



23 March 2021

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

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

cc Bernadette Cavanagh, Louise Lennard MCH

Dear Minister

LETTER OF EXPECTATIONS 2021/2022

Thank you for your letter of expectations dated 10 March 2021 advising us of your expectations for NZ On Air for the 2021/22 financial year.

As New Zealand's primary public media funder, NZ On Air's vision of connecting and reflecting Aotearoa remains clearly aligned with your expectations. We look forward to working with you to contribute to cultural diversity, sustainability of the cultural sector, identity and a strong public media system. We also remain committed to fulfilling our role in supporting economic recovery in a post-COVID-19 environment through additional funding for journalism and music, and through our normal funding investment activities.

We address your specific points below:

Key strategic challenges and opportunities

You ask us to outline the strategic challenges and opportunities. NZ On Air has provided input into funding allocated to support the sector as it recovers from the impact of COVID-19 throughout the past year. In 2021/22, our focus will include maximising the benefit of the new funding for investing in sustainable journalism, while continuing to support a wide range of content for diverse New Zealand audiences and platforms. The key strategic challenges NZ On Air faces remain the rapid rate of change in the media environment and audience behaviours, some of these being accelerated by the impact of COVID-19. We have a strong focus on our role in supporting the Crown as a Treaty partner and how this influences and informs our work, as well as working to effectively reflect the increasingly diverse New Zealand demography in all aspects of our work.

Building on our work over the past year, we continue to work closely with the wider media industry, focusing on delivering an appropriate range of diverse public media content and journalism to New Zealand audiences.

Connecting and reflecting Aotearoa

Ensuring there is sufficient diversity of content that is of suitable quality and discoverable by audiences is an ongoing challenge. We can make an impact through additional funding for sustainable platforms, first received in 2020/21, and through the journalism and music funding. In other areas of funding, it remains a challenge to make a real difference without making difficult trade-offs in our funding decisions.

Many of the opportunities for NZ On Air below are substantially unchanged from last year, prefaced by the work on Strong Public Media, which is an opportunity for a wider sector approach to some of the opportunities and challenges we face:

- **Strong public media** – as work continues on strong public media, this remains an opportunity to reset and refresh the approach to public media to deliver better outcomes for New Zealand audiences in a post-COVID environment. We will continue to support and contribute to this work. We see it as an opportunity to better meet the needs of diverse New Zealand audiences, and provide the basis for a healthy media ecosystem.
- **Reaching the audiences of Aotearoa in a changing media environment** – audience fragmentation combined with a challenging commercial media environment has increased the case for funding quality public media content, on a range of platforms. Our Where Are The Audiences research in 2020 showed for the first time that NZ audiences for SVOD are now surpassing audiences for free-to-air television in New Zealand. Increasing the volume and diversity of powerful New Zealand stories that reflect NZ identity is only part of a solution, which needs to include innovative ways of reaching NZ audiences with quality content of a standard that competes with the globe's best.
- **Improving diversity in content and content production** – Aotearoa is a nation of increasing diversity. We have an opportunity to work with the industries our funding supports and other sector agencies to improve diversity in NZ music, screen content and creative industries with particular consideration for under-served audiences, including Māori, Pacific, regional, children and young audiences. We have a responsibility both under the Broadcasting Act and in supporting the Crown as a Te Tiriti o Waitangi partner, to promote te reo Māori and embrace greater understanding of te ao Māori.
- **Building on the boost in funding for sustainable platforms** – additional funding for sustainable platforms over four years increases our ability to reflect an ethnically diverse New Zealand through the platforms we support and improve disability media access by boosting services. We will continue to work with the platforms we support to continuously improve and reach their diverse audiences.
- **Investing in sustainable journalism** – new funding over three years to invest in sustainable journalism provides a means to address the accelerated impact of COVID-19 on the changing business environment faced by journalism. We will apply this funding through sound and fair processes in line with our existing funding policies. We will look to these funds contributing to plurality of voices in Aotearoa to challenge and discuss important issues, support different viewpoints, and expand the range of trusted journalism and documentary.
- **Welcoming new and diverse storytellers** – we continue to champion cultural diversity by creating new pathways to bring fresh, often younger, perspectives into local storytelling with an increasing focus on story sovereignty and authenticity.
- **Amplifying NZ music** – going into the second of two years of additional funding to aid the music industry to recover from the impacts of COVID-19 brings opportunities. As well as increasing the numbers of musicians supported through existing funding schemes, we are able to focus on less well-served audiences through funding more Māori and Pasifika artists and music for children. We will continue to focus on lifting the profile of local music on the streaming services NZ

Connecting and reflecting Aotearoa

audiences use, and on maintaining the strong presence currently experienced on commercial radio, so talented artists get their music heard by more people and can develop sustainable careers.

Sector priorities

We note the three priority outcomes identified for the cultural sector. These are well-supported by our vision “Connecting and reflecting Aotearoa” and our mission “To foster and fund great New Zealand media content that reflects the diverse communities of Aotearoa”. We will continue to work collaboratively with other cultural sector agencies to achieve these outcomes. We will maintain a strong focus on initiatives funded through the Government’s new investment in the sector, specifically, Sustainable Platforms, Music and Journalism.

All these focus areas are reflected in our planning documents and our daily operations and funding activities.

Specific expectations

Regarding the specific expectations set out in your letter where these are not covered above:

- **Support diverse local content and boost reach to underserved audiences**
We will continue to support a wide range of diverse content with a view to how best to reach under-served audiences. Our ongoing research programme has a strong focus on diversity in the screen sector and on-screen, which will help to inform funding decisions in the future.
- **Sector collaboration**
We are increasingly collaborating with the sector, building on approaches such as the jointly managed funding for the Premium Production Fund with the NZFC and Te Māngai Pāho, joint RFPs with Te Māngai Pāho, and working alongside Te Māngai Pāho on the Government’s new investment in Journalism. We will also continue to consult closely with the sector as we develop new approaches to reaching underserved audiences.
- **Strategic and organisation leadership in a period of change**
Our work continues to be supported by collaborating with others in the public media space to maximise outcomes, demonstrating sector leadership, and informing our work and the sector’s work with robust research and data.
- **Delivery platforms reaching new and different audiences**
Our research activities and work on improving data to inform our decisions will enable us to consider opportunities and merits of different delivery platforms. We are already using targeted funding rounds to identify opportunities and will monitor the impacts as funded projects are completed.
- **Robust investment frameworks**
As we work through a period of change, we will continue to maintain robust decision-making and investment processes, putting in place additional resources to deal with volume as necessary.
- **Premium Productions for International Audiences Fund**
Working with the NZFC and TMP, we have put clear criteria in place for this fund and the first funding round has commenced. Processes for assessment, contracting and monitoring will follow established procedures. The Ministry is being kept informed of how the criteria reflect policy settings.

Connecting and reflecting Aotearoa

Our draft Statement of Intent 2021/22-2025 and draft Statement of Performance Expectations 2021/22 will be with you by end of April 2021 as usual, after we have discussed with the Ministry, and both documents reflect these expectations, challenges and opportunities.

Yours sincerely



Ruth Harley
CHAIR