

NATIONAL PACIFIC RADIO TRUST

Statement of Intent

2010 - 2013



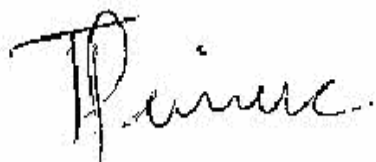
PACIFIC
MEDIA
NETWORK

TABLE OF CONTENTS

Statement from the Board	3
Vision, Mission and Values	4
Introduction	5
Strategic Framework.....	6
PART 1: STRATEGIC ISSUES 2010 – 2013	7
1. Who We Are	7
2. Our Environment.....	7
3. What We Do	10
4. Outcomes and Impacts.....	11
5. What We Will Achieve 2010 – 2013	12
6. Organisational Health and Capability	13
7. Reporting to the Government	14
8. Consulting the Community	15
9. Key Financial & Non-Financial Measures	16
PART TWO: MEASURING PERFORMANCE 2010 – 2011.....	17
10. Statement of Forecast Service Performance 2010 – 2011	18
11. Forecast Financial Statements 2010 – 2013.....	22
12. Directory	31
Trust Board, Network Locations and Contact Details	31
Pacific Media Network: Frequencies.....	32
Pacific Media Network: Organisational Structure.....	33
13. Appendix.....	34
Legal Status	34
Trust Deed.....	34

Statement from the Board

We are pleased to present this Statement of Intent covering the period from 2010 to 2013. It sets out the strategic outcomes and priorities of NPRT and the objectives activities and outputs that NPRT through the Pacific Media Network will undertake in order to realise its vision of *"Celebrating the Pacific Spirit"*.



Fa'amatuainu Tino Pereira
Chair



James Prescott
Trustee

In accordance with s149 of the Crown Entities Act 2004. I agree to present this Statement of Intent of the National Pacific Radio Trust before the House of Representatives.



Hon Dr Jonathan Coleman
Minister of Broadcasting
Date: 21st May 2010

Vision, Mission and Values

VISION:

Pacific Media Network - Celebrating the Pacific Spirit

MISSION:

Pacific Media Network is a Public Interest Broadcaster targeting Pacific peoples to empower, encourage and nurture Pacific cultural identity and economic prosperity in Aotearoa.

VALUES:

The core values that guide us in our work and relationships with people are:

- ❖ *Positive Leadership*
- ❖ *Communication*
- ❖ *Teamwork*
- ❖ *Excellence*
- ❖ *Respect*
- ❖ *Honesty*
- ❖ *Responsibility*
- ❖ *Integrity*
- ❖ *Trust*
- ❖ *Fairness*
- ❖ *Innovation*
- ❖ *Courage*

Introduction

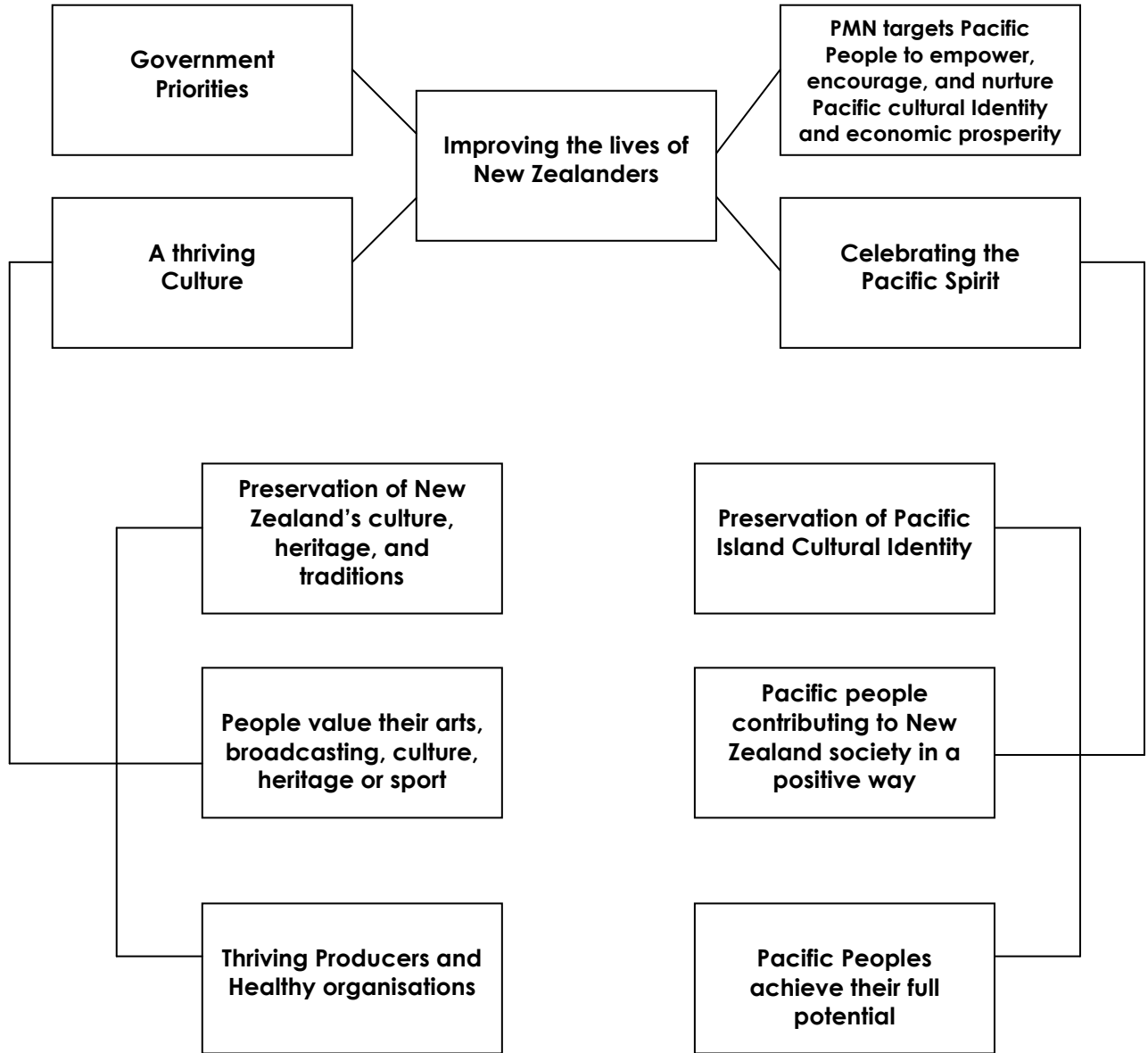
This Statement of Intent (SOI) provides information on the outcomes NPRT intends to pursue over the next three years.

The SOI is divided into two main parts. Part 1 describes our broad environment, desired outcomes and objectives, strategic direction, and key performance indicators.

Part 2 provides details on our activities over the next three years (2010 - 2013).

.Part 2 provides details on our activities in the Statement of Forecast Service Performance 2010 – 2011 and the Forecast Financial Statements 2010 – 2013.

Pacific Media Network Strategic Framework
Sector and Organisation Outcomes



PART 1: STRATEGIC ISSUES 2010-2013

1. Who We Are

Background:

The National Pacific Radio Trust (NPRT) was established in 2002 with the objective of delivering a national Pacific radio network. This network is currently trading as Pacific Media Network (PMN).

PMN operates three broadcasting services - Niu FM Network, Niu FM Auckland (103.8 FM) and Radio 531pi. These services are complemented by Pacific Radio News. PMN provides quality broadcast services and programmes in English and nine Pacific languages to cater for the broadcast needs of Pacific communities across the country. Its unique approach to programming reflects the diversity of Pacific peoples and Pacific communities' contributions to shaping national identity.

2. Our Environment

PMN's primary audience is the Pacific peoples of New Zealand. While this audience is made up of a diverse group of Pacific ethnicities, some general observations can be made.

Demographic Trends – Pacific Peoples

The Pacific population is young and diverse and consists of at least 13 distinct languages and cultural groups, and comprises people born in the Pacific Islands and also in New Zealand. It is made up of people from many Pacific ethnicities, primarily the Samoan, Cook Islands, Tongan, Niuean, Fijian and Tokelauan groups, with smaller numbers from Tuvalu, the Solomon Islands, Kiribati, Papua New Guinea, Vanuatu, and the small island States of Micronesia.

According to the 2006 Census there are almost 266,000 people of Pacific ethnicity living in New Zealand, an increase of 14.7% from the 2001 Census. Pacific people comprise 6.9% of the population compared with 6.5% in 2001 (the fifth largest ethnic grouping). Currently, 59% are New Zealand born.

The Pacific population is very youthful and will continue to grow rapidly for some time to come. Nearly 80% are under the age of 40 years. The median age is 21 years compared with almost 36 years for the total population. As shown in the 2006 Census, Pacific populations are growing at a faster rate, (14.7%) compared to Maori (7%) and European (-9.1%).

Pacific peoples are located throughout New Zealand, but are concentrated within the urban areas of Auckland (66.9%), Wellington (13.1%), Waikato (4.4%) and Christchurch (4.1%).

During 2010 and 2011, the Network will be undertaking extensive research on the current demography of our Pacific peoples. At the time of the 2006 census

Pacific people were living throughout New Zealand, but were mainly concentrated within the urban areas of Auckland (66.9%), Wellington (13.1%), Waikato (4.4%) and Christchurch (4.1%).

This research will include surveys of our very diverse listening audience, internal research, and AC Nielsen surveys.

Cultural and Social Context

Pacific peoples share a sense of societal identity. A vital part of social connectedness is participating in a wide variety of social activities within their own communities and throughout New Zealand.

Language preservation is becoming a real issue, as young Pacific people are increasingly unable to hold an everyday conversation in the 'first language' of their ethnic group, and the latest census shows that despite many valuable Pacific language initiatives in the last decade, fluency is on the decline.

Socio-Economic Status

Education:

While improvements have been made in many areas, education outcomes for Pacific peoples continue to lag behind the rest of the population. Key issues across the education sectors including participation at early childhood level, achievements (literacy, numeric and qualifications) in the compulsory sector, participation and achievement at tertiary levels.

Income Levels and Employment:

Pacific peoples' income levels are amongst the lowest for all New Zealanders. According to Census 2006 Pacific unemployment rate was 6.8% compared with 7.2 % for Maori and 2.6% for European/Pakeha and over-represented in unemployment statistics (71% of Pacific people were employed in semi-skilled or low skilled occupations).

Housing Health and Justice:

Pacific peoples often live in overcrowded accommodation. This is largely the result of their poor socio-economic status. As a further consequence they are also vulnerable to poor health and low educational achievement. Pacific peoples continue to be over-represented in the criminal justice system statistics.

Broadcasting Environment:

It is generally accepted that radio is the preferred medium for news information and entertainment for Pacific peoples, given the oral and aural traditions of Pacific cultures and traditions. Radio in Pacific hands is a powerful and diverse medium.

The last 12 months has seen a dramatic decline in advertising revenues across all media. The Network has been challenged during this time and the Trust has had to manage a transition to a new advertising environment where traditional sales methods and plans have proved ineffective.

The increasing popularity and use of the internet among our Pacific communities for news and information and the increasing numbers accessing our online radio programmes via 'streaming', both in New Zealand and around the world, has also highlighted the need to enhance the online presence of the network and 531pi.

The Network will introduce a new sales strategy that will take advantage of our ethnic niche in the market, a new direction and focus, and a more commercial approach to our overall Sales and Marketing plans.

The Network's new sales and marketing strategy will: -

- Introduce new strategies for our commercial/business clients and our government agency clients.
- Establish a new government relations/sales role to be based in Wellington
- Increase commercial programming opportunities across all our services – Niu FM Network, Radio 531pi, Niu FM Auckland, Pacific Radio News, and community language programmes.
- Improve the marketability of our community language programmes.
- Develop and introduce new online technology and increased revenues from website activities.
- Capture new regional markets through new on-air technology.
- Form new partnerships with other media providers (print media, TV, Access radio).
- Improve our methods of collating and reporting information on audience share and listening habits.

3. What We Do

Pacific Media Network (PMN)

The Pacific Media Network is New Zealand's national pan-Pacific public interest broadcasting network. It currently broadcasts three services, including Niu FM Auckland (103.8 FM), Niu FM Network and Radio 531pi, and includes the Pacific Radio News service.

1. *Niu FM Network:*

- Provides 24/7 pan-Pacific programming in English from 6am-6pm, and in nine Pacific languages on 13FM frequencies across the country from 6pm-6am.
- Serves a younger, primarily New Zealand-born Pacific audience (Pacific families) during the day with a mixed format of music, news, information, and entertainment programmes and provides dedicated language-specific programming in the evenings for older listeners.

2. *Niu FM Auckland 103.8:*

- Provides 24/7 English-based programming aimed at Pacific youth and young adults in Auckland (the largest demographic group).
- Intends this year (2010-2011) to focus on the delivery of creative, interactive and relevant youth programming using technology appropriate for young people.

3. *Radio 531pi:*

- Provides 24/7 programming catering for the needs of older Pacific listeners in the greater Auckland region on the 531 MHz frequency, with stronger emphasis on news and information.
- Provides 6am-6pm English programming during the day, with Pacific language news bulletins, and 6pm-6am ethnic programming in nine Pacific languages.
- Provides an important link to older Pacific audiences and the diverse needs of this audience.
- Plans a greater emphasis in 2010-2011 on introducing a more talk-based format during daytime programmes and the sharing of new programme features on the Niu FM Network.

4. *Pacific Radio News:*

- Delivers tailored news bulletins for our radio services: i.e. researching, writing, producing and delivering top-of-the-hour news in English for both Niu FM and Radio 531pi. Language news is provided throughout the day on Radio 531pi; Samoan, Tongan, Cook Islands and Niuean.
- Specialises in Pacific stories (from New Zealand, the Pacific region and around the world), but also the mainstream stories of the day; national, regional and local news from a Pacific perspective: *through Pacific eyes*.
- Plans to have a part-time political reporter based in Parliament in Wellington this year.

5. Web and Internet technologies:

- Complements radio broadcasting with online streaming of Niu FM and Radio 531pi programmes, as well as broadcasting bulletins of the Pacific Radio News service. This takes the reach of our services worldwide and we have a truly global audience. Niu FM continues to utilise current technologies and forms of communication e.g. text messaging, cell phone and web-based sites (Bebo, YouTube and MySpace) to interface with our more techno-savvy young people, as well as our international internet listeners.
- Plans to introduce during 2010-11 new online products to enhance and complement our existing radio services and provide new sources of revenue through new online products and services.

4. Outcomes and Impacts

Outcomes for Pacific Peoples

Pacific Media Network - Celebrating the Pacific Spirit

The Pacific Media Network aims to deliver relevant, quality pan-Pacific broadcasting services to, for and about Pacific people.

Its key outcomes are: -

- Pacific peoples contributing to New Zealand society in a positive way
- Pacific peoples achieve their full potential
- Preservation of Pacific Island culture and language

The NPRT sees the outcomes achieved by PMN as contributing to the wider focus of our key stakeholders, including Government and its agencies, Ministry for Culture and Heritage, Ministry of Pacific Island Affairs and NZ On Air.

Impacts

With a rapidly growing and youthful Pacific population expected to contribute towards sustaining an aging New Zealand population, it becomes essential for Pacific peoples to realise their full productive potential in order to contribute to New Zealand's overall economic success, to lower social costs and improve the quality of the lives of Pacific families.

With a diverse, growing population, there is also recognition that Pacific culture and heritage enriches New Zealand's national identity locally and internationally, with real gains to be made in trade as New Zealand affirms its place as a Pacific nation.

The Pacific Media Network, through its services and work, intends the following impacts: -

- 1) Growing a positive identity in being a New Zealander of Pacific heritage
- 2) Increasing understanding of Pacific languages and culture

- 3) Increasing awareness of national and Pacific issues
- 4) Improving access to government and essential services
- 5) Growing the profile of Pacific music, arts, business
- 6) Building a pool of quality broadcasters of Pacific heritage
- 7) Building a media network around the Pacific region

5. What We Will Achieve 2010-2013

Pacific Media Network divides its activities into four classes of output critical to its success, each with overall objectives and key initiatives. These initiatives will be the focus of our action plans and activities for the next three years.

Output class 1: Programming Services

Objectives:

- Deliver programming and broadcast services that are highly relevant to Pacific communities
- Be the broadcaster of choice for Pacific peoples

Initiatives:

- A. Ensure that programming content is consistent with the NPRT Vision, Mission, Values, Trust Deed Objectives and public broadcasting principles.
- B. Survey audience needs through reputable research entities.
- C. Develop programming that caters for the diverse Pacific communities nationally: including targeting by age and providing for ethnic/language specific needs, and regional community interests.
- D. Deliver relevant programming in innovative ways to different audiences; ensuring public service values are balanced against commercial imperatives.
- E. Investigate and implement a measurable system against programming including languages.

Output class 2: Finance and Stakeholders

Objectives:

- Ensure stable income sources
- Maintain open and robust stakeholder relationships

Initiatives:

a) Non-commercial income

- Demonstrate value to key stakeholder funding agencies to enhance trust and understanding and ensure ongoing long-term support for the network.
- Demonstrate that the network is delivering high quality and relevant services that fulfil the social, economic and public broadcasting outcomes for Pacific communities.

b) Commercial income

- Achieve commercial revenue sales targets (advertising revenue).
- Develop strategies for alternative revenue generating opportunities, including development of new products and services.

Output class 3: Quality and Technology

Objectives:

- Deliver services of consistently high programming and technical standards¹
- Respond to technological change

Initiatives:

- A. Ensure delivery of consistent, uninterrupted broadcast transmission across all services, and maximum transmission coverage to reach Pacific communities in New Zealand.
- B. Deliver programming content of a consistently high quality and standard.
- C. Ensure effective use of existing technologies; and be responsive to new
- D. technology and new platforms to better serve audiences, e.g. explore use of frequencies to allow greater audience for youth over Niu FM network in the evenings, and language programmes through 531pi in centres other than Auckland (Wellington would be the first).

Output class 4: Our Culture and People

Objective:

- ❖ Make Pacific Media Network a great place to work

Initiatives:

- A. Build and maintain a unified positive culture that celebrates the Pacific spirit.
- B. Actively promote the core values of the organisation.
- C. Attract, develop and retain passionate, committed and professional people.
- D. Demonstrate excellence in human resource management and develop an ethos of quality in all business operations.

6. Organisational Health and Capability

Significant milestones have been achieved in the last eight years, and the network is in a strong position to build on the progress to date. The Pacific Media Network can rely on the following strengths to navigate the opportunities of the future: -

- Secure Government funding
- Competent leadership
- A solid network infrastructure with wide geographical reach
- A loyal and committed national listener ship

Capability Issues

Professional Development:

The Pacific Media Network is served by a wonderful group of talented broadcasters. The challenge now is to build up and further develop their skills and competencies. This requires a commitment to training and professional development, and flexibility in job descriptions.

Technology:

Infrastructure and technology must be fully developed and utilized to maximise the network coverage, frequency reach and delivery mechanisms for programming, including new technologies.

Knowledge and Understanding of Communities/Audiences:

Ongoing research is needed to increase our knowledge of communities' needs, wants and interests. Qualitative audience feedback on programming is needed to evaluate programming services.

Commercial Revenue:

While the economy recovers from the recession it will be a challenge to achieve commercial revenue targets with the merged Pacific Media Network, where opportunities have yet to be fully explored, where the radio industry is highly competitive and the advertising market has experienced a general downturn.

A new direction for sales and sound strategic management of sales and promotional revenue opportunities, monitoring of sales performance, and financial budgets and expenditure will be required to ensure the network performs within its projected financial forecasts.

7. Reporting to the Government

Ministry for Culture and Heritage and Ministry of Pacific Island Affairs:

The Trust works closely with the Ministry for Culture and Heritage and Ministry of Pacific Island Affairs, consulting and meeting with officials from both ministries as required.

A Memorandum of Understanding (MOU) between the Minister of Broadcasting and the Trust, held by the Ministry for Culture and Heritage on the Minister's behalf, records the basis for the funding of the network and the monitoring of, and accountability for NPRT's performance.

Particularly, it sets out the understanding of: -

- The outputs to be provided by NPRT
- The appropriate quantity and quality measures; timeliness of delivery and cost of these outputs

- The ways in which the Minister will monitor the Trust's performance in the delivery of those outputs; and other matters relevant to the relationship between the Minister and NPRT.

NPRT provides bi-monthly reports to the Minister of Broadcasting about performance against operational targets set out in this SOI. It also has an Annual Funding Agreement (AFA) with NZ On Air for the funding provided for Radio 531pi programming and reports to NZ On Air on programme outputs on a quarterly basis.

Government through MCH and MPIA will evaluate the effectiveness of the network by November 2010. NPRT is confident that the evaluation will confirm the effectiveness of its operation, and has requested that a review of its Trust Deed be undertaken during the evaluation period.

8. Consulting the Community

Pacific Community

NPRT also liaises with Pacific communities in Aotearoa New Zealand and considers that input and feedback from the Pacific communities in New Zealand about the performance of the radio network is a relevant consideration in monitoring its performance and achieving the objectives set by the Crown. To that end, NPRT consults the communities in the following ways: -

- **Advisory Groups**

The Advisory Groups may assist NPRT by (but not limited to): -

- A. Providing advice to NPRT;
- B. Helping NPRT monitor the Network to ensure that it is meeting the needs of Pacific people; and
- C. Communicating back to the communities and community group's matters in relation to NPRT and the network.

- **Communication with the Pacific Public**¹

Prior to the Annual General Meeting being held each year, NPRT holds a meeting in each of Auckland, Wellington and Christchurch (and other centres as determined by NPRT) to inform the Pacific public at large of the activities of NPRT and the network. These meetings provide an opportunity for the trust to keep communities informed of the work of the network and allow the community to provide direct feedback on the network's performance.

NPRT through its operations also seeks listener feedback through regular research and surveys of its audiences to enable it to monitor and evaluate the network's performance.

- **Annual General Meeting**²

The Annual General Meeting is held no later than 31 October in every year at a place and time fixed by NPRT. The Annual General Meeting is advertised

¹ Deed of Trust Clause 28

² Deed of Trust Clause 21

nationally. The business of the Annual General Meeting includes the following: consideration of the annual report and annual accounts; and consideration of general and special business.

9. Key Financial and Non-Financial Measures

The main financial and non-financial measures we will use to assess our performance over the next three years are:

Type	Measure	Standard
Financial	Commercial revenues	As per forecast financial statement
Non-financial	Total broadcast hours	As per statement of forecast service performance
Non-financial	Hours of news output	As per statement of forecast service performance
Non-financial	Percentage of Pacific music broadcast	As per statement of forecast service performance
Non-financial	Programming broadcast in a range of Pacific languages	As per statement of forecast service performance
Non-financial	Stakeholder communication	As per statement of forecast service performance

PART TWO: MEASURING PERFORMANCE 2010-2011

10. Statement of Forecast Service Performance 2010-2011

11. Forecast Financial Statements 2010-2013

10. Statement of Forecast Service Performance 2010-2011

This forecast show how the initiatives detailed in section 5 will be achieved and how this achievement will be measured.

Output class 1. Programming services

Objectives	Outputs	Measures
<p>Deliver programming and broadcast services that are highly relevant to Pacific communities</p>	<p>Broadcast distinct services to cater for different audiences of different ages</p> <ul style="list-style-type: none"> • Niu FM Network – broadcasting on 12 frequencies; mixed model Pan-Pacific English programmes (primary target younger Pacific families) with Pacific languages in evenings • Radio 531pi AM - mixed model Pan-Pacific English (primary target older Pacific audience in Auckland region), with Pacific languages in evenings • Niu FM AKL 103.8 – 24/7, Pan - Pacific English programme - primary target demographic younger New Zealand-born Pan-Pacific audiences. • Breakout of broadcast of both Niu FM and 531pi in Wellington to give better reach to both sets of audience. 	<p>All three services will be maintained</p> <p>Music content</p> <p>Radio 531 pi: not greater than 40%, and of that Pacific music content – 60% (<i>no change from 09/10</i>)</p> <p>Niu FM Radio Network Music content – not greater than 60%, and of that Pacific music content – 50% (<i>no change from 09/10</i>)</p> <p>Niu FM Auckland 103.8 Music content – not greater than 70%, and of that Pacific music content – 45% (<i>no change from 09/10</i>)</p>
	<p>Broadcast content that caters for specific language and ethnic needs</p>	<p>Language programmes will be broadcast in at least nine Pacific languages</p> <p>Radio 531pi: at least 81 hours per week of programmes in Pacific languages (<i>an increase of 7 hours from 09/10</i>)</p> <p>NiuFM Radio Network: at least 81 hours per week of programmes in Pacific languages (<i>an increase of 7 hours from 09/10</i>)</p>

Broadcast news services including in Samoan, Tongan, Niuean and Cook Island Maori.

Radio 531pi:

- 16 x 5min bulletins in English per day
- 6 x 5min bulletins in four languages during the day
- 3 x 5min bulletins during Samoan, Tongan, Cook Islands, Niuean language programmes
- 1 x 5min bulletin during Fijian, Tokelauan, Tuvalu, Solomons, Kiribati language programmes

7,644 bulletins per annum
38,220 minutes per annum
638 hours per annum

Niu FM Radio Network:

- 16 x 5min bulletins in English per day
- 3 x 5min bulletins during Samoan, Tongan, Cook Islands, Niuean language programmes
- 1 x 5min bulletin during Fijian, Tokelauan, Tuvalu, Solomons, Kiribati language programmes

4,732 bulletins per annum
23,660 minutes per annum
395 hours per annum

NiuFM Auckland 103.8:

- 16 x 5min bulletins in English per day
- 5,512 bulletins per annum
20,800 minutes per annum
460 hours per annum

Total Hours for News PMN = 1493
(no change from 09/10)

Be the broadcaster of choice for Pacific peoples

Participate in needs analysis survey

Programming to meet needs of audience

- Investing in systems of measurement against programming including language, music, content, editorial, professional development
- Audience surveys undertaken. To be completed by March 2011
- Audience research undertaken to be completed by December 2010

Output class 2. Finance and stakeholders

Objectives

Outputs

Measures

Ensure stable income sources

1. Budgets set achievable levels for commercial revenue.
2. Administration and support systems in place for sales and commercial production.
3. Accountability documents.

1. Commercial revenue achieved as per budget.
2. Cost of sales as a percentage does not exceed 20% of total revenue
3. Accountability documents submitted as per funding agreements with agencies (MCH and NZ On Air)

Maintain open and robust stakeholder relationships

1. Regular communication and meetings with key funding agency.
2. Opportunities for stakeholder audiences to comment on the services
3. Accountability documents

1. Quarterly meetings (by phone or in person) with MCH.
2. a. The AGM to be advertised nationally
2. b. Public meetings to be held annually in Auckland, Wellington, and Christchurch
3. Public accountability documents to be available free-of-charge on request to stakeholders, on-line and in hard copy

Output class 3. Quality and technology**Objectives**

Deliver services of consistently high programming and technical standards

Outputs

1. 24/7 nationwide transmission
2. High quality programming that conforms with national standards
3. Upgrade of technical equipment including computers and programming devices

Measures

1. a. Geographic coverage of transmission reaches 85% of Pacific population
1. b. Minimum hours of programming per annum on Radio 531pi – 8672 on Niu FM Network – 8672
2. a. All formal complaints acknowledged within 5 working days
2. b. No more than three complaints upheld against any one Broadcasting Standards Authority standard per annum
(No change from 09/10)

Output class 4. Our Culture and people**Objectives**

Pacific Media Network is recognised as a great place to work

Outputs

Human resources policy-flexibility in job profiles and descriptions

Measures

Industry salary benchmarking annually
Individual staff training needs assessed annually

11. Forecast Financial Statements 2010-2013

NATIONAL PACIFIC RADIO TRUST INC

TABLE OF CONTENTS

**FORECAST FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013**

CONTENTS

Forecast Statement of Financial Performance

Forecast Statement of Movement in Equity

Forecast Statement of Financial Position

Forecast Statement of Cash Flows

Statement of Accounting Policies

Statement of Significant Assumptions

NATIONAL PACIFIC RADIO TRUST INC
FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

Revenue	Estimate 2010 \$	2011 \$	2012 \$	2013 \$
Crown Revenue	3,000,000	3,000,000	3,000,000	3,000,000
NZ On Air	200,001	200,004	200,004	200,004
Commercial Revenue	916,449	1,479,603	1,538,787	1,646,502
Total Revenue	<u>4,116,450</u>	<u>4,679,607</u>	<u>4,738,791</u>	<u>4,846,506</u>
 Expenditure				
Cost of Sales	417,537	664,213	674,176	684,289
Programming	2,236,269	2,412,906	2,449,100	2,510,327
Operations	1,420,209	1,509,726	1,524,823	1,562,944
Total Expenditure	<u>4,074,015</u>	<u>4,586,845</u>	<u>4,648,099</u>	<u>4,757,560</u>
Net Surplus for the year	<u>42,435</u>	<u>92,762</u>	<u>90,692</u>	<u>88,946</u>

NATIONAL PACIFIC RADIO TRUST INC
FORECAST STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

	Estimate 2010 \$	2011 \$	2012 \$	2013 \$
Equity at the beginning of the year	307,059	349,494	442,256	532,948
Net surplus for the year	42,435	92,762	90,692	88,946
Total recognised revenues and expenses for the year	<u>42,435</u>	<u>92,762</u>	<u>90,692</u>	<u>88,946</u>
Equity at the end of the year	<u>349,494</u>	<u>442,256</u>	<u>532,948</u>	<u>621,895</u>

NATIONAL PACIFIC RADIO TRUST INC
FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010, 2011, 2012 AND 2013

	Estimate 2010 \$	2011 \$	2012 \$	2013 \$
EQUITY				
General funds	349,494	442,256	532,948	621,895
TOTAL EQUITY	<u>349,494</u>	<u>442,256</u>	<u>532,948</u>	<u>621,895</u>
Represented by:				
ASSETS				
Current Assets				
Cash and bank	6,274	365,964	17,045	230,072
Receivables and prepayments	166,628	193,074	289,443	316,214
Total Current Assets	<u>172,902</u>	<u>559,038</u>	<u>306,488</u>	<u>546,286</u>
Non Current Assets				
Fixed assets	506,679	362,678	718,678	574,678
Total Non Current Assets	<u>506,679</u>	<u>362,678</u>	<u>718,678</u>	<u>574,678</u>
Total Assets	<u>679,581</u>	<u>921,716</u>	<u>1,025,166</u>	<u>1,120,964</u>
LIABILITIES				
Current Liabilities				
Payables and accruals	191,109	340,482	348,375	350,191
Total Current Liabilities	<u>191,109</u>	<u>340,482</u>	<u>348,375</u>	<u>350,191</u>
Non Current Liabilities				
Employee Entitlements	138,978	138,978	143,842	148,877
Total Non Current Liabilities	<u>138,978</u>	<u>138,978</u>	<u>143,842</u>	<u>148,877</u>
Total Liabilities	<u>330,087</u>	<u>479,460</u>	<u>492,218</u>	<u>499,068</u>
NET ASSETS	<u>349,494</u>	<u>442,256</u>	<u>532,948</u>	<u>621,895</u>

NATIONAL PACIFIC RADIO TRUST INC
FORECAST STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

	Estimate 2010 \$	2011 \$	2012 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Crown Revenue	3,375,000	3,375,000	3,375,000	3,375,000
NZ On Air	225,005	225,005	225,005	225,005
Commercial Revenue	1,005,001	1,446,236	1,622,720	1,822,198
	<u>4,605,006</u>	<u>5,046,241</u>	<u>5,222,725</u>	<u>5,422,203</u>
Cash was applied to:				
Payments to employees	2,024,431	1,957,020	2,025,516	2,096,409
Payments to suppliers	2,585,865	2,729,530	3,046,129	3,112,767
	<u>4,610,296</u>	<u>4,686,550</u>	<u>5,071,645</u>	<u>5,209,176</u>
Net Cash Inflow from Operating Activities	<u>(5,290)</u>	<u>359,691</u>	<u>151,081</u>	<u>213,027</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was applied to:				
Purchase of property, plant and equipment	-	-	500,000	-
Net Cash Outflow from Investing Activities	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Net Increase in Cash Held	(5,290)	359,691	(348,919)	213,027
Add Opening Cash Balance	11,564	6,274	365,964	17,045
Closing Cash Balance	<u><u>6,274</u></u>	<u><u>365,964</u></u>	<u><u>17,045</u></u>	<u><u>230,072</u></u>

NATIONAL PACIFIC RADIO TRUST INC
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

REPORTING ENTITY

These are the prospective financial statements of National Pacific Radio Trust Inc (NPRT), a trust established by trust deed dated 22 July 2002 (as amended on 31 October 2005) and incorporated under the Charitable Trusts Act 1957 on 9 August 2002.

These prospective financial statements have been prepared in accordance with generally accepted accounting practice.

MEASUREMENT BASE

The prospective financial statements have been prepared on an historical cost basis.

ACCOUNTING POLICIES

The following particular accounting policies that materially affect the measurement of financial performance and financial position have been applied:

a) *Revenue*

NPRT derives revenue through the provision of outputs to the Crown, for services to third parties and income from investments. Such revenue is recognised when earned and is reported in the financial period to which it relates.

b) *Accounts receivable*

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectible debts.

c) *Goods and Services Tax (GST)*

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and trade creditors that are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

d) *Taxation*

No provision has been made for income tax as it is believed that NPRT qualifies for the charitable income tax exemption. NPRT is in the process of registering with the Charities Commission as required by the Charities Act 2005 in order to maintain its tax exemption status according to the Income Tax Act 2004.

e) *Property, Plant and Equipment*

Fixed assets, which are material in aggregate, are capitalised and recorded at cost. Any write-down of an item to its recoverable amount is recognised in the statement of financial performance.

NATIONAL PACIFIC RADIO TRUST INC
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

f) Depreciation

All fixed assets are initially recorded at cost with depreciation being deducted on all tangible fixed assets.

Depreciation has been calculated to allocate the cost of assets over their useful lives, at the rates set out in the Income Tax Act 1994. The depreciation rates are used on a diminishing value basis. These are:

Engineering Design	21.6%
Transmission Equipment	21.6%
Site Equipment	18.0% - 39.6%
Studios	11.4% - 48.0%
Studio Transmitter Links	21.6%
Transmitter Installations	21.6%
Studio and Link Installation	11.4% - 21.6%
Furniture and Fittings	11.4% - 33.0%
Leasehold improvements	9.0% - 39.6%
Office Equipment	14.4% - 60.0%
Computer Equipment	9.0% - 48.0%
Motor Vehicles	31.2%

g) Assets under Construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant fixed asset class on its completion and then depreciated.

h) Employee Entitlements

Provision is made in respect of NPRT's liability for annual leave. Annual leave is calculated on actual entitlement basis at current rates of pay.

i) Operating leases

Leases where the leaser effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

j) Financial instruments

NPRT is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

NATIONAL PACIFIC RADIO TRUST INC
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

k) Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which NPRT invests as part of its day-to-day cash management.

Operating activities include all activities other than investing and financing activities. The cash inflows include all receipts from the sale of goods and services and other sources of revenue that support NPRT's operating activities. Cash outflows include payments made to employees, suppliers and for taxes.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

Financing activities are those activities relating to changes in equity and debt capital structure of NPRT and those activities relating to the cost of servicing National Pacific Radio Trust Board's equity capital.

CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policy during the year.

NZ IFRS

The prospective forecast financial statements in this SOI have been prepared in accordance with a new set of accounting standards used in New Zealand, termed the NZ Equivalents to International Financial Reporting Standards (NZ IFRS).

NATIONAL PACIFIC RADIO TRUST INC
STATEMENT OF SIGNIFICANT ASSUMPTIONS
FOR THE YEAR ENDING 30 JUNE 2010, 2011, 2012 AND 2013

SIGNIFICANT ASSUMPTIONS

The following particular significant assumptions that materially affect the measurement of financial performance and financial position have been applied:

a) *Revenue*

Major funding contracts will roll over into the new financial year for non-commercial revenue except interest income from term deposits which are based on investment levels. Commercial revenue is based on a strong advertising and promotions market across the country. Revenue has been forecasted at conservative levels.

b) *Expenditure*

The main cost centres have been identified based on the organisations' core activities, being Cost of Sales, Programming, Operations and Professional Development. Expenses have been forecasted based on projected year end results to 30 June 2011 at standard inflation rates across the cost centres.

c) *Assets*

Assets are forecasted based on revenue forecasts throughout the year and conservative collection policies. At this stage, there is no capital expenditure planned for the year ending 30 June 2011.

d) *Liabilities*

Liabilities are forecasted based on expenditure levels set throughout the year in conjunction with payments of accounts within a reasonable timeframe.

e) *Operating Cash flows*

Cash will be provided from all the major sources of income and cash will be applied to all operating activities across all the cost centres.

12. Directory

Trust Board, Network Locations and Contact Details

National Pacific Radio Trust Board Members

Fa'amatuainu Tino Pereira	Chair
James Prescott	Deputy Chair
Ken Williams	Treasurer and Chair - Audit and Finance
Maureen Passmore	Secretary
Brian Chamberlin	Trustee
Jeannie Pera	Trustee
Marilyn Kohlhase	Trustee
Tom Etuata	Chief Executive

Pacific Media Network: Locations

www.pacificmedianetwork.com

Auckland – Head Office and Auckland Studios

NiuFM Radio Network, Radio 531pi, Pacific Radio News.

Level 1, 56 Brown Street, Ponsonby, Auckland, New Zealand

Phone +64 9 361 6656 Fax +64 9 361 3966

NiuFM Studio Toll Free 0800 223 103 Radio 531pi Studio +64 9 360 4531

PO Box 99582, Newmarket, Auckland, New Zealand

Wellington – Regional Office and Studio

NiuFM Radio Network, Pacific Radio News, and Wellington Sales

264 Cuba Street, Te Aro, Wellington City, New Zealand

Phone +64 4 550 1074 Fax +64 4 385 1040

PO Box 27 247, Wellington, New Zealand

Pacific Media Network: Frequencies

NiuFM Radio Network

Whangarei	100.3 FM
Auckland	103.8 FM
Hamilton	103.4 FM
Rotorua	103.9 FM
Taupo	103.9 FM
Manawatu	103.4 FM
Taranaki	103.6 FM
Hawkes Bay	103.9 FM
Wellington	103.7 FM and 100.7 FM
Christchurch	104.1 FM
Dunedin	103.8 FM
Invercargill	103.6 FM

Internet Online Streaming www.niufm.com

Radio 531pi

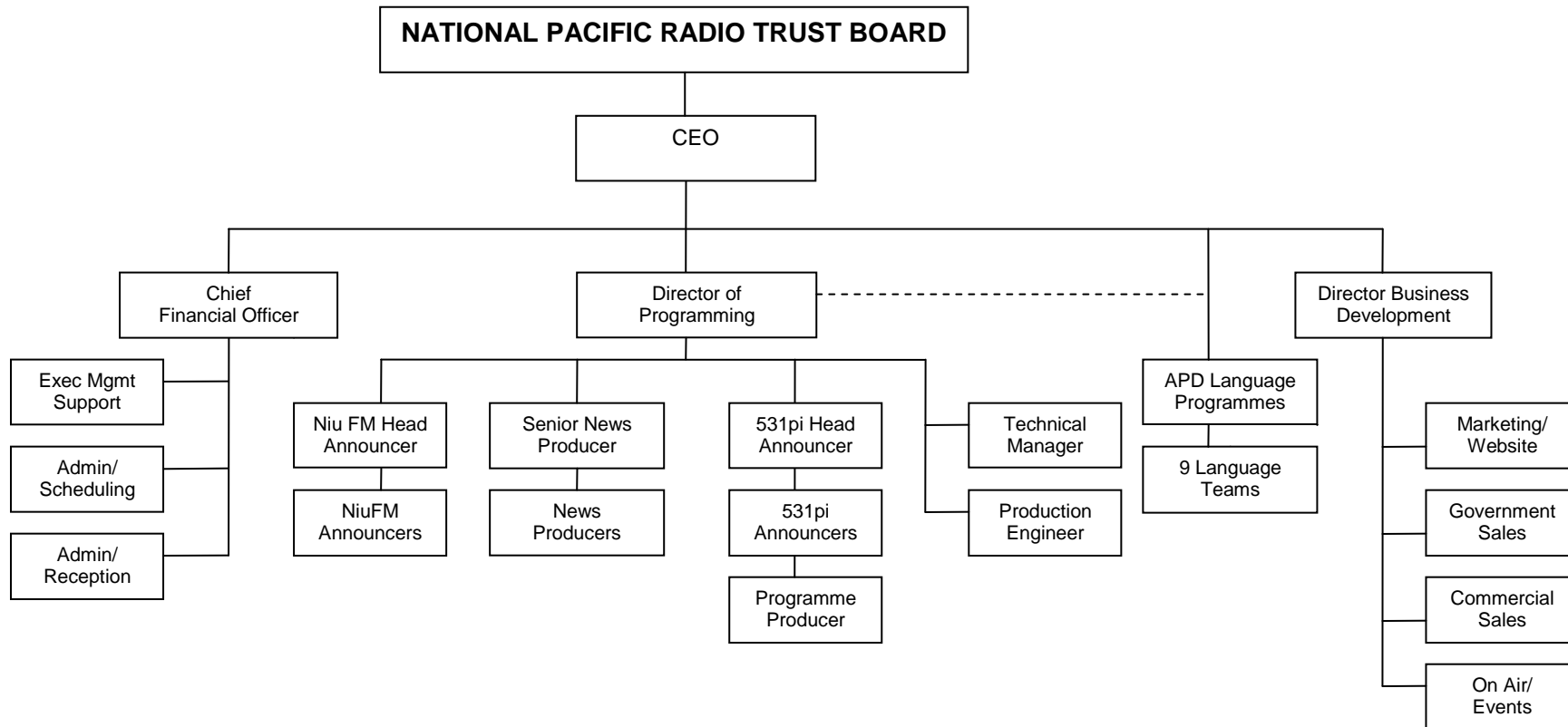
531 AM

Internet Online Streaming www.radio531pi.com

Pacific Radio News

On NiuFM and Radio 531pi

www.pacificradionews.com



13. Appendix

Legal Status

National Pacific Radio Trust Inc (NPRT)

The NPRT is established by Deed of Trust dated 22 July 2002 made between Her Majesty the Queen in Right of New Zealand acting through the Minister of Pacific Island Affairs and the Minister of Broadcasting and the Trustees.

The registered office of the Trust is 48 Brown Street, Ponsonby Auckland, New Zealand.

Legal Advisor: Anthony Woodhouse NPRT Solicitor – Carters and Partners

Trust Deed

The Trust is guided by the objectives in the Deed of Trust that clearly outline the role and objectives the Trust and Network are tasked to achieve and deliver.

Purpose of the National Pacific Radio Trust

The principal purpose of the National Pacific Radio Trust Board Inc (NPRT) is to establish and maintain a national Pacific radio network that delivers quality programming, and to ensure the responsible stewardship of assets of the network - as consistent with the Objectives provided for in its Deed of Trust (Deed).

Objectives of the Trust

To deliver a national Pacific radio network that is a vehicle for:

- ❖ Providing an authoritative, accurate, current and reliable information source to Pacific people, reinforcing their languages, values, beliefs and culture in New Zealand;
- ❖ Promoting, motivating, inspiring and encouraging the better education of Pacific communities throughout New Zealand;
- ❖ Facilitating and contributing to Pacific peoples' education, employment, housing, health, and social development in New Zealand in order to contribute to Pacific peoples' well-being and for relief of poverty
- ❖ Linking Pacific communities in New Zealand regionally, nationally and providing access to international news and events;
- ❖ Harnessing and growing the best available Pacific broadcasting and management talent throughout New Zealand so that the network as a community-owned platform is sustainable and delivers a quality service;
- ❖ Providing a means for Pacific musicians, businesses, services and artists to communicate and exchange information and ideas;
- ❖ Promoting effective avenues for training Pacific people in broadcasting and advocating for and on behalf of Pacific people in the media;
- ❖ Providing a medium for issues of special interest groups such as the young, elderly and disabled Pacific people to be discussed;
- ❖ Providing mechanisms for measuring efficiency and effectiveness of the Network; and
- ❖ Providing a window through which the rest of New Zealand can be better informed about the lives of Pacific communities throughout New Zealand.

Objectives of the Network

The Network shall operate consistently with this Trust Deed, and the Government's broadcasting standards and Purchase Agreement, and will contribute to the general goal in New Zealand of reducing inequalities experienced by minority groups such as Pacific peoples' communities, and will assist Pacific communities to build their capacity by:

- Providing a communication mechanism linking Pacific communities regionally and nationally to debate topical issues, and to coordinate and organise themselves around activities that will assist in community development that is conducive to the education, employment, housing, health, immigration as well as the social and economic development of Pacific people in New Zealand;
- Providing an effective communication vehicle which promotes the fostering and maintenance of Pacific languages through quality programming in Pacific languages;
- Supporting, promoting and enhancing the exposure of Pacific music, artistic talents and culture;
- Communicating timely and accurate information on programmes and services and how to access these;
- Providing opportunities for the development to build a pool of quality Pacific broadcasters; and
- Doing such other things as may from time to time be necessary or desirable to give effect to and in order to attain the Objectives of Trust.