



NZ ON AIR BRIEFING NOTES

INCOMING MINISTER

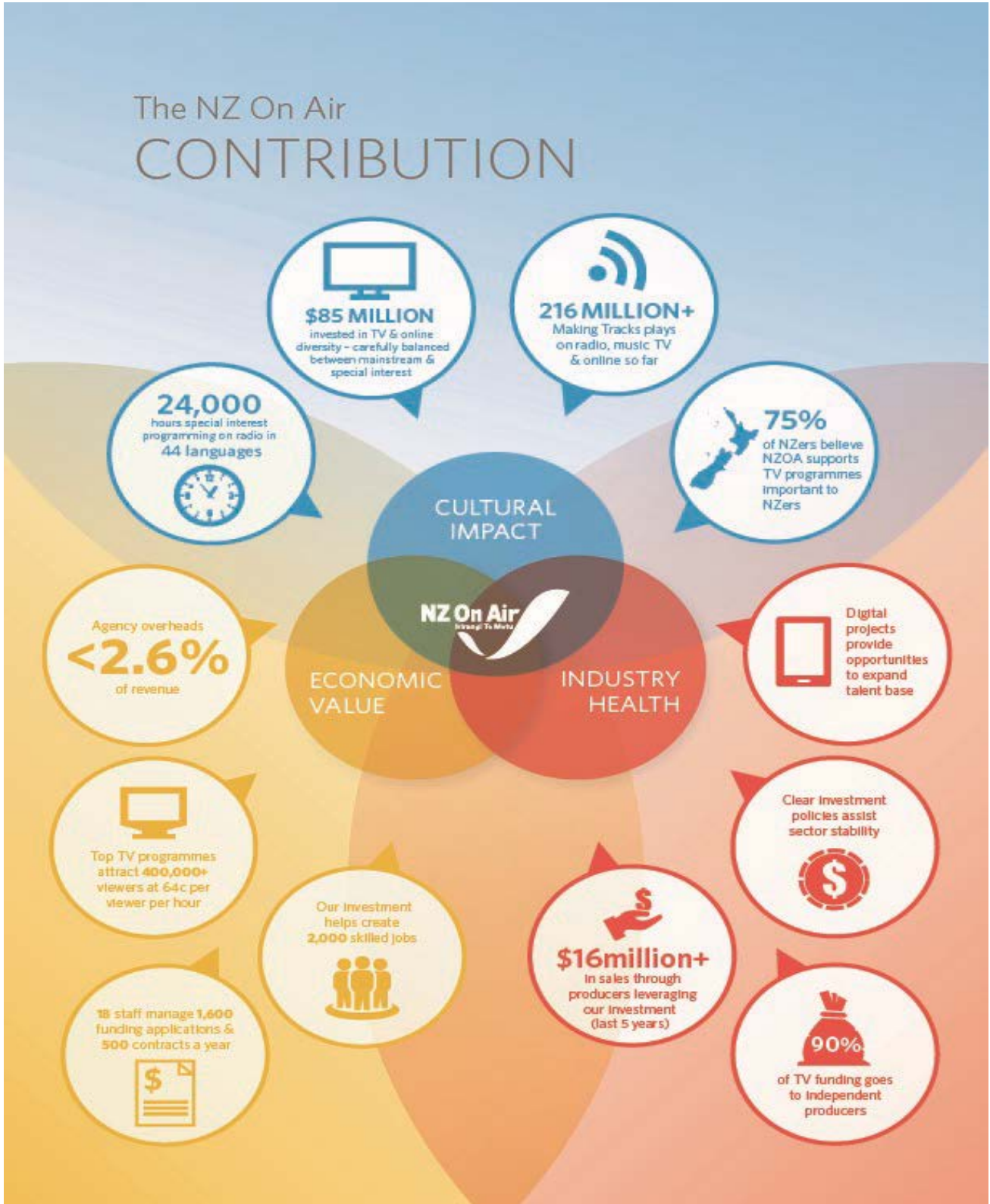
DECEMBER 2016

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The NZ On Air Contribution

NZ On Air is New Zealand's public media content funder, operating a range of mainly contestable funding mechanisms. The scale of our work means we have a deep knowledge of content trends and gaps where public funding can be best applied. We have a clear audience focus, concentrating on audience outcomes, not industry outputs, but our investments still have a wide sector impact.



Overview and strategy

NZ On Air champions local content that engages, stimulates and satisfies intended audiences.

- We ensure New Zealand stories and songs are present on the most-used free-access platforms so intended audiences have local choices amid limitless foreign content
- Our carefully-selected investments support skilled jobs in the creative and production sectors, and contribute to economic growth
- All our content must be available online so audiences can watch and listen at their convenience
- We have simple processes to minimise red tape
- Over 99% of our funded content is completed and released, one of the highest success rates for creative content in the world

For a taste of the delightful range and diverse of content we support, our latest showreel is short and worth a watch: <https://www.youtube.com/watch?v=h6QJsagX3Zw&feature=youtu.be>

In December 2016 we confirmed an extensive new funding strategy after a year's development and will roll out the platform-neutral NZ Media Fund from 1 July 2017. This follows sector consultation, which was widely supportive, and involves a significant entity restructure.

The full strategy can be read here: <http://www.nzonair.govt.nz/document-library/nz-on-air-funding-strategy/>. It is designed to be simple and flexible in response to a rapidly shifting media landscape.

The funding strategy has three core goals:

He Hua Kounga

Quality Content

NZ audiences enjoy well-made local content that matters

- Well-made funded content will reflect New Zealand in engaging and informative ways
- Funded content will be seen to be different to similar local content made without public funding

He Hua Kanorau

Diverse Content

NZ audiences value local content made for a range of communities

- New Zealanders will appreciate local content made for audiences with diverse interests
- Content creators will have a range of opportunities to make different types of local content

He Hua Kitea

Discoverable content NZ audiences can find and appreciate local content

- Funded content will be available and enjoyed by audiences on the platforms they use
- Funded content will be online and free to watch or listen to at the beginning of its life and at regular points thereafter

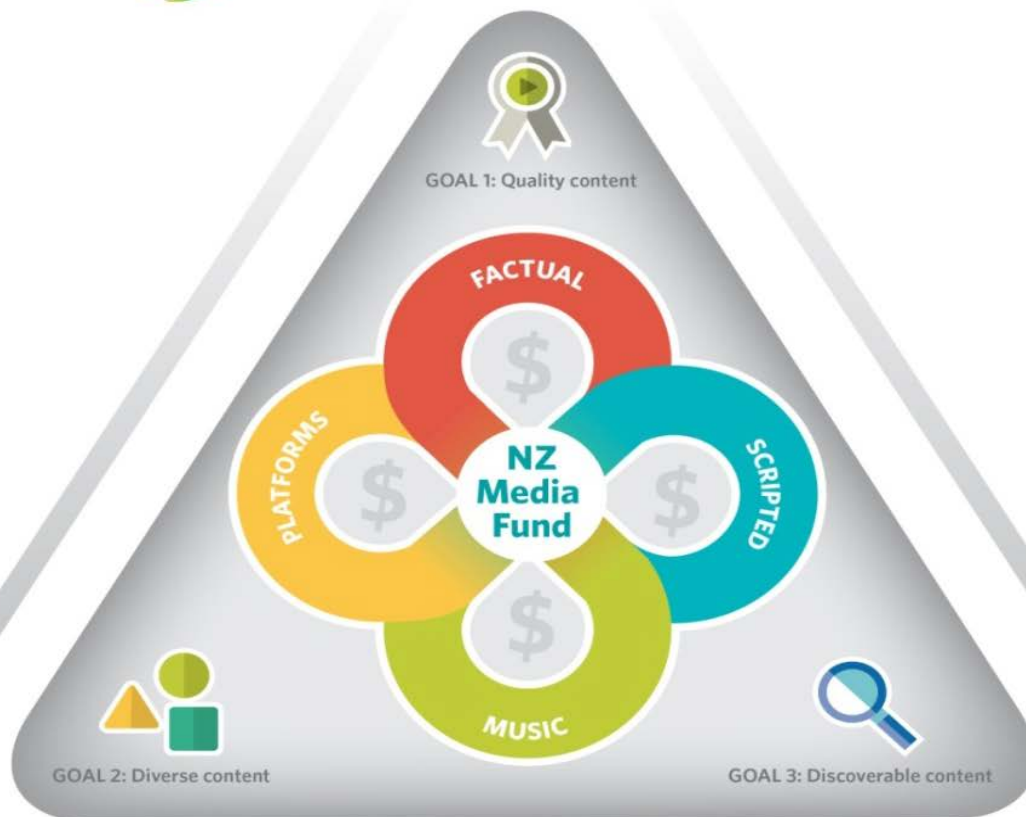
The funding strategy is founded on core public media principles. These include enriching the New Zealand cultural experience, improving diversity of media content in many forms, ensuring content is accessible, strengthening community life, and promoting informed debate.

In short, along with the usual expectation that content will engage or entertain an audience, there needs to be a clear cultural or social purpose for public media funding to be awarded. These are different objectives to commercial media.

The main delivery mechanism for the strategy is the new **NZ Media Fund** (NZMF). A single fund is intended to provide a simple, straightforward approach to navigating a dynamic environment. The NZMF has four funding streams: *Scripted*, *Factual* and *Music* are open and contestable. *Platforms* is a closed fund supporting entities to provide a wide range of local content, from Radio New Zealand to 12 regional access radio stations broadcasting and podcasting over 40 languages; broadcast [captioning and audio description](#) for audiences with hearing or vision disabilities; and content websites like screen's [NZ On Screen](#) and music's [Audio Culture](#).



FUNDING STRATEGY



OUR AIM

Great New Zealand content is valued and enjoyed by many New Zealand audiences.

Opportunities

There are a number of opportunities for the incoming Minister which we will be pleased to discuss at your convenience.

We understand you will be provided with key Budget bid papers which set out the extent and scope of our work. While we understand the constrained financial environment, we have not received a budget increase for nine years. Without a funding increase we will have to make difficult and likely unpopular choices next year in the face of increasing demand.

Looking back, our latest annual report is here (designed to be read online):
<http://annualreport2016.nzonair.govt.nz/>

Looking forward, our current Statement of Performance Expectations is here:
<http://www.nzonair.govt.nz/corporate-document-library/statement-of-performance-expectations-2016-17/>

We will be submitting a draft new SPE to you in March.

Our impact – and where the money goes: summary

Static funding has required us to keep a strong focus on quality, efficiency and vigilance in seeking the best available ideas through the contestable funding mechanisms. We have now almost fully used our reserves.

Expenditure proportions have been relatively constant over time.

Figure 3: Expenditure by type and percentage

	2017 (projected)		2016		2015		2014		2013		2012		2011		2010	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
FUNDING TYPE																
Television	80,680	61.6	82,111	62.3	84,827	63.1	82,031	63.0	82,752	62.8	88,685	64.8	83,944	64.5	87,431	64.9
Radio	38,461	29.3	38,274	29.0	38,192	28.4	38,498	29.6	38,478	29.2	38,362	28.1	36,209	27.8	35,506	26.4
NZ Music	4,000	3.1	3,779	2.9	4,631	3.4	3,801	2.9	5,014	3.8	4,996	3.7	4,656 ^[1]	3.6	5,292	3.9
Archiving	-		-		-		-		- ^[2]		677	0.5	618 ^[3]	0.5	1,485	1.1
Digital	3,860	2.9	3,848	2.9	3,464	2.6	2,558	1.9	2,325	1.8	995	0.7	1,791	1.4	2,112	1.6
Industry development	400	0.3	397	0.3												
Admin	3,715	2.8	3,420	2.6	3,416	2.5	3,365	2.6	3,182	2.4	3,022	2.2	2,819	2.2	2,865	2.1
Total^[4]	131,116		131,829		134,530		130,253		131,751		136,737		130,037		134,691	

[1] Some baseline music funding for international promotions was permanently transferred to the NZ Music Commission in 2011

[2] All archiving baseline funding to consolidate funding was permanently transferred to MCH in 2013 (TV)

[3] Some archiving baseline funding to start consolidating funding was permanently transferred to MCH in 2011 (radio)

[4] Total annual revenue comprises Crown funding, sales income, interest income, and write backs of unspent funds from existing projects.

APPENDIX: NZ ON AIR BOARD MEMBERS

Miriam Dean CNZM Auckland	Chair Member, Remuneration & HR Committee Two terms	Term expires 2018
Ross McRobie* Wanaka	Chair, Audit & Risk Committee Two terms	Term expires April 2017
Kim Wicksteed Havelock North	Chair, Remuneration & HR Committee Two terms	Term expires 2018
Ian Taylor* Dunedin	One term	Term expires 2018
Helen Grattan Napier	One term	Term expires 2019
John McCay* Wellington	One term	Term expires 2019

* Also on NZ Film Commission board

Chief Executive
Jane Wrightson