

## **RNZ/NZ ON AIR JOINT INNOVATION FUND – MEMORANDUM OF UNDERSTANDING**

### **Purpose**

This is a memorandum of understanding (MOU) between RNZ and NZ On Air (the entities) to set out high-level policy and procedures for committing a 2018/19 one-off allocation of \$6m Crown funding (all sums exclude GST).

### **Background**

In July 2018 the Minister of Broadcasting, Communications and Digital Media announced she had accepted various recommendations of her Ministerial Advisory Group including that:

*RNZ and NZ On Air establish a contestable, joint, content innovation fund that would commission content initially for RNZ platforms, and with a focus on Pacifica and Regional audiences and other areas that are not currently well served.*

The joint fund will pilot a new type of collaboration between RNZ and NZ On Air with the intent to strengthen public media contribution to New Zealand society.

The \$6 million allocation was considerably higher than the amount first proposed by the entities as a joint fund, so careful thought has been given by both about how to achieve the best outcomes consistent with their strategies. It involves new approaches by both entities and recognises RNZ's need to strengthen capability in order to support this significant growth and output of content.

### **Relationship expectations**

This section outlines shared aspirations and the way the entities will collaborate effectively. These eight expectations will guide the good, help avoid the bad and set the foundation for the way RNZ and NZ On Air will work together.

#### **1. Growing audiences**

The entities have a shared goal of helping create new, interesting and innovative content for audiences not currently well served.

#### **2. Connected to strategy**

Funding decisions will be consistent with the content and audience strategies of both entities.

#### **3. Flexible**

Commissioning and investment decision-making by both entities will be consistent, flexible, and based on impartial assessment. NZ On Air will adapt existing contestable funding practices to deliver pragmatic contracting processes in line with the agreed innovation fund strategy.

#### **4. Equal partnership**

Individual funding decisions will be made jointly and efficiently in good faith by representatives of both entities, guided by this memorandum of understanding.

#### **5. Editorial control**

RNZ has full editorial control after the decision to fund a project is made.

#### **6. Independent content creators**

The large majority of the fund will be committed to projects sought from and delivered by independent content creators. For a small number of journalism projects (eg. podcasts), requiring significant RNZ technical and professional expertise, RNZ may executive produce or produce a project co-delivered by independent content creators. No funded projects will be a fully in-house RNZ production.

## 7. Transparency

All funding decisions will be made public by NZ On Air in the usual way and reported in its annual report. Where possible a contestable Request For Proposals (RFP) will be issued.

## 8. Low transaction costs

This fund will require additional oversight and commissioning resource from RNZ, some of which will be compensated for. The goal for both entities is to keep such overhead charges to a suitably low level to maximise expenditure on content.

## Fund structure

The \$6m fund will comprise three categories: Signature Projects, Growth Audiences, and Diverse Journalism. RNZ will be the primary platform for all projects; secondary platforms and appropriate additional funding partners may be proposed.

\$3m will be committed in approximately equal proportions to projects in each category before early January 2019. This includes a small-scale 'fast start' strand of Diverse Journalism, comprising four projects involving independent production personnel, with RNZ as producer and delivery likely before December. Up to \$200,000 will be committed to this strand which will be contracted with RNZ as soon as possible subject to NZ On Air's usual approval of individual proposals and budgets.

High-level descriptors for each category are summarised below. It may be that all three RFPs can be published together but deadline dates will vary from October 2018 to January 2019.

<b>SIGNATURE PROJECTS</b>	<b>GROWTH AUDIENCES</b>	<b>DIVERSE JOURNALISM</b>
<p><i>Major productions of national significance, scale and interest to a broad audience.</i></p> <ul style="list-style-type: none"> <li>• Around two major projects determined after seeking proposals by an RFP from independent content creators.</li> <li>• Budget contributions around \$500,000 - \$750,000 per project.</li> <li>• Cross-platform multimedia projects encouraged, with RNZ adding extra content and profile through its existing programmes.</li> <li>• Secondary distribution platforms encouraged.</li> <li>• First RFP published by <b>late October 2018.</b></li> </ul>	<p><i>Content for <b>these four audiences:</b> Pacifica, Māori, Regional, and Younger NZers.</i></p> <ul style="list-style-type: none"> <li>• At least one ambitious project for at least three of the four target audiences (e.g. cross-platform, multi-media).</li> <li>• Maximum contribution \$500,000 per project, likely less.</li> <li>• Content production partnerships with entities familiar with these particular audiences is encouraged to share knowledge, improve content options, and reduce risk of duplication.</li> <li>• While projects must be stand-alone, a 'pilot' approach is also acceptable, for further consideration in future years.</li> <li>• RFP published by <b>mid October 2018.</b></li> </ul>	<p><i>News, current affairs &amp; factual content and related supporting activities and initiatives.</i></p> <ul style="list-style-type: none"> <li>• A range of smaller-scale projects (e.g. podcasts, multi-media, multi-duration projects).</li> <li>• Budget contributions up to \$100,000 per project. Exceptions to this budget level will be mutually agreed and projects secured through an RFP.</li> <li>• Confidentiality and editorial independence issues are particularly important for journalism projects, and NZ On Air will respect these sensitivities during the decision-making process.</li> <li>• RFP published by <b>mid-September 2018.</b></li> </ul>

By the end of January 2019 the Chief Executives will meet to consider overall funding results and to resolve any issues arising from the requirements of this MOU, agreeing amendments if necessary. At that meeting, or as soon as possible after, the category proportions for the balance of \$3m will be agreed in accordance with this MOU. Further RFPs may be issued if different content options are needed.

### **Decision-making, contracting and monitoring**

The entities will select projects impartially and fairly. Applicants are free to discuss their proposal with either or both of RNZ and NZ On Air prior to submission.

### **Applications administration**

To streamline process and ensure good communication, NZ On Air will -

- Manage RFPs and applications through NZ On Air's applications portal, enabling RNZ access as soon as possible after closing date and keeping RNZ informed during the process as it requires.
- Not accept any applications after the closing deadline.
- Be the primary contact point for queries on lodged applications, consulting RNZ as necessary.
- Prepare simple documentation for assessment and decision making, to be agreed by RNZ before use.
- Adapt its existing production agreement to create a standard three-way agreement to include RNZ for all projects supported by this fund, to be reviewed and accepted by RNZ.

To streamline process and ensure good communication, RNZ will -

- Prepare assessment criteria for the three funding categories, to be agreed by NZOA before use.

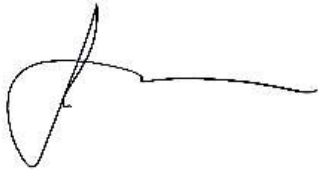
### **Assessing and decision making**

- A panel of two executives each from each entity will meet to review applications in accordance with this MOU and the assessment flowchart attached. The panel will make funding recommendations to the Chief Executives of each entity for review and acceptance. A unanimous set of recommendations is expected to be provided and accepted.
- If the panel has difficulty in reaching unanimous recommendations, the Chief Executives of each entity will meet and consider solutions.
- As per the flowchart attached, RNZ will manage communication of decisions to applicants that are not longlisted. NZ On Air will manage communication of decisions to longlisted applicants through its normal processes.

### **Funded projects**

- The agencies will issue joint press releases to communicate details of funding decisions.
- RNZ will confirm delivery schedules and production details with each contractor.
- RNZ will review the production proposal, budget and milestones and forward approved documents to NZ On Air for its approval and contracting.
- NZ On Air will disburse production funds in tranches to the producer as usual subject to normal reporting requirements (producer reports will go to both RNZ and NZ On Air) and confirmation from RNZ that the project is on track
- Projects will generally need RNZ resources to facilitate delivery: there are two areas where contributions from this fund may be allocated.
  - Where a production needs facilities such as studios or equipment, any RNZ facilities sought by the producer and agreed by RNZ at no more than an average market rate will be included in the budget as a direct transaction and paid to RNZ directly by the production.
  - As a contribution to RNZ overheads, including people, oversight, and promotion, each production budget will also include an additional 7% of the total budget, payable by NZ On Air direct to RNZ on completion of the project.

- Any issues arising from the processes around this fund, or interpretations of this MOU, will be jointly discussed by the Chief Executives of RNZ and NZ On Air to seek a solution, and raised with the boards of each agency if necessary.
- This document remains in force until all contracts are signed for projects totalling \$6m that have been approved under this MOU.



**Jane Wrightson**  
Chief Executive  
NZ On Air



**Paul Thompson**  
Chief Executive  
RNZ

**DATE: 22 AUGUST 2018**

**Appendix 1: Joint Assessment Process**

