

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

**ANNUAL PLAN
2018 - 2019**

**SUPPORTING THE GROWTH OF THE NZ MUSIC INDUSTRY
BOTH CULTURALLY AND ECONOMICALLY, AT HOME AND ABROAD**



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MUSIC COMMISSION**
TE REO REKA O AOTEAROA

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ANNUAL PLAN 2018 - 2019

Contents

Introduction	3
About the Music Commission	4
Strategic Approach 2016 - 2020	5
Forecast Initiatives & Results 2018 - 2019	7
Organisational Health & Capability	11
Financial Forecast 2018 - 2019	13
Directory	17

INTRODUCTION

This Annual Plan for the New Zealand Music Commission Te Reo Reka O Aotearoa sets out our expected initiatives, results and financial forecast for the year beginning 1 July 2018. This will be the third year of the Music Commission's four year *Strategic Plan 2016-2020* and prioritises creating sustainable music careers and businesses, that survive locally and thrive globally.

The Music Commission gratefully acknowledges an increase in funding through Vote: Arts Culture and Heritage commencing 1 July 2018, which will enable it to better support access, participation and sustainable careers in New Zealand music.

For the third year in a row, 2017 saw recorded music revenues grow in NZ, up by 14.6% to nearly \$100m. Our recorded music market is now 70% digital, one of the highest proportions in the world, with streaming growing 42% since 2016. The music business is in better shape than it has been for 15 years but it is still 30% down on its peak in 2001.

The Music Commission supports access to and engagement with NZ music from the grass-roots. With funding from the Ministry of Education we nurture future artists and audiences through Music Mentoring in Schools – 1200 students took part in 2017. We promote and enable music participation in the community via NZ Music Month, which – with a focus on Music Discovery in 2018 – saw approximately 1,000 events nationwide.

To help create sustainable careers, the Music Commission supports regular skills and knowledge development programmes for artists and music businesses, and we fund Independent Music NZ, the Music Managers Forum, and other organisations to do likewise. The 2018 pilot Internship Programme (with support from Creative NZ) has been a success, and our increased funding will enable us to implement the Programme as an ongoing initiative. We are delighted to report that at least four of the twelve interns from the pilot scheme have been offered employment by their host organisations. The Music Commission appreciates the opportunity to expand our partnerships in providing support for young people and emerging music professionals, to enter the sector and acquire skills to assist in growing their careers.

The digital age has allowed NZ artists to genuinely engage with the global market. Our musicians can record, market and distribute more cheaply and easily than ever before, but they cannot thrive without an international presence, and the skills and networks to compete globally.

The achievements of our artists on the world stage continue to be impressive. In the ten days from 23 May 2018, there were five sold-out shows by NZ artists in London. Our artists have played Coachella, won a Grammy Award, played on Conan O'Brien and Jools Holland's television shows in the US and UK respectively, been featured in The New York Times, The Guardian, The Age and so many more. All of these acts mentioned have had support from the Music Commission over the past 18 months – either as Outward Sound recipients or at the Going Global Music Summit. In the coming year, we will focus on extending the international reach and uptake of opportunities for NZ artists, and look forward to growing the number of artists we can support to thrive globally.

The Music Commission has continued to bring together the key national music organisations on a regular basis to survey the opportunities and issues arising for contemporary music in NZ. As a result of our most recent consultation, the Music Commission will lead the formation of an advisory group to survey the current music education environment, the music organisations will continue to work together regarding the upcoming Review of the Copyright Act, and we will cooperate on a survey of the participation and engagement of women in the national bodies' work.

As we move closer to the end of the decade, and further into a digitised and globalised world, creativity is becoming increasingly recognised for its social, cultural and economic benefits. Music has long been at the digital forefront of the creative industries, with both artists and audiences quick to uptake new technology. New Zealand music is well positioned to contribute to the diversification of our economy, the skills and talents that will be required by our future workplaces, and the wellbeing of all New Zealanders. The NZ Music Commission looks forward to supporting its growth, culturally and economically, at home and abroad.



Victoria Blood
Chairperson

ABOUT THE NZ MUSIC COMMISSION

Nature & 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.

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

Additionally, the Music Commission undertakes two contracts for the Ministry of Education, to provide music mentoring services and support for students and in schools. This contract has a separate reporting process twice annually.

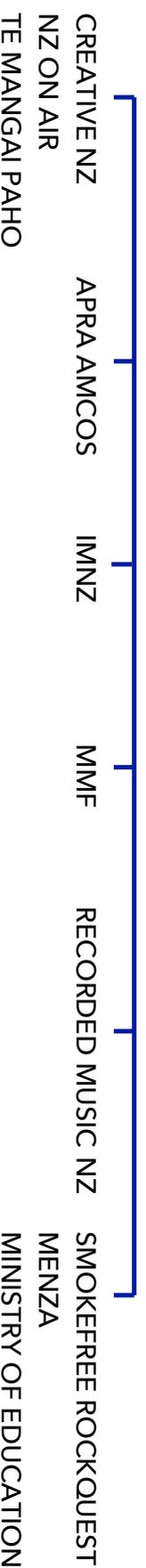
Reporting Framework:

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

The terms of the funding relationship are set out in a Funding 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.

Collaborations

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



STRATEGIC APPROACH 2016 - 2020

The vision of the Music Commission is
A successful music industry in New Zealand.

The mission of the Music Commission is
Supporting the growth of the New Zealand music industry - culturally and economically, at home and abroad.

The Music Commission is:

- Contemporary popular music focused
- Industry Lead

The Music Commission strategic focus areas are:

Domestic

New Zealand music is part of the national cultural conversation

International

New Zealand music can compete in an evolving and diverse international music environment

The Music Commission strategic results areas are:

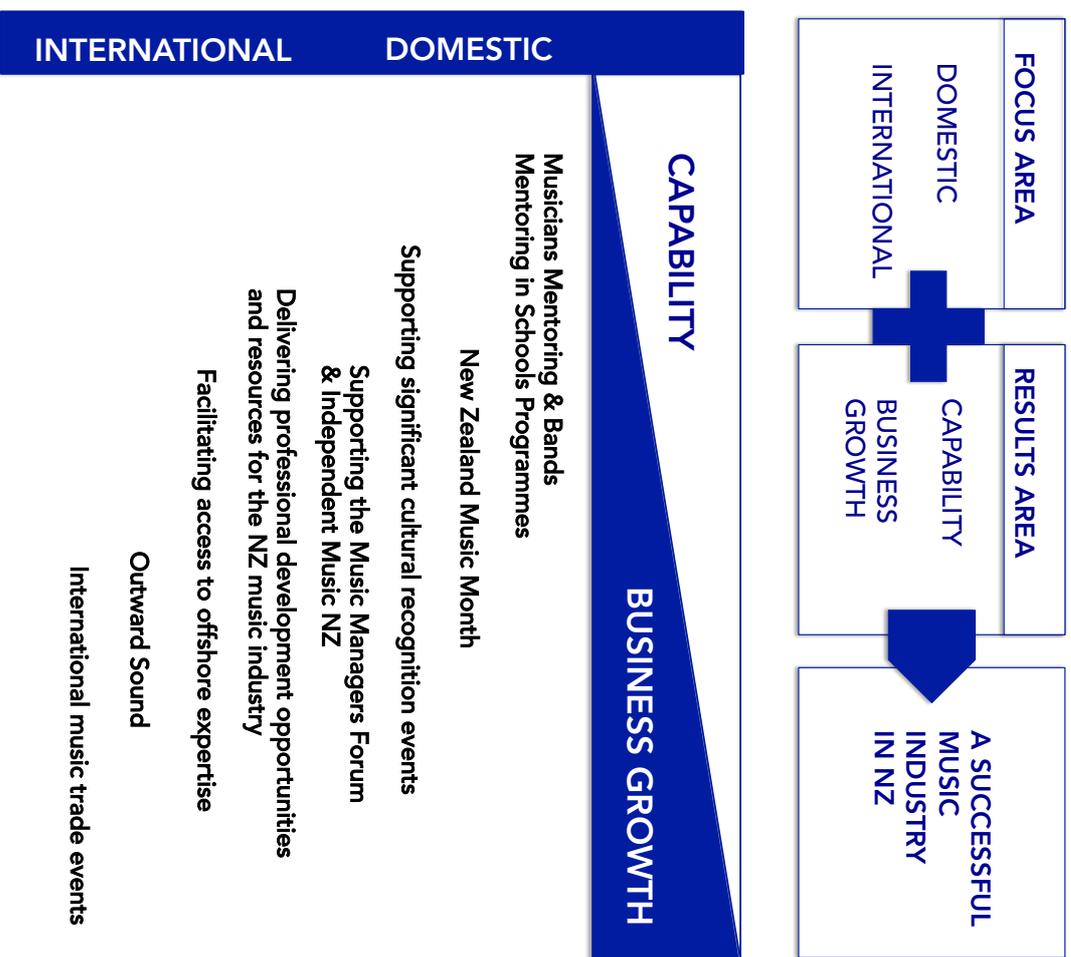
Capability results

New Zealand music practitioners have the resources and tools for doing better business

Business Growth Results

New Zealand music businesses grow their opportunities and successes

We believe these result areas are interconnected and positive results in one area will lead to benefits for the others.



KEY PROJECTS

The Music Commission's strategic direction is focused on achieving its Mission through undertaking work across focus and result areas. The key projects, which will contribute to both our Mission and the Ministry for Culture and Heritage (MCH) Outcomes, are:

DOMESTIC

- Operating the Musicians Mentoring in Schools Programme
- Operating the Bands Mentoring in Schools Programme
- Organising NZ Music Month
- Supporting significant cultural recognition events - Waitata Maori Awards, Pacific Music Awards, MMF Awards and the Taite Music Prize
- Supporting the Music Managers Forum NZ (MMF)
- Supporting Independent Music NZ (IMNZ)
- Operating an Industry Internship Programme
- Continuing to monitor emerging income streams, including digital developments
- Producing the Official NZ Music Month Summit in partnership with the MMF
- Supporting, participating and hosting seminars and upskilling events
- Providing a free legal advice service
- Producing the music industry handbook 'The May Book' annually
- Maintaining a website with a directory of NZ musicians, artist news and resources
- Supporting capability growth for NZ music businesses
- Contributing toward research on the economic value of the music industry
- Publishing information on key domestic and international events.

MCH Outcome:
ENGAGE
Engagement in cultural activities is increasing

MCH Outcome:
CREATE
Cultural activity flourishes in New Zealand

INTERNATIONAL

- Operating the Outward Sound Programme
- Coordinating and managing the representation of NZ music at international music trade events - e.g. The Great Escape, BIGSOUND, IndieWeek, WOMEX and SXSW
- Producing the Going Global Music Summit in partnership with IMNZ
- Providing networking opportunities for NZ music businesses with international counterparts i.e. Country Connections
- Facilitating Master Classes and upskilling opportunities for offshore business growth.

MCH Outcome:
EXCEL
Artists and organisations achieve excellence

FORECAST INITIATIVES & RESULTS 2018 - 2019

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
Domestic	INITIATIVE 1: Musicians Mentoring & Bands Mentoring in Schools Programmes	600 hours delivered of Musician Mentoring	85% of participants rate the Programmes as having a positive or strong influence in the intended result areas.	326
Capability	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 Smokefreerockquest programmes will be assisted to develop their live performance and event management skills through partnering them with a professional band that provides support, and shares their experiences and knowledge.	40 Schools participate in Bands Mentoring		
	<p>Note: The Ministry of Education have increased their contribution to Rockquest via the <i>Bands Mentoring Programme</i>. This increase is reflected in the Financial Forecast 2018/19, however the delivery agreement between the Music Commission and Rockquest for Bands Mentoring requires the same services; therefore it is not reflected in the Forecast Initiatives and Service Performance.</p>			
Domestic	INITIATIVE 2: New Zealand Music Month	NZ Music Month continues to attract public support as evidenced through the number of NZ music performances nationwide during May	Social Media engagement grows as shown through a combination of social media analytic data.	65
Capability	Promotional activities lead to increased coverage celebrating NZ music and the people who create it.			
Business Growth	The purpose of NZ Music Month is to grow awareness of NZ artists, encourage music discovery of new local music, and encourage growth for NZ music businesses.	Number of external events, activities and promotions organised by others for NZ Music Month.		

Focus / Results	Results	Quantitative	Qualitative	Budget (\$'000)
Domestic	INITIATIVE 3: Supporting significant cultural recognition events	That the events such as the Waiata Maori Awards, the Pacific Music Awards, the Taite Music Prize and the NZ Music Managers Awards continue to be recognised as culturally significant events, and supported annually by the Music Commission.	That the four events produce positive media results and provides recognition and coverage to these significant parts of the sector.	17
Capability	Supporting events that celebrate excellence in Maori Music, Pacific Music, independent music and music management will showcase to the public the importance of their contribution to the contemporary popular music industry.			
Business Growth				
Domestic	INITIATIVE 4: Support Independent Music New Zealand (IMNZ) and the Music Managers Forum (MMF)	The paid membership of IMNZ remains stable or grows	The MMF and IMNZ will provide services, including an upskilling schedule taking into account membership surveys and feedback, to benefit both their memberships and the wider industry.	255
Capability				
Business Growth	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.	The paid membership of the MMF remains stable or grows.		

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
Domestic International	INITIATIVE 5: Delivering professional development opportunities, useful information & resources for the NZ music industry	That a minimum of eight intern placements occur per annum	At least 85% of upskilling event attendees rate the events as good or excellent.	250
Capability Business Growth	Delivering an industry internship programme will provide practical training and develop the knowledge, networks and career potential for the interns, whilst provide new perspectives and support for host organisations. 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. 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.	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 A quantifiable figure of the financial value of NZ music is published annually Produce the May Book Provide a free legal advice service.		
International Capability Business Growth	INITIATIVE 6: Creating access to offshore expertise, networks and upskilling opportunities 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. Participation in upskilling or networking opportunities annually, both in New Zealand and offshore, provides useful information and contacts for NZ music businesses.	At least 50 NZ music businesses participate per annum Three local companies undertake an intensive business development programme At least 15 international professionals participate per annum.	At least 85% of attendees and participants surveyed rate their satisfaction with events as good or excellent That participants in upskilling or networking opportunities annually in NZ and offshore report gaining useful information and contacts.	85

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
International	INITIATIVE 7: Operation of the Outward Sound Programme	Four funding rounds are held annually and independent audits are undertaken for a minimum of two completed projects	Artists we work with internationally receive greater coverage and engagement	600
Capability	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.	100% of international marketing projects provided with matching funds through Outward Sound have robust plans and demonstrate capability to achieve increased overseas earnings, as assessed by an industry advisory group	Four applicants take part in a survey to assess the funding process and management of the programme.	
Business Growth		A stable or growing percentage of Outward Sound recipients offered subsequent international opportunities.		
International	INITIATIVE 8: Coordinating and managing the representation of NZ music at strategically identified international music trade events	Positive results are gained by a growing or stable percentage of NZ music businesses (including artists) that attend music markets or trade fairs to showcase artists and promote NZ as a source of repertoire	Percentage increases in volume of social media metrics for artists attending or represented at international trade events	200
Capability	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.	A minimum of four international trade events host a NZ presence.	Volume of new business connections reported by attending NZ music businesses.	
Business Growth				

ORGANISATIONAL HEALTH & CAPABILITY

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

The organisational structure for the NZ Music Commission is:

The operations of the organisation are managed by the Chief Executive, with input from two senior managers, with a Domestic Manager role to be filled in the coming year. Staff undertake work in each outcome area with the full-time equivalent (FTE) staff being 8.2, including financial management.

The Education Assistant and Social Media Administrator role are part time roles filled by one staff member.

Board Of Trustees				
Chief Executive				
Finance Manager	Education Manager	Domestic Manager	International Manager	
NZ Music Month Events Coordinator	Education Assistant	Social Media Administrator	International Coordinator	
Executive Support				
Administration Assistant				

Organisational Health & Capability Goals

- Goal 1:** The Music Commission has a committed and capable Board of Trustees that effectively governs the organisation.
- 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 as vacancies arise.
 - The Board reviews its policies, procedures and Governance Manual on an annual basis.
- Goal 2:** The Music Commission is committed to being a good employer focusing on retention of staff and providing equal opportunities to staff.
- All staff will have training opportunities and performance reviews annually.
 - That staff turn over is no more than 1.5 FTE annually.
 - The Music Commission reviews its diversity policy for the staff and Board.
- Goal 3:** Our office environment is safe, well maintained and fit for purpose.
- Business Continuity Planning is part of the ongoing life of the organisation and reviewed annually.
 - 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.

Organisational Goals

Goal 1: 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.

- 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 government organisations that work with contemporary popular music.

Goal 2: The Music Commission will consult with the wider industry on an annual basis to ensure our strategic goals are aligned with the current environment.

- The Music Commission will host external industry representatives every year, either in small focus groups or wider forums, to gain insight into sectoral issues and opportunities.
- The staff and Board will be proactive in their roles as ambassadors for the Music Commission and provide feedback and ideas to inform the organisation's strategic framework.

Goal 3: The Music Commission explores opportunities for joined-up purchasing of services for the organisation, and where applicable, the sector as a whole.

- 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 and provides this information to NZ music businesses.

Goal 4: The Music Commission and its Board of Trustees continue to explore opportunities to partner with external organisations.

- The Music Commission gains a minimum of five financial or in-kind sponsors per annum.
- The Music Commission undertakes a minimum of five partnership projects with shared financial input.

FINANCIAL FORECAST TO 30 JUNE 2019

BALANCE SHEET

	Jun-18	Jun-19
Working Capital		
Cash and Investments	618566	643725
Receivables	174607	177739
Prepayments	4069	4489
	<hr/>	<hr/>
	797242	825953
Less		
Payables & Accruals	(437635)	(465259)
Income In Advance	(4000)	0
Taxation	7725	1243
	<hr/>	<hr/>
	(433909)	(464016)
Net Working Capital:	<hr/>	<hr/>
	363333	361937
Non Current Assets		
Fixed Assets	6794	8228
Preliminary Expenses	14681	14681
Outward Sound Set Up Costs	11177	11177
Logo	-	-
	<hr/>	<hr/>
	32652	34086
	<hr/>	<hr/>
	395985	396023
Represented by:		
Retained Earnings	388437	395986
Prior Year Adjustment	-	-
Net Profit	7549	37
	<hr/>	<hr/>
	395986	396023
FIXED ASSETS		
Assets at Cost - 2014	86582	92722
Purchases/(Sales) - Prior Months		7200
Purchases/(Sales) - Current Year	6140	-
	<hr/>	<hr/>
	92722	99922
Accumulated Depreciation - 2014	(81728)	(85928)
Depreciation Expense - Prior Months		-
Depreciation Expense - Current Year	(4200)	(5766)
	<hr/>	<hr/>
	(85928)	(91694)
Fixed Assets	<hr/>	<hr/>
	6794	8228

CASHFLOW

	Jun-18	Jun-19
Net Profit Before Tax (Inclusive of Non Deductible)	7549	37
Depreciation	4200	5766
Decrease / (Increase) in Receivables	53349	(3131)
Decrease / (Increase) in Prepayments	3382	(420)
Decrease / (Increase) in Long Term Assets	-	-
Increase / (Decrease) in Payables / Accruals	60810	27625
Decrease / (Increase) in Income in Advance	4000	(4000)
Decrease / (Increase) in Taxation	(12955)	6482
Prior Year Adjustment (Retained Earnings)	-	-
Operating Cashflow:	120335	32359
Purchase of Fixed Assets	(6140)	(7200)
Movement in Cash:	114195	25159

SOURCE AND APPLICATION OF FUNDS STATEMENT

The Bank started at (1/7/17)	504371	618566
Cash was received from		
Grants, donations and other income	2376473	2877533
Taxation	-	9773
	2376473	2887306
Cash was applied to		
Expenses (Including Non Deductible)	(2235907)	(2846917)
Long Term Assets	-	-
Taxation	(20231)	(8030)
Fixed Assets	(6140)	(7200)
	(2262278)	(2862147)
The Bank Closed at (30/6/18)	618566	643725
Memo:		
Cash Received	2376473	2887306
Cash Applied	(2262278)	(2862147)
Movement in Cash:	114195	25159

SURPLUS FUNDS

Balance of Reserves:	
To 30 June 2018	
Outward Sound:	
Opening Balance -1 July 2018	-
Plus:	
Budget Income for 2019	600000
TOTAL FUNDS	600000
Less:	
Budget Expenditure for 2019	(600000)
NET SURPLUS TO BE RETAINED	-

MUSIC COMMISSION Cash In Bank - 30 JUNE 2019	643725
Less:	
Accounts Payable - 30 JUNE 2019	(465259)
Taxation - 30 JUNE 2019	1243
Plus:	
Accounts Receivable - 30 JUNE 2019	177739
MUSIC COMMISSION NET SURPLUS FUNDS	357448

MUSIC COMMISSION NET Surplus Funds Analysis	
Surplus Funds	357448
Made up of:	
2017-18 Surplus Funds Brought Forward	363266
2018-19 Net Profit / (Loss) - MCH Funded	79169
2018-19 Education - MCH Funded	(79132)
2018-19 Outward Sound - MCH Funded	-
+ 2018-19 Non Cash Expenditure (Depreciation)	5766
Less Capital Expenditure	(7200)
Movement in Taxation	-
Movement in Income in Advance	(4000)
Movement in Prepayments & Long Term Assets	(420)
MUSIC COMMISSION NET SURPLUS FUNDS	357449

SUMMARY BY DEPARTMENT

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	BUDGET 2019	R-CAST 2018	Variance
TOTAL MUSIC COMMISSION							
SUMMARY BY DEPT							
Income							
Domestic	313973	304341	312389	363220	1293923	975146	318777
Education	-	433500	-	138500	572000	572019	(19)
International	104685	104685	104685	104685	418742	331956	86786
Outward Sound	150000	150000	150000	150000	600000	440003	159997
Total Income	568659	992526	567075	756405	2884665	2319125	565540
Expenses (Including Non Deductible)							
Domestic	467039	186049	233326	323601	1210015	877164	(332850)
Education	71429	380984	53648	145070	651132	626727	(24405)
International	103752	108442	100421	106126	418742	317483	(101259)
Outward Sound	150000	150000	150000	150000	600000	482925	(117075)
Total Expenses	792221	825475	537396	724797	2879888	2304300	(575589)
Profit / (Loss) Inclusive Non Deductible	(223563)	167052	29679	31608	4776	14825	(10049)
Taxation	-	-	-	4739	4739	7276	2537
NET Profit / (Loss)	(223563)	167052	29679	26869	37	7549	(7512)

DIRECTORY

Board of Trustees:

Victoria Blood - Chairperson

Leader, WeCreate

Paul McLaney - Deputy Chairperson

Artist & Native Tongue Music Publishing

Greg Bonnett

Business Affairs, ANZ Bank

Lorraine Barry

Owner, Lorraine Barry Management

Executive Committee Member, MMF

Matthew Davis

Label Manager, Flying Nun/Flying Out

Nick Atkinson

Artist, Manager & Journalist

Ria Hall

Artist & Music Business Owner

Staff:

Cath Andersen

Chief Executive

Alan Holt

International Manager

Rebekah Ngatae

International Coordinator

Mike Young

Education Manager

Angel Guan

Education Assistant & Social

Channels Administrator

Rodney Fisher

Events Coordinator

Vicki Walker

Finance Manager

Emily Crowther

Executive Support

Jade Keywood

Administration Officer

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