



HE WHAKAKITENGA MATUA

# STATEMENT OF INTENT

2020–2024



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*Head High,  
South Pacific  
Pictures for Three*



# HE TAUĀKĪ NĀ TE POARI FROM THE BOARD

A colourful mix of New Zealanders live in this whenua, both born here and from around the globe. Connecting and reflecting so many different peoples and cultures is the core role of NZ On Air.

In a time when massive change is disrupting the business models of commercial media, funded public media’s role is even more crucial. It ensures plural voices and views can be heard and makes a place for local stories and songs amid a limitless tide of global content. Increasingly it also contributes to a sustainable living for content creators so they can create professional, exciting, relevant local content.

Our agency supports the media and music sectors by responding strategically and consistently to environmental change. In 2020 the COVID-19 pandemic hit the creative and media sectors hard. The immediate months and years ahead have a more sharpened focus on supporting the sustainability of these sectors, so that New Zealand audiences do not lose the taonga of local stories and songs.

In this Statement of Intent, for the period 2020 – 2024, we more clearly articulate the leadership role we play in the sector, informed by our deep practical experience, relationships, and research. We also reaffirm our commitment to these fundamentals:

- Ensuring a wide range of New Zealand stories and songs are available free on the platforms most-used by New Zealanders.
- Carefully selecting investments to support and grow skilled jobs in the creative and production sectors, which contributes to economic growth.
- Requiring a solid business case to underpin great content ideas.
- Keeping it simple – we minimise red tape.

In addition we must:

- ensure content is authentic – the people involved in telling our stories genuinely reflect the population and their unique stories. “Not about us, without us.”
- be mindful of the need for sustainable and rewarding creative careers in the sectors we support.
- be flexible and open to innovation, listening to the industry and the audience, and responding to change.

Our simple and flexible NZ Media Fund, created in 2017, is fit-for-purpose for the foreseeable future. We are lean and nimble, spending just 3% of revenue on running costs, with staff who come to work driven by a passion for great public media content.

Supported by a Board who are proud to be the champions and guardians of local stories and songs, NZ On Air will continue to find and fund content that connects and reflects our wonderfully diverse Aotearoa.



**DR RUTH HARLEY, CNZM OBE**  
Chair



**PHILIP BROUGHTON**  
Chair of Audit & Risk Committee

30 September 2020

# HE PŪNAHA WHAKATUTUKI STRATEGIC FRAMEWORK

Our long term focus is on constantly and shrewdly adapting to environmental change. Our strategic framework describes the principles and ambitions underlying our work.

FIGURE 1: Our Strategic framework against which we develop our activities

## OUR VALUES

### NGĀ MĀTĀPONO

**CREATIVITY**  
**TE WAIRUA AUAHA**  
New ideas, innovation, quality production standards

**DIVERSITY**  
**TE KANORAU O TE TANGATA**  
People, projects, platforms

**SKILFUL INVESTMENT**  
**TE WHAKANUI PŪTEA**  
Cost effective content reaching intended audiences

## OUR VISION

### TĀ MĀTOU WHAKAKITENGA

Connecting and reflecting Aotearoa

## OUR AIM

### TĀ MĀTOU WHĀINGA ROA

Great New Zealand public media is valued and enjoyed by New Zealand audiences

## WHAT WILL WE DO?

### KA AHA TĀTOU?

NZ On Air provides audiences with a wider range of creative content, and the sector with leadership, stability and opportunity. Our well-signalled and researched investment and development strategies ensure funding is targeted and effective in providing content and services for all New Zealanders.

### INVESTMENT GOALS NGĀ UARA MŌ TE PŪTEA PENAPENA

#### WE USE THE NZ MEDIA FUND TO

 **SUPPORT QUALITY CONTENT**  
GOAL 1

 **SUPPORT DIVERSE CONTENT**  
GOAL 2

 **ENSURE DISCOVERABLE CONTENT**  
GOAL 3

## HOW WILL WE DO IT?

### ME PĒHEA KIA OTI AI?

**OPERATING STRATEGIES**  
**HE RAUTAKI MŌ NGĀ MAHINGA**  
Use monitoring and research to provide useful advice and leadership to the sector and ensure the NZ Media Fund addresses changing public media needs.

Encourage collaboration in the sector to promote innovation and commitment to local content.

Consistently apply the nine investment principles outlined in the Funding Strategy.

Increase promotion of funded content to help audience discovery.

## OUR PROMISE

### TĀ MĀTOU OATI

**INCLUSIVE**  
Content reflects our diverse communities

**CLEARLY FOCUSED**  
On content outcomes

**INFORMED CONTRIBUTORS**  
Public media experts

**LOOKING FOR CONTINUAL IMPROVEMENT**  
Open to new ideas

**RESPONSIBLE STEWARDS**  
Careful with public funds

**FRIENDLY FACES**  
Collaborative and people-focused

**POSITIVE**  
We love what we do

**ECONOMIC CONTRIBUTORS**  
Actively consider economic growth goals

**FAIR**  
Transparent and simple processes, fair to all

## WHAT WE WILL ACHIEVE?

### Ā MĀTOU WHĀINGA

#### IMPACTS

 **QUALITY**  
NZ audiences enjoy well-made local media content that matters

 **DIVERSITY**  
NZ audiences value local media content made for a range of communities

 **DISCOVERABILITY**  
NZ audiences can find and appreciate local media content

KO MĀTOU TĒNEI

# WHO WE ARE

Public media has a vital role in well-being, through creating social cohesion and connection, and in supporting democracy. NZ On Air’s broad remit ensures New Zealand’s culture and identity is reflected in our media.

Through our funding support, NZ On Air ensures stories and songs made by, for and about New Zealanders are available to engage with and enjoy whenever and wherever audiences demand them. In today’s dynamic and fast-changing media environment the agility of the NZ On Air funding model is its major strength. We complement RNZ, serving audiences and content not found on the state broadcaster. Alongside Te Māngai Pāho, we have a responsibility to promote and support the revitalisation of te reo Māori.

Our funding underpins creative careers, encourages innovation, and strives to ensure media content in Aotearoa is inclusive. To authentically reflect New Zealand, content creators should be broadly reflective of the

growing diversity of our population. All New Zealanders should be able to find public media content they can identify with – featuring faces and voices that look and sound like them.

We invest over \$145 million annually in a very broad range of content for local audiences, boosted by additional time-limited funding to aid sector recovery from the COVID-19 crisis. We fill market gaps that are inevitable due to our small market, and ensure local content is not swamped by the global tide of content. Over recent years the demand for funding, from content makers and platforms, has grown exponentially.

A new fund of \$50m over two years will be administered jointly with the NZ Film Commission to support up to five premium drama

**\$ WE INVEST OVER  
145 MILLION  
ANNUALLY IN A VERY BROAD  
RANGE OF CONTENT FOR  
LOCAL AUDIENCES**

series or feature films for domestic and international audiences.

We also provide operational funding to vital public media platforms and services, such as Pacific and access radio, and captioning services. A four-year funding boost from 2020/21 ensures the financial viability and growth of these crucial community connecting services.

We invest in industry development, to ensure creative capability flourishes, and we run an ongoing research programme. Our sector capability investment focuses on encouraging diversity among creatives, and building resilience and sustainable careers. The research we produce or commission provides valuable information to industry

and policy-makers, and ensures our strategies reflect the real world.

A Crown entity, established under the Broadcasting Act, we are governed by a Board of six directors from a variety of backgrounds in media, law and business. We are proud champions of local stories and songs, and prudent investors of taxpayer funds.

## HEI RAUTAKI HAERE WHAKAMUA

# STRATEGIC DIRECTION

## TE TAIAO

### ENVIRONMENT

New Zealand’s media environment continues to transform, driven by demographic and technological changes. Consumers have an ever-growing choice of services and content with new content providers continually entering the market. Some of these providers also offer new investment opportunities for local content creators.

But with the increasing media availability also come challenges. It is much harder for local content to be noticed amongst the noise of the global offerings. Local media platforms are struggling in the face of increased competition for advertising revenue from international operators such as Google and Facebook. This is undermining their ability to invest in local content. In particular, we have seen a crisis in public interest journalism, fewer

hours of local broadcast drama, and greater reliance on public funding.

The impact of COVID-19 on our sector was immense. Musicians lost their livelihoods overnight with bans on public gatherings, screen production ground to a halt, and with ad revenue decimated the commercial media platforms sought relief. Much of our work in the immediate post-lockdown period was in seeking and applying funding to address the worst impacts, and in planning ways in the

medium and longer term to support a resilient and sustainable sector.

The importance of maintaining support for local content is seen in the recent NZ On Air-commissioned research *“New Zealand’s Identity, Culture and the Media- What’s changed in 30 years?”*

People who reported they had recently watched a piece of local content on TV or online were more often than not motivated to watch that content because of its ‘New Zealand-ness’.

But a large number of New Zealanders report not watching any local content on a regular basis, increasingly spending their time on overseas platforms like Netflix, Facebook and YouTube. Interestingly these people also still have Free-To-View TV (73%<sup>1</sup>) and say they would watch local content if it was easy to find and ad-free.

The 2018 *Where Are The Audiences?* research painted a picture of very swift change in the dominant media platforms. Older audiences had begun

1 Source: New Zealand’s Identity, Culture and Media – What’s changed in 30 years?”

to catch up with the movement to alternative platforms from linear TV, and it is possible that by the time the research is completed again in 2020 the pendulum will have swung in favour of online and Subscription Video On Demand offerings in all age groups.

This is indicative of the challenge for local content creators, local platforms, and NZ On Air. Ensuring audiences can find the content we fund is a significant part of our investment strategy. Continuing to track changing audience behaviour, and using this to inform what content we fund for different platforms and how it is promoted, is vital to ensure our funded content has the best chance of being discovered and enjoyed.

Our decision to partner with TVNZ in 2018 on the ad-free online children’s platform HEIHEI was aimed at maintaining a space for local children’s content, with less available on traditional television. Our *2020 Children’s Media Use* research showed a profound shift in media consumption among audiences under 14 years. Their top two preferred places to consume

media content are YouTube and Netflix. HEIHEI is up against the giants. In 2020/21 this research will inform a children’s content strategy review.

Since our last Statement of Intent the marketplace has continued to change at pace. Spark entered the Sport streaming game, Disney + and Amazon Prime arrived, MediaWorks put Three up for sale, Spark sold Lightbox to Sky, then Sky merged Lightbox and Neon; just some of many changes. New local online news models have also emerged such as Newsroom, and the NZ On Air, Newspaper Publishers Association and RNZ project the Local Democracy Reporting scheme.

Spotify continues to dominate the way New Zealanders listen to music, but live radio is holding on. The number one reason people choose what radio station to listen to is music taste. The biggest challenge facing local music artists is cutting through in a noisy market, where overseas content curators (at Spotify and Apple Music for example) have huge influence over the success or not of a local track.

## TOP 5 REASONS FOR WATCHING LOCAL CONTENT

ACCORDING TO RESEARCH NZ, “NEW ZEALAND’S IDENTITY, CULTURE AND THE MEDIA – WHAT’S CHANGED IN 30 YEARS?”.

IT WAS SOMETHING I’VE WATCHED BEFORE AND ENJOYED

22%

IT WAS INFORMATIVE AND/OR ENTERTAINING

23%

IT CAPTURED WHO WE ARE AS NEW ZEALANDERS, INCLUDING OUR HUMOUR

22%

I LIKE LEARNING ABOUT NEW ZEALAND AND NEW ZEALANDERS

21%

THERE IS SOMETHING SPECIAL ABOUT SEEING FAMILIAR NEW ZEALAND PLACES AND FACES AND HEARING NEW ZEALAND ACCENTS

20%

NGĀ WHĀINGA O TE PŪTEA HAUMI ME NGĀ TOHU O TE ANGITU

INVESTMENT GOALS AND MEASURES

We work collaboratively to ensure public funds achieve the best possible results for New Zealand audiences. We share information, strategies and challenges with other funding agencies and the wider media sector, looking for opportunities to make public media relevant and accessible to all.

Our unique position in which we engage across the media sector allows us to provide strategic leadership, informed by robust research and deep operational knowledge of the sector. We identify gaps in knowledge and commission or produce research and data that we share widely to inform the sector and policy-makers, as well as our own strategies.

We measure our success in this leadership and research role in this way:

VALUED CONTRIBUTION

Sector stakeholders are satisfied with the quality of the research, leadership and policy contribution from NZ On Air.

Measured by: The majority of stakeholders believe NZ On Air’s research, leadership and policy input is valuable. (target 75%)

At an operational level, our funding strategy has three investment goals linked to impacts and measures.

QUALITY

New Zealand 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

Measured by: The majority of New Zealanders believe NZ On Air supports local content important to New Zealanders (target 75%)

DIVERSITY

New Zealand 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

Measured by: New Zealand audiences appreciate the diversity of content funded by NZ On Air (target 75%)

DISCOVERABILITY

New Zealand 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

Measured by: Annual audience targets are achieved for funded screen and music content (Targets are set annually in the Statement of Performance Expectations.)

The main way we deliver against these goals is the NZ Media Fund that provides a simple, flexible approach to navigating the dynamic environment. The NZMF has four funding streams. The Scripted, Factual and Music streams are open and contestable. Platforms is a closed stream supporting selected entities to provide a wide range of public media content. Each stream has an associated annual work programme.

We use a mix of investment models ranging from fully contestable funding rounds and RFPs, to ring-fenced funding for RNZ.

Detailed operating measures are set out in the annual Statement of Performance Expectations. They are broad to allow us maximum flexibility in a dynamic environment.

Results and trends against the measures are reported in each Annual Report.

**NGĀ MĀTĀPONO  
WHAKAHAERE  
OPERATING  
PRINCIPLES**

We will consistently use nine investment principles, delivering both on Broadcasting Act requirements and the need to manage public funds wisely.

We will also consider new collaboration opportunities and ways to better promote funded content to target audiences.

At a strategic level we will be knowledgeable and provide useful, trusted data and analysis to inform discussion and debate.

Investment principle	NZ On Air will...
<b>CULTURAL VALUE</b>	<p><b>Prioritise</b> content that:</p> <ul style="list-style-type: none"> <li>• tells engaging New Zealand social, cultural, political or historical stories</li> <li>• takes an innovative approach</li> <li>• is particularly appealing to a specific audience that is less well served with local content, and/or</li> <li>• contributes to the Rautaki Māori.</li> </ul>
<b>BALANCE</b>	<b>Balance</b> general content and diverse content for targeted audiences cited in the Broadcasting Act.
<b>RISK</b>	<b>Be generous</b> with creative risk in funded content; conservative with business risk.
<b>COMPETITION</b>	<p><b>Support</b> a range of content and entities, both to encourage multiple views and voices, and to encourage competition for the best ideas.</p> <p><b>Expect</b> commissioning platforms to show a sustained commitment to New Zealand identity and culture.</p>
<b>VALUE FOR MONEY</b>	<b>Use</b> efficient processes and focus on cost-effective content with a reasonable shelf-life that attracts and finds audiences of an appropriate size.
<b>NO DUPLICATION</b>	<b>Invest</b> in content and entities that add diversity to content already available and which the market alone cannot support.
<b>LEVERAGE</b>	<b>Prioritise</b> content and entities that attract other investment ( for market validation and to help offset the cost to the taxpayer), and which can leverage other aspects of our work (eg: screen content which intends to commission or license New Zealand music) and demonstrate a clear plan to find their audience.
<b>CAPABILITY</b>	<b>Prefer</b> content and entities run or supported by capable partners. This means we can monitor efficiently, balancing robust accountability for public funds with a minimum of red tape. Investment support for unproven start-ups will be unlikely.
<b>FAIRNESS</b>	<b>Require</b> accurate, reliable information from applicants to ensure good decision-making in a contestable environment.

## TĀ MĀTOU TŪ ME TE PITO MATA

# ORGANISATIONAL HEALTH AND CAPABILITY

## TŌ MĀTOU WHĀNAU OUR PEOPLE

As a small agency we rely on our staff being multi-functional and adaptable. We record our good employer and personnel policies formally and include a commitment to equal employment opportunities. We do not tolerate harassment or discrimination of any type.

The measures we use to assess organisational health and capability are set out in our Statement of Performance Expectations.

In addition to these goals we are working towards understanding how we can reduce carbon emissions in our work, and influence the sector to do the same.

## Ā MĀTOU PŪNAHA MAHI OUR SYSTEMS

Information technology is a critical component in supporting our work. Our core systems were updated to support the NZ Media Fund from July 2017. In 2020 as part of a rolling schedule of upgrades, we moved to a combination of cloud-based and on-site servers to achieve the most effective solution for our information technology needs. In the period covered by this SOI we will continue to implement the changes and upgrades identified in our Information Technology Roadmap.

Our website is a key component in how we communicate with our stakeholders. This was fully upgraded in 2019, and is regularly reviewed to

ensure it continues to best meet our stakeholders' information needs.

We are reviewing how we operate in the post COVID-19 environment and how our workspaces support this. We have set some funds aside for office changes and upgrades to provide an up to date, fit for purpose working environment.

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