

May 2019

**LOCAL DEMOCRACY REPORTING SERVICE FOR NEW ZEALAND****Memorandum of Understanding**

This is a memorandum of understanding (MOU) between the NZ Newspaper Publishers' Association (NPA), RNZ and NZ On Air (the entities) to set out high level policy and procedures for committing a 2019/20 one-off allocation of \$1m from the Innovation Fund to establish and operate a Local Democracy Reporting Service (LDR) in New Zealand.

**Executive Summary**

- At least 29 community or rural newspaper titles have closed in the last two years.
- Regional reporter numbers have been reduced by at least 152 FTEs (28%) in the last 3-5 years.
- Address threat to local media evidenced by shrinking newsrooms and reporter numbers.
- Pilot scheme will address “democracy deficit” by rebuilding coverage of local institutions.
- Pilot scheme is modelled on [UK alliance between BBC and publishers](#).
- Address staff cutbacks caused by traditional media experiencing significant advertising and circulation revenue reductions.
- Eight Local Democracy Reporters (LDRs) to work in newsrooms across regional New Zealand.
- LDRs to be trained in multimedia journalism (print, radio, digital and video).
- LDR stories will be made available to all qualifying local media partners including competitors.
- LDR coverage will significantly boost RNZ’s regional news coverage.

**Background**

The Innovation Fund, providing a one-off allocation of \$6m, was announced in July 2018 as a means of piloting a new type of collaboration between RNZ and NZ ON Air with the intent to strengthen public media contribution to New Zealand society.

Around this time, the NPA was giving thought to the increasing challenges facing commercial media in New Zealand as a result of disruption caused by online competition for readers and advertisers. This disruption has driven severe reductions in advertising and circulation revenues which has led to significant cutbacks in the number of reporters across regional New Zealand. This in turn has created what is being termed a “democracy deficit” as coverage of local democratic institutions has fallen away simply through a lack of reporting feet on the ground.

The NPA took particular note of a new joint-venture agreed between the BBC and publishers in the United Kingdom whereby the BBC committed to fund the recruitment of 150 journalists (known as Local Democracy Reporters or LDRs) around Britain to specifically cover local democratic institutions.

The stories produced by these reporters are made available to the local media partner, the BBC and all other qualifying media, irrespective of whether they are competitors.

This local pilot is intended to address the “democracy deficit” created by shrinking regional newsrooms. It will achieve this by rebuilding coverage of local democratic institutions, and better informing New Zealanders about the public bodies and their activities in the regions.

### **Key principles agreed**

- NPA, RNZ and NZ On Air fully support the establishment of an LDR service in New Zealand.
- All have a shared intention of delivering a content service of the highest quality and journalistic standards, with proper and effective management, monitoring and supervision.
- All three agencies agree that RNZ is in the best position to be the ‘honest broker’ and administrative manager of the service, including setting up and running the pilot.

### **Relationship objectives and expectations**

This section outlines shared aspirations and the way the entities will collaborate effectively.

#### **Rebuilding local government coverage**

The entities have a shared goal of rebuilding or increasing coverage of local institutions and disseminating content to as wide a range of public audiences as possible. The funding will allow the hiring of eight LDRs. Priority will be given to regions and districts not currently well served.

#### **Multimedia journalists**

LDRs will be trained in multimedia journalism with the skills to provide content to the full range of media platforms including social media.

#### **LDR Pilot Manager**

An LDR Manager is required to run the administrative needs of the pilot, including stakeholder management, service level agreements, forward planning, monitoring and reporting. This person will be recruited by RNZ (in consultation with NZ On Air and NPA) to work exclusively on the pilot.

#### **Low costs**

RNZ, the NPA and NPA participating members will absorb costs where possible in order to keep overhead charges to a suitably low level to maximise expenditure on content.

#### **NPA members to employ LDRs**

The NPA members taking part in the pilot will be the parties to employ and host the LDRs. NPA member hosts will agree to incorporate a Job Description provided by the NPA and RNZ into the individual LDRs employment agreement.

#### **Stories to be shared**

The pilot will involve only NPA members as LDR hosts, but all content generated will be made available, in a timely manner, to RNZ and other qualifying local media partners.

### **Standards oversight**

Qualifying media partners granted access to LDR coverage will be those which have agreed to accept jurisdiction of the NZ Media Council or the Broadcasting Standards Authority with regard to reader, listener or viewer complaints about editorial standards and ethics.

### **Legal liability**

All stories filed by LDRs will be checked by an editor for legal issues, balance and accuracy, prior to dissemination to the LDR service.

Legal risk will sit with a party which chooses to publish LDR content. Publishers are responsible for conducting legal vetting of any LDR content that they choose to publish. Where a claim arises which any participating publisher considers may lead to legal action, this publisher agrees to advise the LDR Manager and other LDR partners, or their legal representatives, as soon as possible. Where appropriate, publishers may choose to combine external legal resources to deal with any legal claim.

NZ On Air will have no editorial control or influence on the content and will be indemnified via its contract for this proposal with RNZ.

### **Fund structure**

The \$1m will comprise an estimated \$784,160 (78.4%) to pay for employment and on-costs of the eight LDRs, equipment, travel, training, recruitment and relocation.

Costs managed through RNZ are estimated to be \$215,840 (21.6%) including a dedicated LDR Manager salary, LDR Manager equipment and travel, a 2.2% contingency for the LDR scheme, and a 7% administration charge.

### **Applications process and decision-making**

NPA members will apply to the NPA for funding to recruit a LDR in their region. The approval process will be determined jointly by NPA, RNZ and NZ On Air. If there is competition from more than one NPA member operating in the same region, the applications will be referred to an NZ On Air/NPA/RNZ arbitration committee comprising Head of Funding (NZ On Air), News Director (RNZ) and Editorial Director (NPA). Decisions will be reached by consideration of the relevant application and discussion. They will not be appealable.

LDR participating members will sign up to a content-sharing agreement with RNZ. Once an LDR agreement has been signed, RNZ and the NPA member will agree funding drawdown arrangements.

### **Third-party content licensing agreements with LDR media partners**

The NPA will assume responsibility for accepting applications from other media partners to access the LDR service. Appropriate criteria will be established by NPA and RNZ to assess applications against. These will include evidence that the applicant is a genuine media entity providing a public news service; acceptance of Media Council or BSA jurisdiction; constraints on content editing; and agreement to provide regular reports on usage of LDR content. The NPA will assess these

applications in the first instance, and any disputes will be referred to the arbitration committee. Decisions will be reached by consideration of the relevant application and discussion. They will not be appealable.

### **General**

Any issues arising from the processes around this pilot, or interpretations of this MOU, will be jointly discussed by the Chief Executives of RNZ and NZ On Air, and Editorial Director of NPA, to seek a solution.

This document remains in force until all agreements are signed for projects totalling \$1m that have been approved under this MOU.