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21 December 2018

Hon Kris Faafoi
Minister of Broadcasting, Communications and Digital Media
Parliament Buildings
WELLINGTON 6160

By email: k.faafoi@ministers.govt.nz

cc Colin Holden, Louise Lennard MCH

Dear Minister

LETTER OF EXPECTATIONS 2019/2020

Thank you for your letter of 13 December 2018 advising us of your expectations for NZ On Air for the 2019/2020 financial year.

As New Zealand's primary public media funder, NZ On Air's vision – connecting and reflecting our nation – is clearly aligned to your expectations and we look forward to working with you to contribute to cultural diversity, artistic expression, and independence of thought and ideas.

We address your specific points below.

Sector outcomes and public media objectives

We note the priority outcomes identified by the Arts, Culture and Heritage Ministers – that all New Zealanders can access and participate in cultural experiences; the cultural sector is supported and growing sustainably; and New Zealanders share a distinct and inclusive identity, and value our history and traditions.

We are also very pleased to note the six public media objectives.

We confirm that both these sets of goals are inherent to our work and to the statute that drives us. As we noted in our four-year [Statement of Intent 2017 – 2021](#):

The stories and songs we invest in reflect the diverse lives of New Zealanders. We contribute to a broad representation of New Zealand cultural identity which, in turn, helps build social cohesion, inclusion and connection..... Giving audiences quality local content has a cultural impact far in excess of the financial investment. Audiences are introduced to New Zealanders they might not otherwise meet, hear their own accents, and gain a greater understanding of the stories, songs and people that shape us as a nation. NZ On Air funded content makes us feel at home.

...While our mandate is cultural, our investments have clear business benefit and create skilled jobs. The associated economic impact on other sectors (e.g. tourism, hospitality,

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facilities and equipment, the wider screen and music industries) is also important. For example, television production can be seen as the 'engine room' of wider screen production, helping underpin the skills training, infrastructure, work flow and creative development necessary for successful film making. Producers own the intellectual property of funded content and can market it both here and offshore.

I confirm that these goals will continue to be reflected in our upcoming Statement of Performance Expectations 2019/2020.

Expectations

We also note your eight specific expectations. The strategic goals that drive NZ Media Fund investments are quality, diversity and discoverability which are consistent with your expectations. We note that some of the funding areas you wish us to prioritise (underserved audiences, captioning, new platforms, a co-fund with RNZ) have been covered in our Budget 2019 bid for additional resource. The results of this bid will influence the 'more' aspects of your expectations.

We will also continue investigating different delivery platforms to reach new and different audiences. Our Annual Report 2018, reporting on the first year of the NZ Media Fund, notes we invested in screen content to feature on 34 different platforms, alongside nearly 20 different entities that received operating funding from our Platforms funding stream - from RNZ to access, student and Pacific radio, to online aggregators NZ On Screen, AudioCulture and HEIHEI. Our focus on new platforms has been a significant strategic change, contributing to a 50% increase in applications.

I confirm we will continue to maintain robust investment frameworks, to demonstrate best practice governance at Board level, to continue producing robust audience research to support content investment, and to continue promoting NZ Music.

Governance

We note your expectations and confirm we will comply. We look forward to the appointments processes for the current vacancies/renewals being completed.

Strategic challenges

You ask us to outline the key strategic challenges and opportunities. As you know NZ On Air currently supports a wide range of content for diverse New Zealand audiences and platforms, aimed at achieving our strategic goals of quality, diverse and discoverable content for New Zealanders. There is no shortage of good ideas and no serious talent shortage. However we are facing significant challenges from rapid changes in media, its audiences, and to New Zealand demography.

New Zealand's population is more ethnically diverse, and audiences more fragmented with more choice, than ever before. That means we need more content in more places to reach all New Zealanders in a meaningful volume to make a difference. Without additional funding, NZ On Air must make increasingly difficult choices about which audiences to serve (and not serve) and which types of content to prioritise, in an environment where insufficient volume adversely affects both audience impact and the sustainability of the production industry.

The opportunities for NZ On Air can be summarised as:

- **Fighting back against the global deluge** – we need to increase the volume and diversity of powerful New Zealand stories that reflect NZ identity, of a standard that competes with the globe's best

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- **Engaging under-served audiences** – we need to reflect an ethnically diverse New Zealand by supporting a wider range of content; improve disability media access by boosting services
- **Encouraging plurality of voices** – we need content to challenge and discuss important issues, and support different viewpoints, and need to expand the range of trusted journalism and documentary
- **Seizing technology to better serve audiences** – we need to support the survival of specialist platforms and increase their audience by modernising technology
- **Welcoming new and diverse storytellers** – we need to champion cultural diversity by creating new pathways to bring fresh, often younger, perspectives into local storytelling
- **Amplifying NZ music** – we need to lift the profile of local music on the streaming services NZ audiences use, so talented artists get their music heard by more people and can develop sustainable careers.

Our draft Statement of Performance Expectations 2019/2020 will be with you by April 2019 as usual, after we have discussed with the Ministry, and will reflect these expectations, challenges and opportunities.

We look forward to further discussions in 2019 and appreciate your interest in our work very much.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Harley', written in a cursive style.

Ruth Harley
Chair