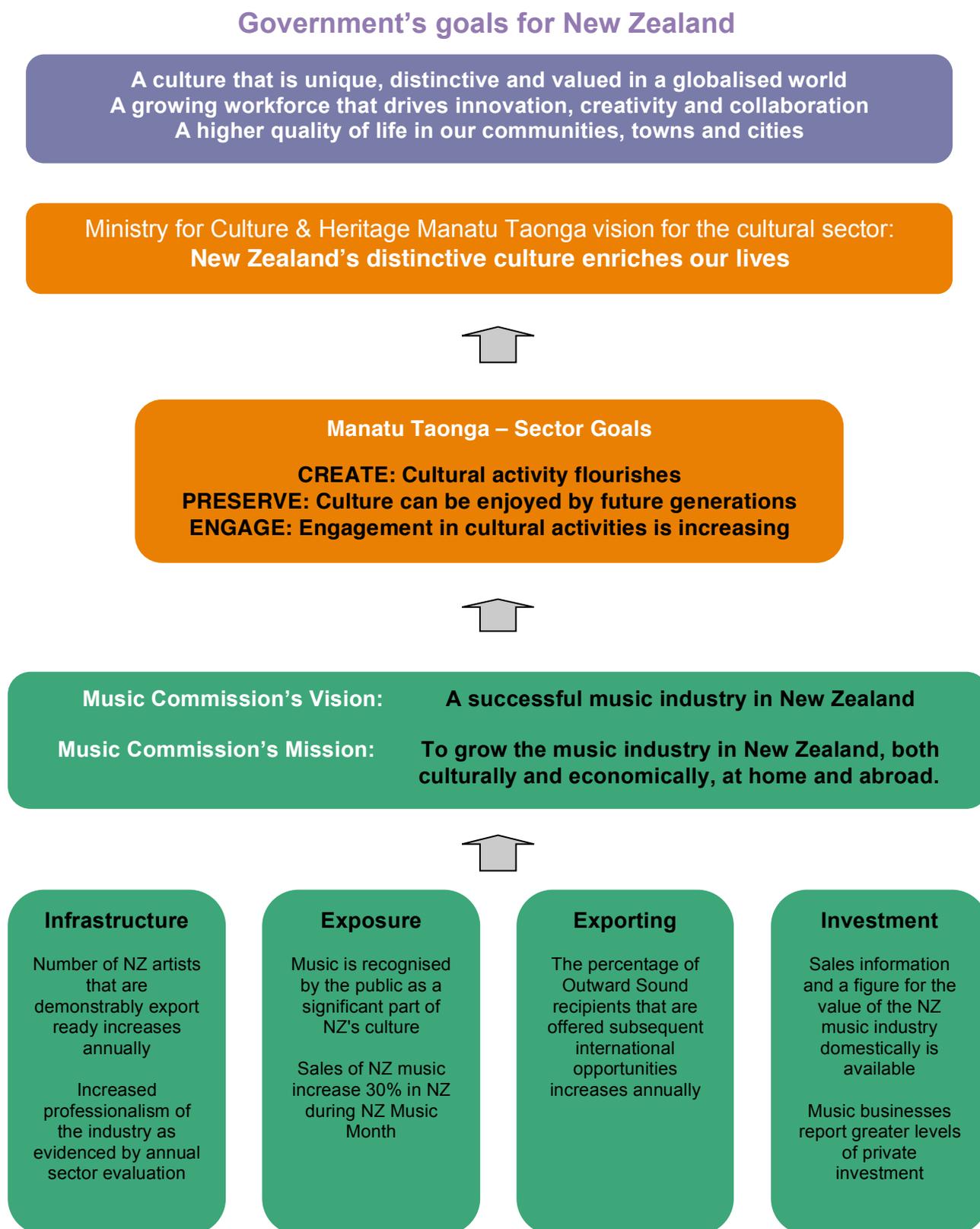
Outcome Four - INVESTMENT **More private money is channeled into the industry**

We focus on this outcome because we believe that:

- The music industry will contribute to the economic transformation of the country and grow the tax pool from the creative sectors
- The music industry is on an upturn of professionalism and innovative thinking
- The music business has a lot to offer private investors, and we need to get better at leveraging the value of music to attract that investment
- Research will lead to greater investment, when the high value returns can be better documented.

C) Our contribution to the sector

The links between the Commission's outcomes, its vision for the sector, and Government's goals is shown in the diagram below:



D) Our contribution to the Ministry's impacts for the sector

Ministry Outcomes & Funded Agency Impacts

The Ministry for Culture & Heritage Manatu Taonga has a stated Vision that:

New Zealand's distinctive culture enriches our lives.

The Outcomes sought to achieve that Vision are:

Arts, Heritage, Media and Sport (Cultural) Outcomes

- Cultural activity flourishes - **Create**
- Culture can be enjoyed by future generations - **Preserve**
- Engagement in cultural activities is increasing - **Engage**

The Ministry has identified three specific impacts that contribute to all cultural outcomes - consequently the Ministry's Vision and the Government's goal for the sector. The Music Commission plays a key role in the Funded Agency's contribution the Impacts in two of the three identified key areas. Those areas are:

- A. Our cultural activity is increasingly visible and valued, both here and abroad**
- C. More New Zealanders are active participants in cultural and sporting events, and achieving high standards of performance**

The Music Commission does not have a role in the preservation of New Zealand's cultural and heritage at this stage.

The table below shows the Ministry's desired Funded Agency Impacts and how the Music Commission outcomes contribute to these:

Funded Agency Impacts	Measures	Targets	Music Commission contributing Outcomes:
A. Our cultural activity is increasingly visible and valued, both here and abroad	1. Positive perceptions of New Zealand's cultures and their importance	<i>Maintained or increasing – to set a baseline in 2012</i>	EXPORTING - More overseas market initiatives are successful
	2. Number of New Zealanders and others experiencing local arts, heritage, media and sport events and activities	<i>Increasing – to set a baseline in 2012</i>	EXPOSURE to local music is enhanced, leading to increased financial and cultural returns
	3. Average change in third party revenue attracted by funded agencies to support their work	<i>Increasing – to set a baseline in 2012</i>	INVESTMENT - More private money is channeled into the industry
B. Important taonga and traditions are increasingly protected and	4. Access by local and international visitors to heritage protected by the funded agencies ¹	<i>Increasing- to set a baseline in 2012</i>	
	5. Number of taonga (movable and built objects) in funded agency collections held in conditions that	<i>Increasing- to set a baseline in 2012</i>	

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Applies to the work of Te Papa, NZ Historic Places Trust, NZ Film Archive, and Antarctic Heritage Trust

accessible	meet agreed collection care standards		
	6. Level of positive perception of New Zealanders that the funded agencies ensure that taonga and traditions are protected and accessible a. Level of positive perception of Māori that the funded agencies ensure that taonga and tikanga are protected and accessible	<i>Maintained or increasing – to set a baseline in 2012</i>	
C. More New Zealanders are active participants in cultural and sporting events, and achieving high standards of performance	7. Artists, athletes, media practitioners and cultural groups are performing to a high level	<i>Continuing achievement of awards throughout the cultural sector</i>	INFRASTRUCTURE - The expertise of music industry professionals is increased
	8. Incidences of non-compliance with standards, including failed drug tests in sport, and complaints upheld by the BSA about broadcasting standards	<i>Maintained or reducing from 2010/11 result – 100 from a total 1802 complaints/tests.</i>	

Funded Agency Collaboration

The Ministry also seeks to encourage and improve collaboration between Funded Agencies to improve overall cultural sector performance. The Ministry will measure this by an annual evaluation of collaboration between the Funded Agencies across the sector. The measurement targets are:

Agency collaboration	Measures	Targets	
A joined up cultural sector strengthens performance and flexibility	Level of private or philanthropic giving to arts & heritage organisations	<i>Increasing or maintained</i>	Baseline to be established in 2012
	Collaboration between funded agencies, and between the Ministry and funded agencies, to achieve cultural and government outcomes	<i>Increasing</i>	56 collaborative arrangements currently in place.

The Music Commission contributes to this impact through its ongoing initiatives achieved in partnership or with the support of other funded agencies. These initiatives currently are:

- Music Agency Group – with NZ On Air, Creative NZ and Te Mangai Paho
- Womex - World Music Trade Show, Europe (different country per year) - with Creative NZ
- Australasian World Music Expo, Melbourne - with Creative NZ
- Music Market Valuation Project – with NZ On Air and Creative NZ
- NZ Music Month – with NZ On Air
- NZ Music Month Seminar Summit – with NZ On Air
- NZ Music Month May Book – with NZ On Air

E) Nature and scope of functions

The NZ Music Commission Te Reo Reka o Aotearoa is an organisation 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.

The Music Commission's range of outputs include:

- New Zealand Music Month to increase public exposure to and promote New Zealand music;
- Professional development services for music industry professionals;
- Direct funding to the Music Managers Forum and Independent Music New Zealand;
- Investing in offshore music market initiatives through the Outward Sound funding programme;
- Promoting New Zealand as a significant source of repertoire through the international music trade show programme;
- Researching and publishing the value and trends of the industry; and
- Delivering music education programmes in schools.

The Music Commission does not fund the production or broadcast of recorded music.

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 a Memorandum of Understanding between the Music Commission and the Minister. Further expectations of the Minister are communicated to the Music Commission in an annual Letter of Expectations.

F) Steering the strategic direction

The strategic direction of the Music Commission is set by the kaupapa of the organisation and the environmental factors that affect our sector. Key to the external environment for our organisation are the outcomes sought by the Ministry and government's goals.

Links to Government's goals

The Government's goal for the arts, culture and heritage sector (as set out in the Manatu Taonga Ministry for Culture & Heritage Statement of Intent 2011 – 2014) is 'New Zealand's distinctive culture enriches our lives'.

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.

G) Our outcomes, outputs and how we will measure success

This section outlines in detail the planned activities (outputs) of the Commission over the next three years under each of the four outcomes we are working towards. Performance indicators and targets have been set to measure the effectiveness of each output in contributing to the outcomes.

Statement of Forecast Service Performance:

Outcome One: INFRASTRUCTURE - The expertise of music industry professionals is increased

Outcome indicator	2012/2013
Number of NZ artists that are demonstrably export ready as evidenced by number 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	Number of high potential (or 'export ready') Outward Sound applications received increases on the previous year.
Increased professionalism and expertise of the industry as evidenced by annual sector evaluation	Annual survey shows growth in satisfaction of professionalism.

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
1. Provide support to independent music companies via Independent Music New Zealand, and professional artist managers through the Music Managers Forum, and work in partnership with those organisations	Providing support to these industry representative bodies enables them to deliver important industry support and professional development initiatives	Music Commission provides annual operating grant to MMF	Operating Grant for 2012/2013 provided
		MMF meets contracted performance expectations	MMF meets contracted performance expectations for 2012/2013
		Music Commission provides an annual operating grant to IMNZ	Operating support for 2012/2013 provided
		IMNZ meets contracted performance expectations	IMNZ meets contracted performance expectations for 2012/2013

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
2. Implement a music industry internship programme	Support an accelerated and structured professional development experience throughout the wider industry	The programme is a useful tool for participants and assists in finding employment in the music industry Survey of participating companies to the programme is a useful resource is completed	4 internship placements occur 75% satisfaction in the programme from participating companies
3. Convene an annual Think Tank with music industry representatives	Providing a platform for a wider group to consider the future potential of our sector, and to share ideas to help inform the direction, planning and programmes of the Music Commission	That a minimum of 25 professionals participate in an annual Think Tank and the session notes are considered as part of the Music Commission's Annual Planning process	1
4. To deliver professional development opportunities for the NZ music industry from grassroots learning through to higher professional development opportunities	Supporting and participating in seminars in the four main centres and smaller centres of NZ during the year, and publishing music industry handbooks, to provide industry professionals with useful and high quality information with which to expand their skill base	Number of general music industry seminars delivered in the main centres of NZ annually Number of general music industry seminars series in other centres of NZ One Masterclass opportunity provided annually	1- General music industry seminar in main centres of NZ 1 - General music industry seminar series in other centres of NZ 1
		Level of participant satisfaction with NZMC run or supported seminars, as measured by survey	75% of seminar attendees rate the seminar as good or excellent
		Percentage of new vs returning audiences at NZMC run seminars as measured by customer satisfaction surveys	25% of audience members at seminars were first time attendees
5. Provide information resources for NZ music companies	Servicing the music industry with high quality and practical information such as access to legal advice and information on imminent international markets will help to grow the industry's expertise	Continuation and uptake of Music:Law service	Music:Law continues Bookings remain over 80% full for the year

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
		The NZ Music industry is provided with information on upcoming offshore market events and information about recent NZ music successes / events in different regions.	12 - Music Commission publishes monthly updates
		The Music Commission website is up to date and provides useful information and resources for artists and industry practitioners.	12 - The resource section of the website is added to on a monthly basis
6. Support capacity building for small to medium music businesses.	Investigate a programme where music businesses have experts work with them to develop business strategies, both for infrastructure planning and/or digital developments.	The Music Commission designs and tests a programme to provide small grants for music businesses to receive expert advice to assist in growing their business from a pre-approved panel of providers.	Pilot programme is developed with panel of providers secured.

Outcome Two: EXPOSURE - to local music is enhanced, leading to increased financial and cultural returns

Outcome Indicator	2012/2013
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.
Revenues from NZ Music continue to grow	Benchmarked in 2012 by the NZ Music Market Valuation project.

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
7. New Zealand Music Month	High visibility promotional activities lead to increased media coverage, retail sales, and public interest in NZ music	Level of media coverage of NZ music during NZ Music Month.	Number of TV hours and print pages for NZ music during NZ Music Month increases from April annually
		Sales of NZ music grow during NZ Music Month	30%
		Level of external revenue gained for the promotion of NZ Music in May	NZ Music Month achieves 80% of its budget through external revenue
8. Musicians Mentoring in Schools Programme	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.	Number of Schools participating in the programme annually Number of students participating in the programme annually Satisfaction levels	60 (dependent on contract renewal in December 2012) 1200 (dependent on contract renewal in December 2012) 90% participants rate the programme as good or excellent

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
9. Bands Mentoring in Schools Programme	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 which provides support, and shares experience and knowledge	Number of schools participating annually Satisfaction levels	40 90% or greater of participants rate the programme as good or excellent
10. Identify and support significant Maori and Pacific Island music events	Supporting these events helps to showcase to the public the importance of the contribution of both Maori Music and Pacific Music to the contemporary popular music industry	The number of significant national Maori and Pacific Island music events identified and supported annually by the Music Commission	2
11. Identifying sponsorship opportunities with a domestic focus	Liaising with appropriate brands and agencies to heighten awareness of the sponsorship potential of NZ music projects will result in the successful sponsorship of NZ music related projects.	Number of commercial sponsors that undertake NZ music related projects increases annually	7
12. Provide publicity and press exposure for Music Commission projects and distribute information about individual artists / business where appropriate.	Utilising the communications capabilities of the Music Commission by servicing media with a range of information about the organisations projects and local industry news will increase public exposure to NZ music.	A range of information about Music Commission projects and local industry news is distributed.	Music Commission website regularly updated Monthly updates emailed to a range of sources.

Outcome Three: EXPORT - More overseas market initiatives are successful leading to a thriving music industry

Outcome indicator	2011/2012
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.

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
11. Operation of the Outward Sound Programme	Through providing a robust and transparent grants assistance programme, investing up to 50% of costs for representatives or artists to undertake overseas 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	Outward Sound continues to operate in a robust and transparent manner	<p>Four funding rounds are held annually</p> <p>100% of projects funded through Outward Sound have robust plans and demonstrate capability to achieve increased overseas earnings, as assessed by industry advisory group</p> <p>100% of grant recipients provide a detailed project report within the agreed timeframe</p> <p>Four applicants take part in a survey to assess the funding process and management of the programme</p> <p>Random audits are undertaken for a minimum of 2 completed Outward Sound projects</p> <p>Explore google analytics and other internet technologies to measure the profile of NZ music offshore</p>

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
		Number of Outward Sound supported export initiatives that gain foreign investment annually	14
12. Business Development grants (within the Outward Sound programme) for music managers and music companies to grow their businesses offshore	Supporting opportunities for companies to grow, as successful companies will have greater capability for reinvestment.	Number of NZ music companies and music managers who utilise the programme.	6
13. To facilitate the availability of offshore expertise to local practitioners, both in formal seminar and one on one mentoring settings	Facilitating opportunities for international specialists to pass on knowledge to the local market via seminars, networking opportunities etc. will enable NZ artists and professionals to make more informed plans and decisions with regard to overseas market initiatives, improving their chances of success	That experts participate in seminars or networking opportunities annually % of attendees / participants that rated satisfaction with the event as good or excellent	3 80%
14. Coordinating and managing the representation of NZ music at strategically identified international music trade events	The offshore business potential of delegates will be increased through a coordinated, professional and relevant national representation	Number of international music markets / trade fairs attended to showcase New Zealand artists	4
		Number of international music markets / trade fairs attended to promote New Zealand as a source of repertoire	2
		New networks gained and change in potential foreign exchange earnings for participating companies.	80% of participating companies report an improvement in networks gained and potential foreign exchange earnings as a direct result of the international event

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
19. Identifying sponsorship opportunities with an international focus.	The Commission liaises with appropriate brands and advertising agencies to heighten awareness of the sponsorship potential of offshore NZ music projects.	Number of commercial sponsors undertaking offshore NZ music related projects.	3.

Outcome Four: INVESTMENT - More private money is channeled into the industry

Outcome indicator	2012/2013
Progress is made in obtaining a quantifiable figure for the value of the NZ music industry domestically	The Music Commission can report on actual industry figures.
Music businesses report greater levels of private investment in music related projects	% of surveyed companies report growth.

OUTPUT	IMPACT	PERFORMANCE INDICATORS	2012/2013
15. Improve statistical research on the performance of the music industry, both domestically and internationally	Facilitating the collection of economic data relevant to the NZ music industry will provide the industry (and the Music Commission) with important knowledge about the performance of the industry. Research and development will lead to greater investment, as high value returns can be better documented	Progress is made in obtaining a quantifiable figure for the value of the NZ music industry domestically	Review options for a collection mechanism for obtaining domestic income from NZ music
		Progress is made in obtaining a quantifiable figure for the value of the NZ music industry's foreign exchange earnings	Collate total foreign exchange earnings of Outward Sound applicants for the year and increase other sources to obtain broader figure
		Useful data on the performance of the NZ music industry is collected by the Music Commission and disseminated	Quarterly reports are collected and disseminated by the Music Commission
17. Implement investment tool kits for NZ music companies.	In consultation with active investors, build tool kits that assist music businesses to promote music as an attractive investment.	A useful resource for NZ music companies is developed.	% increase in access of online information Survey users for usefulness.

H) Improving our performance

The Music Commission has implemented a project evaluation framework to assess the overall effectiveness of each project the Music Commission undertakes, including the value for money or 'cost-effectiveness' of those projects. The results of project evaluations will be used to inform the Music Commission's annual planning procedure to ensure maximum efficiency and effectiveness.

The Music Commission will continue to convene an annual think tank of industry professionals to inform new thinking and gauge the effectiveness of its programmes, with a full programme on a bi-annual basis. This will ensure the Music Commission's work priorities are relevant and reflects the growth and changes occurring within the industry.

I) Organisational health and capability

The Music Commission has a small staff and is governed by a Board of Trustees. There are currently seven members on the Board. The Board members have been appointed specifically for their knowledge and skills across all facets of the NZ music business and they meet seven times a year. There are currently six full-time and three part-time employees. A full list of Board members and employees is provided on page 21.

An initiative we intend to trial in the 2012/13 year is a professional development programme where each staff members undertakes a minimum of two weeks industry work per annum, where they work for a music or related business in the sector. This is to ensure that practical and relevant knowledge of the music industry is retained by all staff.

The Commission has in place a detailed set of internal objectives and corresponding annual targets to ensure it is a capable organisation with responsive and responsible management and governance. The high level objectives are:

- An Excellent Staff that is stable, high performing and growing in capability
- Internal Policy Development will be up to date with best practice standards by 2013
- Industry partnerships and relationships are enhanced
- The Commission is a responsive organisation with a clear and informed annual planning process.

J) Our people

Board of Trustees:

Anthony Healey
Chairperson
Director NZ Operations, APRA

Chris Hocquard
Deputy Chairperson
Principal, Dominion Law

Ngahiwi Apanui
Music Consultant

Victoria Blood
Music Consultant

Ben Howe
Independent Music NZ
Arch Hill Records

Darryl Parker
Director, Country Manager, EMI Music NZ

Richard Thorne
Publisher, NZ Musician

Staff:

Cath Andersen
Chief Executive

Gary Fortune
International Manager

Stephanie Lees
Education Manager

Alan Holt
International Coordinator

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Communications & Projects Officer

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New Zealand Music Industry Commission Te Reo Reka o Aotearoa

Appendix 1

Budget 2012 - 2013

For the year beginning 1 July 2012

Balance Sheet	Page 2
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Tagged Funds	Page 5
Total Summary by Department	Page 6
Total Expenses Summary	Page 7



**NZ Music Commission
Budget Worksheets
For Year End 30 June 2013**

	Jun-12	Jun-13
BALANCE SHEET		
Working Capital		
Cash and Investments	591,427	393,340
Receivables	50,880	93,150
Prepayments	30,625	26,238
	<u>672,932</u>	<u>512,728</u>
Less		
Payables & Accruals	(446,498)	(384,170)
Income In Advance	0	0
	<u>(446,497)</u>	<u>(384,170)</u>
Net Working Capital:	<u>226,434</u>	<u>128,559</u>
Non Current Assets		
Fixed Assets	10,641	9,523
Preliminary Expenses	14,681	14,681
Outward Sound Set Up Costs	11,177	11,177
Logo	3,000	3,000
	<u>39,499</u>	<u>38,381</u>
	<u>265,933</u>	<u>166,940</u>
Represented by:		
Retained Earnings	183,612	265,933
Net Profit	82,321	(98,993)
	<u>265,933</u>	<u>166,940</u>
FIXED ASSETS		
Assets at Cost - 2012	102,484	107,320
Purchases/(Sales) - Prior Months		9,145
Purchases/(Sales) - Current Year	4,836	-
	<u>107,320</u>	<u>116,465</u>
Accumulated Depreciation - 2012	(84,608)	(96,679)
Depreciation Expense - Prior Months		-
Depreciation Expense - Current Year	(12,072)	(10,263)
	<u>(96,679)</u>	<u>(106,942)</u>
Fixed Assets	<u>10,641</u>	<u>9,523</u>

NZ Music Commission

Budget Worksheets

For Year End 30 June 2013

Notes to the Management Reports

1 Accumulations Account	2012	2013
Balance at beginning of year	183,613	265,934
Net Surplus / (Loss)	82,321	(98,993)
Transfer to Education Reserve	-	-
Transfer to Outward Sound Reserve	-	-
Transfer to World Series Reserve	-	-
	<u>265,934</u>	<u>166,941</u>
2 Education Reserve	2012	2013
Balance at beginning of year	-	-
Transfer from Retained Earnings	-	-
Transfer to Retained Earnings	-	-
	<u>-</u>	<u>-</u>
3 Outward Sound Reserve	2012	2013
Balance at beginning of year	-	-
Transfer from Retained Earnings	(360,000)	(380,000)
Transfer to Retained Earnings	360,000	380,000
	<u>-</u>	<u>-</u>
4 World Series Reserve	2012	2013
Balance at beginning of year	-	-
Transfer from Retained Earnings	-	-
Transfer to Retained Earnings	-	-
	<u>-</u>	<u>-</u>
5 Retained Earnings as per Balance Sheet	265,934	166,941

**NZ Music Commission
Budget Worksheets
For Year End 30 June 2013**

	Jun-12	Jun-13
CASHFLOW		
Net Profit	82,321	(98,993)
Depreciation	12,072	10,263
Decrease / (Increase) in Receivables	94,215	(42,271)
Decrease / (Increase) in Prepayments	(28,456)	4,388
Decrease / (Increase) in Long Term Assets	-	-
Increase / (Decrease) in Payables / Accruals	75,593	(62,329)
Decrease / (Increase) in Income in Advance	(80,001)	-
Operating Cashflow:	<u>155,743</u>	<u>(188,941)</u>
Purchase of Fixed Assets	(4,836)	(9,145)
Movement in Cash:	<u>150,907</u>	<u>(198,086)</u>

SOURCE AND APPLICATION OF FUNDS STATEMENT

The Bank started at (1/7/12)	440,520	591,427
Cash was received from		
Grants, donations and other income	2,577,854	1,955,206
	<u>2,577,854</u>	<u>1,955,206</u>
Cash was applied to		
Expenses	(2,422,112)	(2,144,147)
Long Term Assets	-	-
Fixed Assets	(4,836)	(9,145)
	<u>(2,426,948)</u>	<u>(2,153,292)</u>
The Bank Closed at (30/6/13)	591,427	393,340
Memo:		
Cash Received	2,577,854	1,955,206
Cash Applied	(2,426,948)	(2,153,292)
Movement in Cash:	<u>150,907</u>	<u>(198,086)</u>

**NZ Music Commission
Budget Worksheets
For Year End 30 June 2013**

TAGGED FUNDS

Balance of Reserves:	
To 30 June 2013	
Outward Sound:	
Opening Balance -1 July 2012	-
Plus:	
Budget Income for 2013	380,000
TOTAL FUNDS	380,000
Less:	
Budget Expenditure for 2013	(380,000)
NET SURPLUS TO BE RETAINED	-

NZMC Cash In Bank - 30 June 2013	393,340
Less:	
Accounts Payable - 30 June 2013	(384,170)
Plus:	
Accounts Receivable - 30 June 2013	93,150
NZMC NET SURPLUS FUNDS	102,321

NZMC NET Surplus Funds Analysis	
Surplus Funds	102,321
Made up of:	
2011 / 12 Surplus Funds Brought Forward	195,808
2012 / 13 Net Profit / (Loss) - MCH Funded	(33,717)
2012 / 13 Education - MCH Funded	(65,275)
2012 / 13 Outward Sound - MCH Funded	-
+ 2012 / 13 Non Cash Expenditure (Depreciation)	10,263
Less Capital Expenditure	(9,145)
Movement in Income in Advance	-
Movement in Prepayments & Long Term Assets	4,388
NZMC NET SURPLUS FUNDS	102,321

**NZ Music Commission
Budget Worksheets
For Year End 30 June 2013**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	BUDGET 2013	R-CAST 2012	Variance
TOTAL NZMC SUMMARY BY DEPT							
Income							
Domestic	330,057	130,737	129,737	257,737	848,266	710,548	137,719
Education	-	133,333	-	133,333	266,666	266,666	(0)
International	125,636	125,636	125,636	125,636	502,544	621,430	(118,886)
Outward Sound	95,000	95,000	95,000	95,000	380,000	399,997	(19,997)
Rugby World Cup 2011	-	-	-	-	-	565,000	(565,000)
Total Income	550,693	484,706	350,373	611,706	1,997,476	2,563,641	(566,164)
Expenses							
Domestic	326,818	139,322	102,874	312,970	881,984	808,521	(73,463)
Education	54,816	95,283	58,824	123,017	331,941	310,825	(21,116)
International	149,726	135,546	123,178	94,094	502,544	470,374	(32,170)
Outward Sound	95,000	95,000	95,000	95,000	380,000	360,000	(20,000)
Rugby World Cup 2011	-	-	-	-	-	531,600	531,600
Total Income	626,360	465,152	379,876	625,081	2,096,469	2,481,320	384,851
Income Less Expenses	(75,668)	19,554	(29,503)	(13,376)	(98,993)	82,321	(181,314)

**NZ Music Commission
Budget Worksheets
For Year End 30 June 2013**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	BUDGET 2013	R-CAST 2012	Variance
TOTAL NZMC SUMMARY							
Income							
Contributions	-	-	-	45,000	45,000	398,505	(353,505)
Dividends Received	320	-	-	-	320	320	-
Government Grants	449,750	383,083	249,750	383,083	1,465,666	1,665,170	(199,504)
Outward Sound Grants	95,000	95,000	95,000	95,000	380,000	399,997	(19,997)
Interest Received	5,623	5,623	5,623	5,623	22,490	18,435	4,055
Other Income	-	1,000	-	68,000	69,000	67,613	1,387
Services / Fees	-	-	-	15,000	15,000	13,600	1,400
Total Income	550,693	484,706	350,373	611,706	1,997,476	2,563,641	(566,164)
Expenses							
Salary & Wages	123,887	125,504	113,883	129,443	492,717	503,326	10,609
Personnel Expenses	6,238	8,838	9,963	24,573	49,611	50,752	1,141
People Expenses	68,817	45,367	63,567	72,817	250,570	334,294	83,724
Grants	95,000	95,000	95,000	95,000	380,000	360,000	(20,000)
Administration Expenses	15,366	16,191	13,616	19,041	64,214	71,512	7,298
Communication Expense	4,795	4,995	5,045	4,795	19,630	17,311	(2,319)
Manufacturing / Resources	1,283	14,533	15,383	19,733	50,930	102,391	51,461
Professional Services / Fees	26,375	59,625	11,375	59,725	157,100	154,961	(2,139)
Property Expenses	14,702	16,202	14,702	16,002	61,608	58,766	(2,842)
Repairs and Replacements	1,225	1,225	1,225	1,225	4,900	5,502	602
Events	35,000	18,500	18,600	47,250	119,350	374,881	255,531
Education & Research	14,138	12,638	7,638	13,838	48,250	42,973	(5,277)
Advertising & Promotions	218,404	45,404	3,600	120,610	388,019	360,865	(27,153)
Other Expenses	1,130	1,130	6,280	1,030	9,570	43,785	34,215
Total Expenses	626,360	465,152	379,876	625,081	2,096,469	2,481,320	384,851
Income Less Expenses	(75,668)	19,554	(29,503)	(13,376)	(98,993)	82,321	(181,314)