

# THE PUBLIC INTEREST JOURNALISM FUND

Stakeholder consultation and  
recommendations

SUMMARY

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**CRAWFORD**  
MEDIA CONSULTING

## About Crawford Media Consulting

Crawford Media Consulting's philosophy is to measure, analyse and encourage growth. We work with organisations faced with tough media industry problems: companies, government agencies, and NGOs.

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## About this document

This document is a summary of *The Public Interest Journalism Fund: Industry Consultation and Recommendations*, and is intended for public release. The full report contains more extensive discussion of context and precedents, summaries of conversations with interviewees with direct quotes, and a longer conclusions section. Only the Executive Summary appears here in full.

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## Executive summary

- The decline in the provision of public interest journalism (PIJ) to New Zealand audiences is real and widespread. Confidential staffing and output data from NZ media companies dovetails with global trends to suggest a halving of PIJ output capacity over the past decade. Industry interviewees generally agreed with the broad conclusion of great PIJ reduction, with the caveat that many pointed out the high quality of recent “prestige” projects. These PIJ highpoints have been tightly focussed and limited in volume.
- At the same time PIJ output has reduced, the attractiveness of journalism as a career has collapsed. This collapse is seen in the closure of journalism schools and the declining applications to one high-profile journalism course.
- The Public Interest Journalism Fund (PIJF) has useful precedents in the UK’s Local News Partnerships (LNP), Canada’s Local Journalism Initiative (LJI) and NZ’s Local Democracy Reporting (LDR) programme. However, because these programmes are largely based on funding roles and tightly focussed on local governance and news, they cannot form complete blueprints for the PIJF.
- 24 industry and academic figures were interviewed on a range of topics relating to the PIJF. The interviewees represented national, broadcast, online, magazine, community media and representative bodies, and four of those interviewed had deep Māori and Pacific Island media knowledge. Each interviewee consented to being identified with their comments for the purpose of this report. Additional industry engagement is now underway, conducted by NZOA.
- The representatives of big NZ media companies were unhappy that the PIJF had “shifted focus” from their first discussions with Government during the COVID crisis. They claimed the emphasis had moved from industry relief to the provision of PIJ.
- Māori and Pacific Island media interviewees had a fundamentally different view of PIJ and the fund than other interviewees, and asked for ring-fenced funding and appropriate consultation.
- There was a consensus that the pipeline of talent into NZ journalism is broken. Newsrooms cannot find experienced journalists to fill vacancies and many in the industry believe the tertiary sector is not supplying sufficiently skilled graduates. For this reason, interviewees were enthusiastic about the possibility of a funded cadetship programme and other training initiatives.
- Role-based funding was regarded as a necessary part of the PIJF and welcomed by the majority of industry, provided it was not constrained in the

same ways as the NZ LDR programme. Pre-publication sharing of funded content would be a “deal breaker” for most national and regional news organisations.

- PIJF funding for public broadcaster RNZ and the Crown-owned TVNZ was contentious and largely rejected by industry interviewees, who saw RNZ’s involvement in particular as “double dipping”.
- While there are risks for NZOA and the Government regarding the PIJF on account of the subject matter, the most likely problems will be practical, such as the difficulty for publishers in filling reporting roles and the need for NZOA to balance the interests of different and opposed groups in allocating funding.
- There is a reputational risk around PIJ projects already funded under the NZ Media Fund (NZMF) shifting to the PIJF without a corresponding increase in total fund budget. Some in the industry are aware of this possibility and see it as a “short-changing” of news.
- It is a conclusion of the report that the single most significant challenge facing the PIJF in attempting to help industry is the shortage of reporters. Because this problem works against sustainability, it should be a major focus.
- The report’s main recommendations are:
  - Establish a project-based pillar
    - Tightly defined projects delivered to a deadline
    - Modelled on the Factual stream of the NZMF
  - Establish a role-based pillar
    - Multi-year contracts with publishers for the employment of reporters, with output minimum requirements and agreed coverage guidelines
    - Roles incremental to existing staffing
    - Ring-fenced funding for Māori journalists
  - Establish a training pillar
    - Cadet programme in consultation with industry
    - Rautaki Māori cadetship programme in consultation with Māori media
    - Shared Data Unit for sabbatical training of existing practitioners
    - Further training units over time, such as an Investigative Journalism Unit for existing practitioners
- Additional recommendations:
  - Pillars should be administered by NZOA with the assistance of an industry advisory group and separately, a Rautaki Māori advisory group

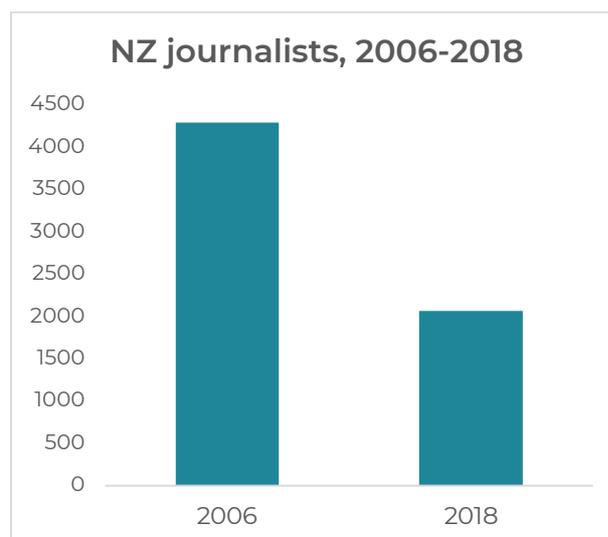
- Consult further with Māori media to ensure aspects of the PIJF pertaining to Māori media/audience are reflective and effective
- Retain the LDR as a programme within the PIJF, with potential expansion of the existing 14 roles in response to identified coverage gaps
- Do not require sharing of funded content within the broader PIJF (beyond the LDR)
- Allow paywalled funded content if content simultaneously and freely available elsewhere
- Require applicants to demonstrate a track record of PIJ
- Do not fund infrastructure projects
- Establish a simple (not perfect) performance assessment system
- Require adoption of a common metrics suite
- Audience and output minimum targets set by agreement
- Before and after public sentiment surveys
- Require the publishing of funded content in HTML environments (rather than allowing uploaded PDFs to stand in for digital publication)
- Do not shift existing news projects within the NZMF to the PIJF without a corresponding increase in the funding budget of the PIJF
- Separate Government from any actual or perceived involvement in decision-making and administration of the working fund
- Where possible adopt an iterative approach to the implementation of the fund, testing funding against desired outcomes

## Section 1: Context summary

The creation of the PIJF is predicated on a decline in the provision of public interest journalism in New Zealand. Most, but not all, industry and expert interviewees consulted as part of the report agreed that PIJ was on the wane. Many felt the volume of news reporting had gone down, while the quality in some areas had gone up.

In global terms, the trend of declining employment for journalists and the closure of local, regional and national news publications is well-established. The full report looks at trends in print ad revenue, staffing, circulation and newsprint consumption in the US from 1950. This clear signal is missing in New Zealand. Here we have imperfect census data, isolated industry figures and some information from university journalism courses that together indicate a dramatic reduction in reporting capacity and status.

*Figure 1: Census data on employed journalists*



*Source: P. Smellie, from Stats NZ. Note the 2006 and 2018 censuses contain different occupation names and totals are aggregated from these in Smellie's analysis.*

These data show that anecdotal beliefs around big reductions in PIJ and its professional desirability are well-founded. We estimate that NZ's PIJ capacity has halved over the past 10 years, with some masking occurring through high-profile "prestige" reporting and individual output increases. Causes are well-understood and documented globally. There is no indication that digital news start-ups, despite creating high quality content, substantially offset the loss of news volume seen in the big news organisations. Government intervention that aims to increase the supply of PIJ should take into account the reputational harm suffered by journalism, and work with industry to bring talent supply and demand into balance.

## Section 2: Precedents summary

In this section we examine three global PIJF funding schemes that are relevant to the PIJF. These are the UK's Local News Partnerships (LNP), Canada's Local Journalism Initiative (LJI) and New Zealand's own Local Democracy Reporting programme (LDR). These programmes only provide guidance for the part of the PIJF that is dedicated to funding roles.

Table 1: Aspects of current role-based funding schemes

	 LNP	 LJI	 LDR
<b>Funding pa</b>	\$13.7m	\$10.8m	\$1.5m
<b>Reporters*</b>	165	200+	14
<b>Contract length</b>	2 years	2-3 years	1 year
<b>Article output/head</b>	33/month	20/month	20/month
<b>Allowed subjects</b>	Local authorities	Civic reporting	Local authorities
<b>Content sharing</b>	Compulsory pre-pub	Compulsory	Compulsory pre-pub
<b>Administration</b>	Public broadcaster	Industry groups	Public broadcaster

Source: BBC, The Canadian Press, RNZ, NZOA. All funds converted to NZD. \* Total approved heads

The table above provides a sense of the relative scale and some of the mechanics of the schemes. The UK's LNP was established first and contains its own 165-role LDR programme<sup>1</sup>, as well as a data training unit (the SDU). It is run by the BBC, in consultation with the UK's newspaper industry body, and takes a strict line on what subjects can be covered by employed reporters and how they interact with host newsrooms. Only reporting on local government bodies is allowed, with a firm focus on councils. The Canadian LJI system is looser in terms of permitted coverage and employs more reporters (many on part-time contracts). A look at stories in the Canadian content network shows several more "feature" and "colour" stories. The small NZ LDR remains closer to the UK system. One lesson from the programmes is that filling roles can be difficult – the UK LDR has always run below full strength – and that the training unit has been well received.

There are aspects of all three of these programmes that are problematic for a wider PIJF. For example, they all presuppose a primarily text-based service for regional and local media with minimal geographical overlap, and they are all focussed on local community news. These limitations do not work well in the context of a fund which encompasses national as well as regional/local audiences and general news.

<sup>1</sup> The BBC has received approval to expand its LDR to 165 roles, as of March 2021 there were only around 150 employed reporters.

## Section 3: Industry feedback

The primary purpose of the report was to solicit industry opinion on a range of matters relating to the structure, administration and operations of the PIJF fund.

### Identity of the interviewees

There were 24 interviewees. In selecting them, the intent was to cover all major news publishers and broadcasters; to include a selection of academic thinkers; to connect with and understand the perspectives of Māori and Pacific Island publishers; and to engage with representative regional, local, specialist and emerging news media. We can see in the table below the biggest single group are those in the category of the small/medium digital publishers. These publishers are diverse, ranging from financial sites to Māori and Pacific online magazine distribution, and they demonstrated the biggest range of opinions within a platform. As distinct to the below classification by platform, four of the interviewees (16.7%) represented or were concerned with Māori and Pacific Island journalism.

*Table 2: Interviewees by platform*

Platform	Number
Small/medium digital	6
Academia	4
TV-centric	3
Regional/local newspapers	3
Magazines	3
Radio-centric	2
Big national news	2
Consultancy	1

### Biggest concerns and opportunities

Representatives of big media companies were dismayed that, according to them, the focus of the fund had changed from supporting industry to the production of PIJ. They believed that “the goal posts had changed”, and “this is so far from what was originally envisioned.” On the other hand, most Māori and Pacific Island media specialists took issue with the definition of the PIJ offered in the documentation, and had deep concerns about the entire project. These concerns stemmed from a belief that current deficits in mainstream PIJ were minor compared to the ongoing and long-standing dearth of Māori and Pacific Island PIJ. These experts saw big media

companies as “the powerful”, rather than as struggling companies in need of government help.

Aside from this, there was general agreement about the PIJF’s definition of PIJ as content that:

- seeks to inform and engage the public about important issues of the day
- investigates, reports on and explains public policy or matters of public significance, engages citizens in public debate, or informs democratic decision-making
- holds power (in its various forms) to account, or
- covers matters of interest to a range of New Zealanders.

It was suggested that some “channel markers” indicating unacceptable topics to the PIJF could be provided by NZOA to potential applicants. For example, many interviewees believed that national politics and crime were already well-covered, and that news content concerning these subjects need not be funded.

### **The broken staffing pipeline**

Probably the biggest point of agreement through the interview process was the dire state of the “pipeline” of new practitioners coming into journalism, combined with a lack of experienced reporters to fill more senior roles. Most interviewees mentioned unprompted that it was difficult to fill reporting vacancies at all levels of experience. All agreed that they had noticed a decline in volume of people either seeking to get into the profession or looking for work at a more senior level.

This lack of talent seemed to preoccupy industry stakeholders more than concerns over missing or at-risk PIJ content. Several contributing factors to the pipeline problem were alleged in the interviews:

- Loss of status of journalism
- Poor performance of tertiary education institutions
- Media coverage of the decline of journalism
- Institutional recommendations against the profession
- Lack of smaller newsroom environments to train reporters
- Poor remuneration and conditions

### **Role-based funding and problems with the NZ LDR**

Many interviewees pointed out that NZOA’s current dominant mode of “project-based” funding is not well-suited to most types of news content. This is because most news is unpredictable and high-volume: there are many pieces published in a day and often reporters do not know what they will be covering from one day to the next.

In contrast, NZOA's model was set up for funding of broadcast content with long lead times and predictable deadlines. In general, interviewees agreed that funding news reporting roles, rather than projects focussed on outputs, could be a better solution for daily and other high-frequency types of news. One concern around this, however, was that role-based funding would take on the constraints of the NZ LDR. Opinion varied among the interviewees as to the success of the NZ LDR, with several not sufficiently aware of the programme's output to pass judgement. Most thought that it had probably worked, and some were enthusiastic about what it had accomplished.

The fears around using the NZ LDR as a model for all PIJF funding revolved around these points:

- The limited scope of content covered (only local authority and rūnanga reporting)
- The associated inability of NZ LDR reporters to “muck in”, help cover breaking news, cover for other reporters, or follow natural expansions of stories
- RNZ having administrative control of the programme
- Yearly employment contracts (lack of job security)
- The requirement to instantly share content with scheme participants and others

## Distribution and ownership of content

Looking at the last concern on the above list first, the report looks at the benefits of universal content sharing:

- Maximum possible content distribution
- Ethical use of public money
- Mitigates resentment from unsuccessful applicants

Against these benefits, it considers why content sharing may not work for the PIJF:

- For publications with overlapping target audiences, sharing content with competitors may disincentivise take-up of funding
- Publications with longer periodicity (weekly and monthly deadlines) are at a relative disadvantage, being less able to make use of real-time content and more prone to damage from real-time publishers taking funded content
- It is practically very difficult to create a CMS to effectively share content from the range of publishers and newsrooms envisaged to be part of the PIJF

To mitigate some of these problems, the idea of a “window of exclusivity” for the originating publisher was suggested by several interviewees. The report considers

and rejects this possibility as being too complex to implement. A preliminary conclusion of the report is that the NZ LDR's requirement to share funded content should be abandoned for the broader PIJF.

## Free content and paywalls

It is a principle of NZOA funding that funded content be freely available to the New Zealand public early in its lifecycle. In the majority of cases, this has meant that broadcast content has been free-to-air and digital content has not sat behind paywalls. Interviewees in general saw this as reasonable for the PIJF, although some made strong points that paywalls were necessary to the future of the industry and therefore should not be marginalised.

## The question of start-ups

It is a requirement of the NZMF that an applying commissioning platform be “an established, viable business” and show evidence of “a sustained commitment to local content for New Zealand audiences”<sup>2</sup>. As a guideline, NZOA has in the past considered that 12 months of operation is sufficient to be considered “established”<sup>3</sup>.

Whether this requirement be extended to funding under the PIJF was a source of difficulty for some of the interviewees, many of whom could see the wisdom of excluding those without PIJ experience but were loath to cut off opportunities for innovation.

A compromise position was suggested whereby a small amount could be set aside from the main fund as “seed money”.

## The status of the public broadcasters

The Cabinet paper is clear that there are three requirements for “Crown-owned and funded public media organisations” to be considered for funding. Here are the requirements, paraphrased:

- That content be incremental to publisher's existing output
- No duplication with other funding in the scheme
- Only when acting in partnership with an external producer

On the face of it, the third requirement probably disqualifies RNZ, TVNZ and Māori TV for funded roles and allows them to apply only for project funding with external producers. Industry opinion was generally against RNZ receiving funding and either quiet or indifferent in regards to the other Crown-owned entities.

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<sup>2</sup> Page 7, NZ On Air Funding Strategy, 2017

<sup>3</sup> This has been described to the report as a “rule of thumb” and is undocumented.

## Performance assessment

There were few detailed answers from interviewees on how the work of the PIJF should be judged, but all recognised that it was an important question. Many warned against using audience metrics alone, recommending broader “scorecards”. Most interviewees agreed that implementing a common digital analytics suite would be a good idea, and Google Analytics was generally acceptable in this role.

## Administration of the PIJF

Interviewees suggested that further industry involvement would be necessary in some of the initiatives likely to occur under the PIJF. As several interviewees pointed out, the PIJF will probably be a significant departure for NZOA in terms of the requirement for more regular and sustained oversight of content output, and also because it involves the often controversial and difficult work of publishing news. They therefore placed great emphasis on the role and identity of the NZOA Head of Journalism. Several believed it was vital that this person have deep editorial news experience and credibility within the industry.

## Risks

Most interviewees mentioned that the Government was running a reputational risk in becoming involved in the direct funding of news. The report also considers the practical difficulties of the programme:

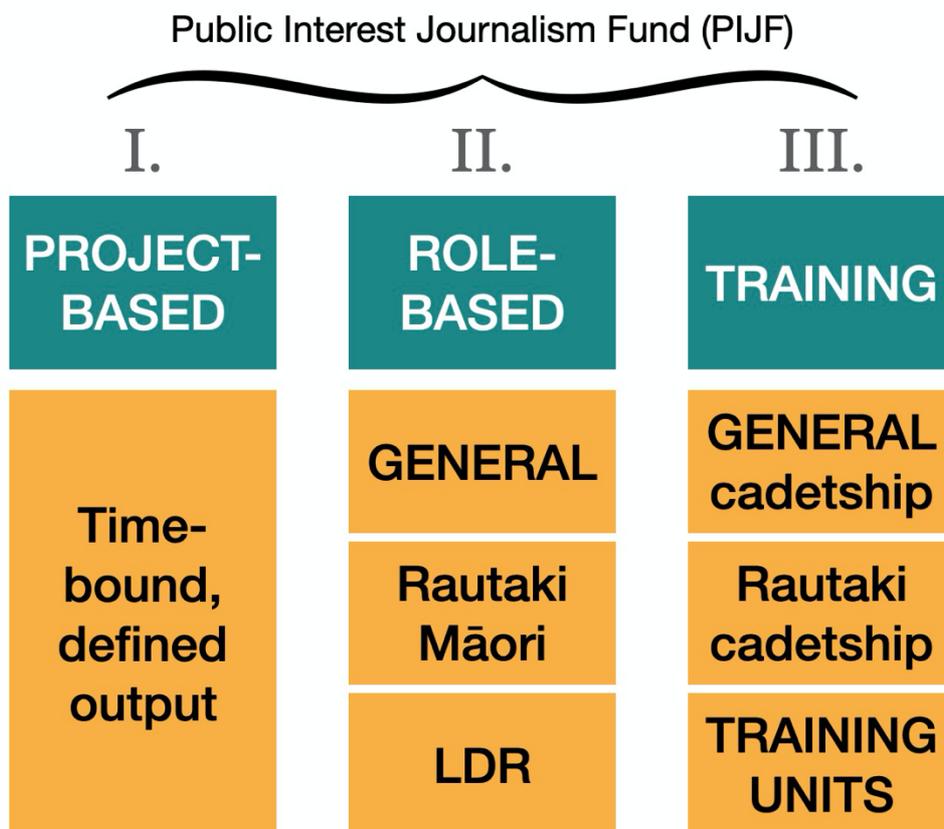
- Finding the right person to be NZOA Head of Journalism
- Fairly and clearly defining funding criteria and funding streams
- Publishers finding good candidates for scores of reporting roles
- Corraling industry to collaborate on training and governance

One further potential problem is a reputational risk around “short-changing news” by moving existing NZOA-funded news projects into the PIJF without a corresponding increase in budget. A look at content potentially defined as PIJ and already funded within the NZMF for 2019/20 shows a total of \$8.7m.

## Section 4: Conclusions and Recommendations

The report recommends a “three-pillar” approach to the structure of the PIJF, with project-based, role-based and training each addressing a different PIJ or industry need.

Figure 2: Recommended PIJF structure



In terms of the first pillar, there is an important job for project-based funding to play in the PIJF. It is essential that NZOA have the flexibility to consider projects that fall outside the scope of employing reporters to cover PIJ. Kinds of projects that could be funded under the project stream:

Agreements to output content as per the existing news projects in the NZMF: TV shows, documentaries, podcasts, web series etc

The second pillar, the role-based part of the PIJF, should look to employ 100 reporters as a minimum. This number is based on the relative scale of similar international programmes and indicative costs. A role-based system funds newsrooms to employ reporters with a clearly defined coverage agreement. Output

is conspicuous, in that it is tied to a reporter's by-line, and can be branded to increase awareness of the scheme and thereby assist support for the use of this public money. The cost of a role-based scheme is increased administration overhead for the funding body, because unspecified funded content will have higher risk of wandering "off piste". The risk of controversy around high-volume PIJ content is also probably greater than with general entertainment and factual content.

It is essential for the success of the programme that employment contracts stretch over multiple years. Two-year contracts would be appropriate given the limited time remaining for the operation of the PIJF. Without this deviation from standard NZOA procedure, good candidates for roles will not be found, particularly in regional areas. Performance monitoring becomes critical in this context (see below).

### **The Rautaki Māori PIJF**

The case put forward by the representatives of Māori news media was strong, in several regards. They emphasised the need for a Treaty-based conception of the PIJF, and they highlighted the difficulties involved in current funding structures. Given that the purpose of the PIJF funding is to correct PIJ deficits and reach currently underserved audiences, it seems justifiable to commit part of both role-based and training funding to Māori-owned and operated media organisations and Māori journalists.

### **Establish general and Māori media cadetship programmes**

A PIJF cadetship programme was warmly welcomed by interviewees. The basis of this cadetship should be determined in consultation with industry, but it seems beneficial to include training partnerships, where cadets gain experience in the newsrooms of diverse businesses, as part of this programme. There may also be a role for the existing tertiary education sector here, although this could be controversial given the negative opinions of journalism education offered by some interviewees. The legal structure of the cadetship will need to be explored with industry. Possibly a contracting system similar to that used with the LDR/PIJF would work, although it is unclear how the rotations to other organisations would be handled in this case.

### **The SDU and other training units**

The UK LNP Shared Data Unit is highly successful according to programme managers and participants, and many of our interviewees were enthusiastic about establishing an NZ SDU. We believe this initiative would not only provide valuable data journalism skills to the NZ news media industry at large, but could have a range

of other benefits, such as bringing industry colleagues together and injecting a much-needed sense of progress into what has become in places a moribund environment.

### **On the NZ LDR**

We recommend the LDR remain as a distinct programme within the PIJF. The term and brand “LDR reporter” should continue. The importance of continuity cannot be overemphasised when it comes to both news cultures and the building of trust with audiences.

### **On “non-incremental” funding**

Many of our interviewees believed that if an organisation could show that cuts were imminent, they should be able to apply for funded roles under the PIJF. Many saw the dangers in this non-incremental funding, but argued for exceptions in extreme circumstances. Although these arguments are compelling, we believe that funding should always lead to the production of incremental PIJ. Funding could evaporate quickly trying to keep the newsrooms of big commercial companies afloat if this became the primary aim of the fund. It is our belief that commercial companies should benefit from this public money only to the extent that they improve and increase public interest journalism.

### **On track records in PIJ**

Organisations should be able to demonstrate a clear record of PIJ prior to funding application. This record should show commitment to PIJ and sufficient organisational experience to make proper use of public funds. We believe the required minimum period would be between 6 months and a year of publishing, with evidence of audience engagement. Were the PIJF fund’s rules to allow publishers with no PIJ experience to apply for funding, the fund could act as a lure for entrants into the market. This works against the interests of the industry and the secondary purpose of the fund.

### **On paywalls and content distribution**

We have sympathy with the arguments of media companies trying to accustom audiences to paying for news content, and believe the fund should avoid requirements that damage these efforts. Funded content must be made freely available, but where content is made freely available somewhere, we believe that allowing publishers to use funded content behind paywalls should be allowed. As

noted above, for the most part there should be no requirement on publishers to share funded content with competitors, whether in the project or role-based pillars. While the idea of a “window of exclusivity” has merit, it is too complex to implement and too difficult to oversee to justify the benefit to audiences.

### **On funding infrastructure**

Some interviewees believed that funding money should be made available for investment in infrastructure such as Content Management Systems. Others went further and believed that money should be able to be used for platform marketing, office equipment or physical newsrooms themselves. Given that the PIJF as currently described –project-based content, role-based and Rautaki Māori PIJF, cadetship and training units – will already stretch total allocated funds, we see it is a matter of practicality to disallow infrastructure funding under the scheme.

### **On performance assessment**

We recommend audience engagement minimum requirements be set by agreement between NZOA and the publisher prior to the commencement of a funded role or project. Output minimums should also be set. Performance above the agreed thresholds should be seen as a positive, but not assessed as “better” in absolute terms. Underperformance should be called out.

In addition to engagement and output, general public awareness and sentiment towards PIJ and the PIJF should be surveyed at regular intervals, including before the fund begins operation. Other elements of the “very broad scorecard” should include a percentage of filled PIJF roles as a rolling average (to expect all roles to be filled is not realistic) and an appropriate throughput of cadets and training unit alumni.

### **In closing ...**

The PIJF will invest more per year than either the UK or the Canadian PIJ schemes, in a country a fraction the size. The potential impact is big, and the scheme has an opportunity to set the global standard in terms of PIJ reinvention. It is not an exaggeration to say that for anyone convinced of the value of news, the initiative represents a crucial test. We hope that the information and recommendations in the full report will assist New Zealand in building a world-leading public interest journalism fund.