

# THE NEW ZEALAND MUSIC COMMISSION TE REO REKA O AOTEAROA

## ANNUAL PLAN 2019 - 2020

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



# THE NEW ZEALAND MUSIC COMMISSION TE REO REKA O AOTEAROA

## ANNUAL PLAN 2019 - 2020

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## INTRODUCTION

2019-2020 will be the final year of the NZ Music Commission's current four-year Strategic Plan, which prioritises 'creating sustainable music careers and businesses, that survive locally and thrive globally'. Whilst we do not propose altering our strategic approach in the year to come, we do intend to further emphasise those of our initiatives which enable greater access to, and participation and inclusivity in, New Zealand contemporary music, particularly for young people.

Music education is the foundation of a successful NZ music ecosystem for future generations of both audiences and music practitioners. In 2019-2020, the Music Commission's education programmes (funded by the Ministry of Education) will continue to focus on priority learners, and ensuring that Māori and Pacific youth are supported by our Māori and Pacific Mentors working in schools across the country, including in kura kaupapa and in the regions of New Zealand. We also look forward to continuing our support for Girls Rock Camp Aotearoa, a unique programme for female identifying secondary-age musicians. In August 2019 we will welcome esteemed music teacher, and Chair of Music Education NZ Aotearoa, Jeni Little, to our Board of Trustees, to add to our education expertise and networks.

Creative skills are being increasingly highlighted as vital to the Future of Work, and in the coming year the Music Commission will continue to support organisations and initiatives which enable sustainable career development in our industry. The Music Managers Forum and Independent Music NZ (both funded by the Music Commission) are showing growth in their memberships, and are rolling out new upskilling initiatives into regional NZ. Our Industry Internship Programme placed 12 young people in a variety of businesses in 2019 and this year we will maintain this successful programme. Alongside business skills, we are responding to the increasing demand for wellbeing assistance, with continued support of the MusicHelps Wellbeing Service, the counselling service provided free of charge to those that make live or recorded music possible in Aotearoa.

On the world stage, New Zealand music appears stronger, and more diverse, than it has ever been; in the 2018 calendar year, 94 artists from Aotearoa played 1,333 shows in 41 different countries.

We were delighted to be able to support 68 NZ artist to tour internationally in 2018-19, increased from 46 in the previous year, directly as a result of the additional investment we were grateful to receive in Budget 2018.

Aotearoa's recorded music industry recorded a fourth straight year of revenue growth in 2018, increasing by 7.7 per cent to \$107.9 million. Streaming is now undeniably king of New Zealand's music landscape, accounting for 69% of all recorded music revenue in 2018 and totalling \$74.2m. Services like Spotify and Apple Music have fundamentally changed the way Kiwis access and engage with music – giving us access to our favourite artists at the press of a button and on any device. (Source: Recorded Music NZ).

Whilst the global reach enabled by streaming is allowing some New Zealand artists to significantly expand their markets, the challenge of discoverability, and the dominance of superstar acts, means that originality, business capability, and maximising other revenue streams are more important than ever to sustaining a music career.

To that end, the Music Commission welcomes, and has been an active participant in, the Ministry for Culture and Heritage's *Enhancing the International Potential of NZ Music* work programme. We look forward to continuing to work closely with the Ministry on the outcomes of this programme to support New Zealand artists.

2020 will be the twentieth anniversary of NZ Music Month, and there will be much to celebrate as our artists and music businesses impact the global stage as never before. Beyond the fantastic local engagement with music communities in 2019 – when for example, Rotorua alone held 22 events – we are looking to expand activities that celebrate a wide range of achievements by NZ artists in our 2020 Music Month plans.

During the course of the forthcoming year, the Music Commission, with its stakeholders, will engage in in-depth consultation to prepare our next four-year Strategy. The Music Commission intends to enter into our next four year plan with the goal of the industry thriving not just internationally, but also thriving at home.



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.

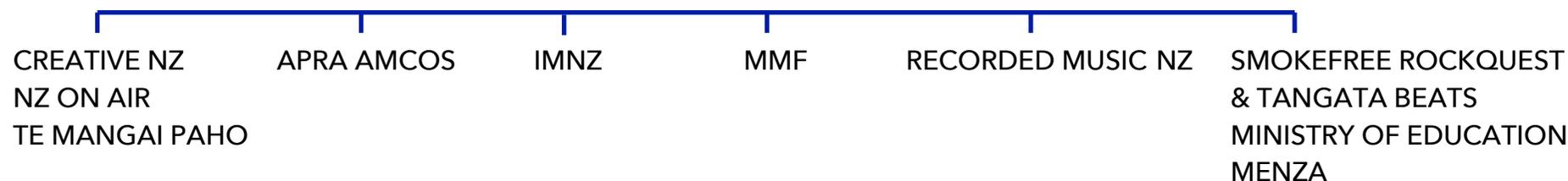
## Reporting Framework:

The Music Commission reports to the Ministers 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 led.

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:

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## DOMESTIC

- Operating the Musicians Mentoring in Schools Programme
- Operating the Bands Mentoring in Schools Programme
- Organising NZ Music Month
- Supporting significant cultural recognition events - Waiata Maori Awards, Pacific Music 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 artist and industry news, and music 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*

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**MCH Outcome:**  
**CREATE**  
*Cultural activity flourishes in New Zealand*

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## 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, Folk Alliance International, 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 2019 - 2020

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
Domestic	<b>INITIATIVE 1: Musicians Mentoring &amp; Bands Mentoring in Schools Programmes</b>	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		
Domestic	<b>INITIATIVE 2: New Zealand Music Month</b>	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.	67
Capability	Promotional activities lead to increased coverage celebrating NZ music and the people who create it.	Volume of external events, activities and promotions organised by others for NZ Music Month.		
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.			

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
Domestic Capability Business Growth	<p><b>INITIATIVE 3: Supporting contemporary music awards</b> <b>Supporting awards that celebrate excellence</b></p> <p>Supporting events that celebrate excellence in Maori Music, Pacific Music and independent music will showcase to the public the importance of their contribution to the contemporary popular music industry.</p>	That the three events occur annually – specifically the Waiata Maori Awards, the Pacific Music Awards and the Taite Music Prize continue to be recognised as culturally significant events.	That the three events produce positive media results and provide recognition and coverage for these significant parts of the sector.	13
Domestic Capability Business Growth	<p><b>INITIATIVE 4: Support Independent Music New Zealand (IMNZ) and the Music Managers Forum (MMF)</b></p> <p>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.</p>	<p>The paid membership of IMNZ remains stable or grows</p> <p>The paid membership of the MMF remains stable or grows.</p>	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

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
Domestic International  Capability Business Growth	<p><b>INITIATIVE 5: Delivering professional development opportunities, useful information &amp; resources for the NZ music industry</b></p> <p>Delivering an Industry Internship Programme will provide practical training and develop the knowledge, networks and career potential for the interns, whilst providing support and new perspectives and for host organisations.</p> <p>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.</p> <p>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.</p>	<p>A minimum of five upskilling events occur annually</p> <p>That a minimum of eight (FTE) intern placements occur per annum</p> <p>That usage of resources is maintained or grows annually</p> <p>25% of event audiences or resource users are first time attendees or clients</p> <p>A quantifiable figure of the financial value of NZ music is published annually</p> <p>Produce the May Book</p> <p>Provide a free legal advice service.</p>	<p>At least 85% of professional development participants rate the initiatives as good or excellent.</p>	285
International  Capability Business Growth	<p><b>INITIATIVE 6: Creating access to offshore expertise, networks and upskilling opportunities</b></p> <p>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.</p> <p>Participation in upskilling or networking opportunities annually, both in New Zealand and offshore, provides useful information and contacts for NZ music businesses.</p>	<p>At least 80 NZ music businesses participate per annum</p> <p>At least 20 international professionals participate per annum.</p>	<p>At least 85% of attendees and participants surveyed rate their satisfaction with events as good or excellent</p> <p>That participants in upskilling or networking opportunities annually in NZ and offshore report gaining useful information and contacts.</p>	50

Focus / Results	Results	Quantitative	Qualitative	Budget (\$000)
International  Capability Business Growth	<p><b>INITIATIVE 7: Operation of the Outward Sound Programme</b></p> <p>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.</p>	<p>Four funding rounds are held annually and independent audits are undertaken for a minimum of two completed projects</p> <p>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</p> <p>A stable or growing percentage of Outward Sound recipients offered subsequent international opportunities.</p>	<p>Artists we work with internationally receive greater coverage and engagement</p> <p>Four applicants take part in a survey to assess the funding process and management of the programme.</p>	600
International  Capability Business Growth	<p><b>INITIATIVE 8: Coordinating and managing the representation of NZ music at strategically identified international music trade events</b></p> <p>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.</p>	<p>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</p> <p>A minimum of four international trade events host a NZ presence.</p>	<p>Percentage increases in volume of social media metrics for artists attending or represented at international trade events</p> <p>Volume of new business connections reported by attending NZ music businesses.</p>	200

# ORGANISATIONAL HEALTH & CAPABILITY

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

The operations of the organisation are managed by the Chief Executive, with input from three senior managers - the new role of Domestic Manager was created early in 2019, to work alongside the International Manager and Education Manager.

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.

The organisational structure for the NZ Music Commission is:

Board Of Trustees			
Chief Executive			
Finance Manager	Education Manager	Domestic Manager	International Manager
Special Projects & 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.
- 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 hazard 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 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 2020

## BALANCE SHEET

For the year to 30 June 2020

	Jun-19	Jun-20
Working Capital		
Cash and Investments	757040	586083
Receivables	121856	127316
Prepayments	5157	5504
	884052	718903
Less		
Payables & Accruals	(546351)	(476898)
Income In Advance	(0)	(0)
Taxation	10814	6674
	(535537)	(470224)
Net Working Capital:	348515	248679
Non Current Assets		
Fixed Assets	7585	36229
Preliminary Expenses	14681	14681
Outward Sound Set Up Costs	11177	11177
Deferred Tax	25673	27040
	59115	89127
	407631	337806
Represented by:		
Retained Earnings	414370	407631
Prior Year Adjustment	-	-
Net Profit	(6739)	(69825)
	407631	337806
<b>FIXED ASSETS</b>		
Assets at Cost; PRIOR YEAR	87730	95792
Purchases/(Sales) - Prior Months		45200
Purchases/(Sales) - Current Year	8063	-
Disposals		
	95792	140992
Accum Depreciation: PRIOR YEAR	(84835)	(88208)
Depreciation Expense - Prior Months		-
Depreciation Expense - Current Year	(3373)	(16556)
Disposals		
	(88208)	(104764)
<b>Fixed Assets</b>	7585	36229

# CASHFLOW

For the year to 30 June 2020

	Jun-19	Jun-20
Net Profit Before Tax (Inclusive of Non Deductible)	(6739)	(25862)
Depreciation	3373	1380
Decrease / (Increase) in Receivables	53971	(118691)
Decrease / (Increase) in Prepayments	(1238)	13981
Decrease / (Increase) in Long Term Assets	(2973)	(1367)
Increase / (Decrease) in Payables / Accruals	82330	182991
Decrease / (Increase) in Income in Advance	(5839)	(185667)
Decrease / (Increase) in Taxation	(4904)	(9)
Prior Year Adjustment (Retained Earnings)	-	-
Operating Cashflow:	117982	(133243)
Purchase of Fixed Assets	(8063)	-
Movement in Cash:	109919	(133243)

## SOURCE AND APPLICATION OF FUNDS STATEMENT

The Bank started at (1/7/19)	647120	719326
Cash was received from		
Grants, donations and other income	2918548	35010
Taxation	-	-
	2918548	35010
Cash was applied to		
Expenses (Including Non Deductible)	(2795011)	(168244)
Long Term Assets	(2973)	(1367)
Taxation	(2582)	1359
Fixed Assets	(8063)	-
	(2808629)	(168253)
The Bank Closed at (30/6/20)	757040	586083
Memo:		
Cash Received	2918548	35010
Cash Applied	(2808629)	(168253)
Movement in Cash:	109919	(133243)

# SURPLUS FUNDS

For the year to 30 June 2020

<b>Balance of Reserves: To 30 June 2020</b>	
<b>Outward Sound:</b>	
Opening Balance -1 July 2019	-
Plus:	
Budget Income for 2020	600000
<b>TOTAL FUNDS</b>	<b>600000</b>
Less:	
Budget Expenditure for 2020	(600000)
<b>NET SURPLUS TO BE RETAINED</b>	<b>-</b>

Cash In Bank - 30 June 2020	586083
Less:	
Accounts Payable - 30 June 2020	(476898)
Taxation - 30 June 2020	6674
Plus:	
Accounts Receivable - 30 June 2020	127316
<b>NET SURPLUS FUNDS</b>	<b>243176</b>

NET Surplus Funds Analysis	
Surplus Funds	243176
Made up of:	
2018-19 Surplus Funds Brought Forward	343361
2019-20 Net Profit / (Loss) - MCH Funded	22251
2019-20 Education - MCH Funded	(92076)
2019-20 Outward Sound - MCH Funded	-
+ 2019-20 Non Cash Expenditure (Depreciation)	16556
Less Capital Expenditure	(45200)
Movement in Taxation	-
Movement in Income in Advance	-
Movement in Prepayments & Long Term Assets	(1714)
<b>NET SURPLUS FUNDS</b>	<b>243178</b>

## SUMMARY BY DEPARTMENT

For the year to 30 June 2020

	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>BUDGET 2020</b>	<b>R-CAST 2019</b>
<b>TOTAL MUSIC COMMISSION SUMMARY BY DEPARTMENT</b>						
<b>Income</b>						
Domestic	301048	303260	309278	339681	1253268	1278508
Education	-	133500	-	133500	267000	573167 *
International	109964	109964	109964	109964	439857	418740
Outward Sound	150000	150000	150000	150000	600000	600000
<b>Total Income</b>	<b>586013</b>	<b>696724</b>	<b>569242</b>	<b>733146</b>	<b>2585125</b>	<b>2870416</b>
<b>Expenses (Including Non Deductible)</b>						
Domestic	490918	188665	210138	342663	1232384	1112040
Education	64236	95866	55933	143040	359076	634783
International	106441	114121	106621	112673	439857	407652
Outward Sound	150000	150000	150000	150000	600000	725000
<b>Total Expenses</b>	<b>836595</b>	<b>548652</b>	<b>522692</b>	<b>748377</b>	<b>2656317</b>	<b>2879476</b>
<b>Profit / (Loss) Inclusive Non Deductible</b>	<b>(250583)</b>	<b>148072</b>	<b>46550</b>	<b>(15231)</b>	<b>(71192)</b>	<b>(9060)</b>
Taxation	-	-	-	(1367)	(1367)	(2322)
<b>NET Profit / (Loss)</b>	<b>(250583)</b>	<b>148072</b>	<b>46550</b>	<b>(13864)</b>	<b>(69825)</b>	<b>(6739)</b>

\* Expiry of a Ministry of Education Rockquest Contract in June 2019

## DIRECTORY

Board of Trustees:

**Victoria Blood** - Chairperson  
Leader, WeCreate

**Greg Bonnett** - Deputy Chairperson  
Business Affairs, ANZ Bank

**Jeni Little**  
HOD Music, Green Bay High School  
Chairperson, Music Education NZ Aotearoa  
*From August 2019*

**Lorraine Barry**  
Owner, Lorraine Barry Management  
Executive Committee Member, MMF

**Matthew Davis**  
Label Manager, Flying Nun/Flying Out

**Nick Atkinson**  
Artist, Manager & Journalist

**Paul McLaney**  
Artist & Native Tongue Music Publishing

**Ria Hall**  
Artist & Music Business Owner

**Savina Fountain**  
Auckland Live & Ignite Programme

Staff:

**Cath Andersen**  
Chief Executive

**Alan Holt**  
International Manager

**Emily Crowther**  
Domestic Manager

**Mike Young**  
Education Manager

**Rebekah Ngatae**  
International Coordinator

**Rodney Fisher**  
Special Projects & Events Coordinator

**Angel Guan**  
Education Assistant & Social Media

**Vicki Walker**  
Finance Manager

**Willa Cameron**  
Executive Support

**TBA**  
Administration Officer

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