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Hon. Paul Goldsmith
Minister for Media and Communications
Parliament Buildings
Wellington 6160
c/o- francesca.bradley@parliament.govt.nz

Dear Minister,

RESPONSE TO LETTER OF EXPECTATIONS 2024/25

Thank you for your Letter of Expectations dated 21 May 2024 advising us of your expectations of NZ On Air for the 2024/25 financial year.

As New Zealand's primary public media funder NZ On Air's purpose – to reflect and develop the identity and culture of New Zealand – is only possible with a vibrant, innovative and thriving media sector. Our work programme set out in our Statement of Performance Expectations for the 2024/25 financial year clearly demonstrates how we will achieve our aims.

Successful delivery against our flexible investment strategy objectives will contribute to the Government's priority of building the economy to create a vibrant and thriving New Zealand. It will also support innovation in the media sector and some stability in an ongoing challenging fiscal environment.

Key strategic challenges

- New Zealand's media environment continues to transform, driven by demographic and technological changes. As you have noted, audiences have an ever-growing choice of services and content with new platforms continually entering the market. However market failure of local platforms and their ability to commission and deliver local content to audiences, whether that be news and current affairs or scripted and general non-fiction programmes, is a very real threat.
- The ethnic make-up of our nation continues to change and as such NZ On Air seeks to ensure that authentic content is delivered by, for and about the various audiences that make up New Zealand. We have a vital role in supporting creators who reflect the communities and stories they are depicting, and in growing this capability.
- Inflationary pressures mean that the cost of procuring public media content increases, whilst demands on funds also increases as local platforms look for greater support. Furthermore, fragmented audiences moving away from traditional platforms means we have to work harder to ensure content is discovered.

Our response to these challenges

- Our investment strategy allows us to respond quickly to the changing media landscape, vital in turbulent times for the sector, and to address fast-changing audience needs. We will be responsive throughout the coming year, by using our funding rounds to target areas we determine need the most focus. Acknowledging that there is far greater choice for audiences and higher expectations of quality, we can for example, through careful selection of projects alongside the NZ Screen Production Rebate, stimulate the attraction of third party investment which creates more ambitious, large scale local content whilst maximising funds available. Given the period of rapid change in the news media sector we will also continue to fund quality non-fiction content including current affairs and journalism.
- Our focus is ensuring audiences are reflected in the media they consume and our own internal and commissioned research informs our approach to uplifting creatives that can speak with a 'lived experience' voice to audiences. Focus areas for targeted initiatives currently include Pan-Asian, Pasifika, Māori, children and youth as per our legislation (section 36c).
- We are focused on finding solutions for sustainability of services, and in our own agency we look for operational efficiency. We contribute to the efficiency and effectiveness of the public service and government funded services. Our agency uses less than 5% of its overall budget for administration, ensuring the majority of funds are available in support of the media sector.
- Our work will continue to be informed by quality research and data insights. Our agency is leading the way with new metrics to monitor engagement with content online, and with sector-leading research on media trends. Understanding how and where audiences consume content helps the sector to reach them with local stories and songs. It also means that our funding decisions are informed by evidence to get the most out of each dollar we spend.

Specific expectations of NZ On Air

- A new Statement of Intent for 2024-2028 sets out how we will balance investments across our portfolio which includes screen and radio content, music, games and operational funding for vital public media platforms and services.
- Our Statement of Performance Expectations 2024/25 sets ambitious impact targets and we have robust performance measurement and reporting in place, including specific measures for audience engagement.
- We will work closely with fellow funding agencies NZ Film Commission, Te Māngāi Pāho, and Creative NZ both in sharing insights and strategies, and in collaborating on funding initiatives where a combined effort can have the greatest impact.
- We are working closely with NZFC on greater alignment and efficiency in our work, and supporting Manatū Taonga on strategy and legislative and regulatory reform options.

We look forward to working with you and the Ministry to help ensure our media sector remains a place where New Zealand audiences can find and enjoy quality content that uniquely reflects their place in the world.

Our Statement of Intent 2024-28 and Statement of Expectations 2024/25 will be with you shortly, following confirmation of our funding in the 2024/25 year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ruth Harley'.

Dr. Ruth Harley, CNZM OBE
CHAIR

cc: Mac Leauanae, Chief Executive, Manatū Taonga Ministry for Culture and Heritage
cc: Cameron Harland, Chief Executive, Broadcasting Commission