

RADIO BROADCASTERS ASSOCIATION ANNUAL REPORT

NEW
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N

THE YEAR BY NUMBERS

NUMBER OF PEOPLE EMPLOYED BY
RBA MEMBERS

1,365

ANNUAL RADIO REVENUE

\$283.40 MILLION

% OF ALL NZ ADVERTISING REVENUE

11.05%

OF COMMERCIAL RADIO FREQUENCIES

768

OF LISTENERS AGED 10+ TO ALL RADIO AS AT
S4 DECEMBER 2017
86% OF ALL NEW ZEALANDERS*

3.57 MILLION

OF LISTENERS AGED 10+ TO COMMERCIAL
RADIO AS AT S4 DECEMBER 2017
80% OF ALL NEW ZEALANDERS*

3.32 MILLION

OF RADIO STUDENTS IN 2017

201

Radio is one of the best placed media channels to thrive in a disrupted world. Our biggest issue is not everyone understands why. As an industry, we don't spend enough time telling our story about why people listen and are so engaged, why we are effective for advertisers and why we have a great future

Jana Rangooni, RBA CEO

FROM THE RBA CHAIRMAN, NORM COLLISON

2017 was another good year for commercial radio with radio revenues at \$283.4 million which means radio's share of NZ advertising revenue has returned to



over 11% again. Commercial radio audiences remain at an all time high with around 80% of people aged 10 years or over listening every week, and over 60% (or 2.51 million) listening to weekday breakfast**.

The RBA Executive Board meets four times a year and this is a valuable opportunity to ensure that our competitive industry also remains focused on the overall state of radio revenue and audiences and that all joint industry initiatives are focused on ensuring a thriving radio market in the years to come.

While the overall outlook for radio remains positive, we continue to see challenges ahead in terms of:

- Renegotiating the voluntary music agreement with the new Labour Government to ensure the new target is achievable while still challenging commercial radio to do what we can to support a thriving NZ music industry.
- Renegotiation of our various music royalty agreements.
- Plans for the future of our platforms of delivery with AM and FM. Streaming is on the rise and DAB has not proved to be a single solution in any of the countries who have been attempting to create a DAB pathway that would allow for an analogue turn off.
- The continued challenge to prove our effectiveness with advertisers as global organisations like Facebook and Google are more proactive in their regional advertising strategies.
- The ability for NZ media to continue to provide strong news and entertainment content in NZ at a time we are competing with large global competitors who do not operate to the same fiscal and regulatory frameworks we have to operate in.

As I pointed out last year, now more than ever while our members may compete in their markets on a daily basis, we must be able to work together to ensure we can work with governments and all stakeholders to achieve outcomes that provide a fair and level playing field for all media to operate in.

FROM THE RBA CHIEF EXECUTIVE, JANA RANGOONI

Most people in commercial radio are by nature passionate creative people who can solve problems and love a challenge. Thank goodness because now more than ever it is these skills that will help ensure we weather the change that continues to come our way and constantly work to stay engaged with and relevant to our audiences.

As CEO of the RBA, I see one of my key roles is to try and ensure we keep the work plan of the organisation and agenda of all RBA Executive Board and Committee meetings focused not only on how to improve what we are doing now, but keeping a close eye on how we may need to pivot in the future.

For example, with DAB I think the uptake has been disappointing in most countries. The UK originally planned to turn off analogue in 2012 and then moved that out to 2020. In March the BBC announced it would not be looking to "FM - switch off" in the foreseeable future and see DAB as part of a hybrid solution that includes analogue, DAB and streaming. In NZ, where smartphone penetration is high and large numbers of people drive cheaper Japanese imported cars, DAB takeup is likely to be lower than the UK or metropolitan Australia.

Despite some reservations we have funded an annual review of DAB done by a DAB advocate as we want to ensure we understand all the positives of the technology, the changes in uptake and cost and do not place ourselves in a position of writing it off only to be blindsided at a later date. We have shared this with the new Government and will work closely with them around DAB options in NZ as this must be a conversation that is had soon so any developments are discussed well in advance of conversations around 2031 frequency renewal as these two conversations are intrinsically linked.

Other key pieces of work for the RBA in 2017 included:

- Submissions to government around convergence, BSA social media content guidelines, ASA advertising guidelines for children and young people and the

structure of Civil Defence emergency management in NZ.



- Work with the Ministry for Culture & Heritage on the need for a new voluntary RBA music agreement.
- The development of a Gold Standard system for radio research software use.
- Work with all training institutions to ensure the staff and students all have a clear and independent view of the state of radio in New Zealand and stronger relationships with the industry to ensure we are producing the most skilled and employable students we can.

One of the smallest yet most important projects in the long term may be the annual State of Radio Update which was launched with students and can be rolled out to all of the industry in the future. If we can't tell the story of radio's success and strength into the future, we will never maximise our potential share of the media pie. Key points include:

- Why radio will continue to be disrupted and why we must think laterally about where it will come from.
- Why audiences are strong and the biggest challenge in recent years wasn't Spotify.
- Why TSL will be the greatest challenge but there is no cliff on the horizon.
- Why radio is still successful and will be for the foreseeable future even with major global competitors and AI.
- Revenue trends and why we can still grow.

I would like to thank our Chair Norm Collison, the Executive Board and senior executives in our industry who are so generous with their time and talent to assist with all the work we do. I would also like to thank our Executive Secretary Janine Bliss who is an absolute fount of knowledge for the RBA and so valuable to our industry in so many more ways than her job description outlines.

NZ MUSIC

Genre	2017 Actual
Pop	12.23%
Rock	13.20%
Urban	14.51%
A/C	10.07%
Dance	22.05%
Overall	12.61%

The Top 10 Most Played NZ songs in 2017 were:

Rank	Title	Artist
1	Green Light	Lorde
2	Perfect Places	Lorde
3	Don't Give it Up	Six60
4	Move On	Mitch James
5	Is That Enough	Sons of Zion
6	Now	Sons of Zion
7	Therapy	Brooke Fraser
8	White Lines	Six60
9	Love and Affection	Three Houses Down
10	Homemade Dynamite	Lorde

2017 NZ RADIO AWARDS

There were strong entries again in 2017 – 484 received, indicating the continuing support for the awards.

Winners of the major categories were:

STATION OF THE YEAR:

ZM Network; Surveyed Market – More FM Canterbury; and Non-Surveyed Market – Radio 1XX, Whakatane.

OUTSTANDING CONTRIBUTION TO RADIO:

Awarded to Jac Kluts & Wendy Palmer.

SERVICES TO BROADCASTING:

Simon Marsh, Wayne Sleeman, Ronnie Phillips & Allen McLaughlin.

'THE BLACKIE' AWARD:

Hauraki Network.

AIR PERSONALITY OF THE YEAR:

Best Talk Presenter Breakfast or Drive – Duncan Garner, RadioLIVE Network; Best Talk Presenter Other – Marcus Lush, Newstalk ZB Network;

Best Music Non-Breakfast Solo Host Single Market – Katrina Smith, The Breeze Wellington; Best Music Non-Breakfast Team Network – Jono & Ben, The Rock Network; Best Music Breakfast Show Single Market – Callum Procter & Patrina Roche, The Hits, Dunedin; Best Music Non-Breakfast Solo Host Network – Robert Scott, The Breeze Network; Best Music Breakfast Show Network – Jay-Jay, Dom & Randell, The Edge Network.

Thanks to our sponsors & supporters for 2017, RCS, GfK, NZ On Air, Outspoken & the NZ Broadcasting School. As usual, financial support also came from within the industry - MediaWorks, NZME, The Radio Bureau and the RBA.

ADVERTISING STANDARDS AUTHORITY

The ASA Complaints Board released 150 decisions in 2017. Of these, 136 were Upheld/Settled and 73 Not Upheld.

There were 29 complaints about radio advertisements - 4 were Settled & 6 Not Upheld.

This compares with 25 in 2016 – 3 Upheld/Settled and 4 Not Upheld.

150
DECISIONS

29
COMPLAINTS

BROADCASTING STANDARDS AUTHORITY

During 2017, there were 12 complaints about broadcasts by RBA members, of which 2 were Upheld. This compares with 19 in 2016 with 7 upheld.

For all radio stations, the number of decisions released was 32 (61 in 2016) with 7 of these Upheld (9 upheld in 2016).

12
COMPLAINTS

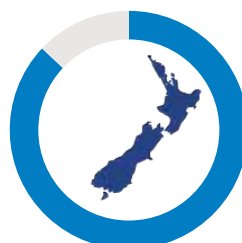
32
DECISIONS



GfK NZ Commercial Radio Ratings | Survey 4 2017

TOTAL RADIO LISTENING

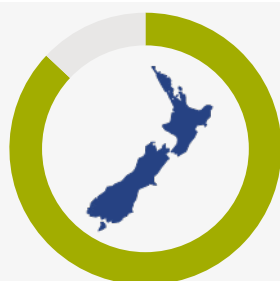
3.57 million people or **86% of New Zealanders aged 10+**, listen to radio each week in Survey 4 2017.



86%

of the New Zealand population aged 10+ tune in to radio each week

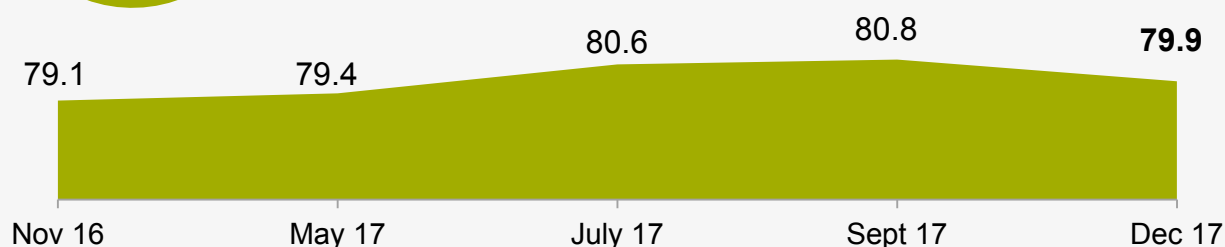
COMMERCIAL RADIO LISTENING



80%

of the New Zealand population aged 10+ tune in to commercial radio each week

3.32 million people or almost **80% of New Zealanders aged 10+**, listen to commercial radio each week in Survey 4 2017. This is an increase of approximately 150,700 people aged 10+ on the final survey in 2016.



On average listeners tune in for **17 hours 11 minutes** of commercial radio each week*



CUMULATIVE AUDIENCES



74.1%
People
10-17



81%
People
18-34



83.9%
People
25-44



84.2%
People
25-54



83%
People
45-64



79.2%
People
55-74



86.3%
Grocery
buyers

Listen to commercial radio each week

GfK New Zealand Commercial TOTAL NEW ZEALAND Survey 4 2017, Mon-Sun 12mn-12mn, People 10+, Cumulative Audience % (Unless otherwise stated). * Time Spent Listening (hh:mm). All figures are based on commercial radio unless otherwise stated.

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RBA COUNCIL MEMBERS

(representing RBA Full Members)

Norm Collison, NZME (RBA Chairman)
Dean Buchanan, NZME (Executive Board Member)
Leon Wratt, MediaWorks (Executive Board Member)
Tim Lockhart, MediaWorks (Executive Board Member)
Glenn Smith, Radio Bay of Plenty (Executive Board Member)
Robert Khan, Radio Tarana (Executive Board Member)
Samson Yau, Chinese Voice Broadcasting
Andrew Fraser, Rhema Media
Simon Law, Central FM
Mike Regal, Radio Wanaka
Corran Crispe, Beach FM
Geoff Anderson, Peak FM

RBA ASSOCIATE MEMBERS

Southland Community Broadcasters
Pacific Media Network
Humm FM

RBA AFFILIATE MEMBERS

Radio Computing Services

**GfK Radio Audience Measurement, Survey 4 2017, Total NZ, Cumulative Audience (000.0 and %), Mon-Sun 12mn-12mn, People 10+, unless otherwise specified. **Mon-Fri 6am-9am*

RBA SUB-COMMITTEES

TECHNOLOGY COMMITTEE

Bill Hays (NZME, Chairman), Anthony Crawford (NZME), Jana Rangooni (RBA), Ray Smith & Blake Beale (MediaWorks), Vern Talbot (Independent) and David Broad (Independent).

RADIO INDUSTRY RESEARCH COMMITTEE

Jana Rangooni (Chairman, RBA), Peter Richardson (The Radio Bureau), Nicki Steers & David Brice (NZME), Leon Wratt & Johnathan Schaffer (MediaWorks), Stephen Smith (Radio New Zealand), Robert Khan (Independents), Alistair Jamieson (Agencies), Ebony Duff (iwi broadcasters) and GfK representatives.

RADIO INDUSTRY AWARDS COMMITTEE

Jana Rangooni (Chair, RBA), Mike McClung (NZME), Rodger Clamp (MediaWorks), Janine Bliss (RBA), David Allan (RNZ), Donna Bloxham (Awards Producer) and Corinna Homer (Events Producer).

NZ MUSIC PERFORMANCE COMMITTEE

Michael Glading (Chairman), Paul Kennedy (Radioscope), Jana Rangooni (RBA), Janine Bliss (Secretary), Damian Vaughan (RMNZ), Leon Wratt (MediaWorks), Mike McClung (NZME), Jeff Newton & David Ridler (NZ On Air), Dylan Pellett (IMNZ) and Cath Andersen (Music Commission).

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