

NZ On Air Funding Strategy

Feedback draft - September 2016



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Te Whāinga Matua

Purpose

This paper sets out a new funding strategy that we intend to implement from July 2017. It transforms our work by introducing a single public media fund covering many types of content for different audiences. We explain the high level objectives and how these will translate in practice to our media funding work.

We are seeking feedback and suggestions for improvements. Deadline 18 November 2016.

*Kei tēnei pepa he ara hou mō te toha pūtea e kitea ana. Hei takahi pea mā tātou a te wā o Hōngongoi 2017. He mea whakaumu i ngā mahi kia kotahi tonu te pūtea ā, kia tinitini ngā momo hōtaka e tautokona ai hei kite mā tēra mā tērā. He whakamārama kau tēnei mō ngā whakakitenga hou. He tuku noa i te whakaaro kia pēhea rānei e oti pai ai i roto i ā mātou mahi toha pūtea. **Tēnā koa tukuna mai ōu whakaaro i mua i te 18 o Whiringa ā rangi 2016.***

He Kupu Whakataki

Introduction

1. NZ On Air is adopting a new funding strategy and introducing a single NZ Media Fund to cover content investments for qualifying commissioning platforms. In a complicated media environment, and with increased demand for our funds, we are looking for **simplicity** and **flexibility**.
2. NZ On Air's primary job is to 'reflect and develop New Zealand identity and culture'.¹ We do this by supporting different types of audio/visual New Zealand media content for both mainstream and specially targeted audiences to enjoy. This isn't changing.
3. But we need to change how we go about our funding investments so we can:
 - adapt easily in a fast-changing environment
 - reinforce the core cultural purpose of our funding as demand rises
 - ensure funded content is available where the audiences are
 - encourage innovation
 - break down funding and platform silos
 - reduce the number of stand-alone strategies and funds which have started to overlap
 - encourage more co-investment, and
 - make our systems and processes as simple and flexible as possible.
4. The strategy has a single aim: Great New Zealand content is valued and enjoyed by many New Zealand audiences.
5. It has just three goals:

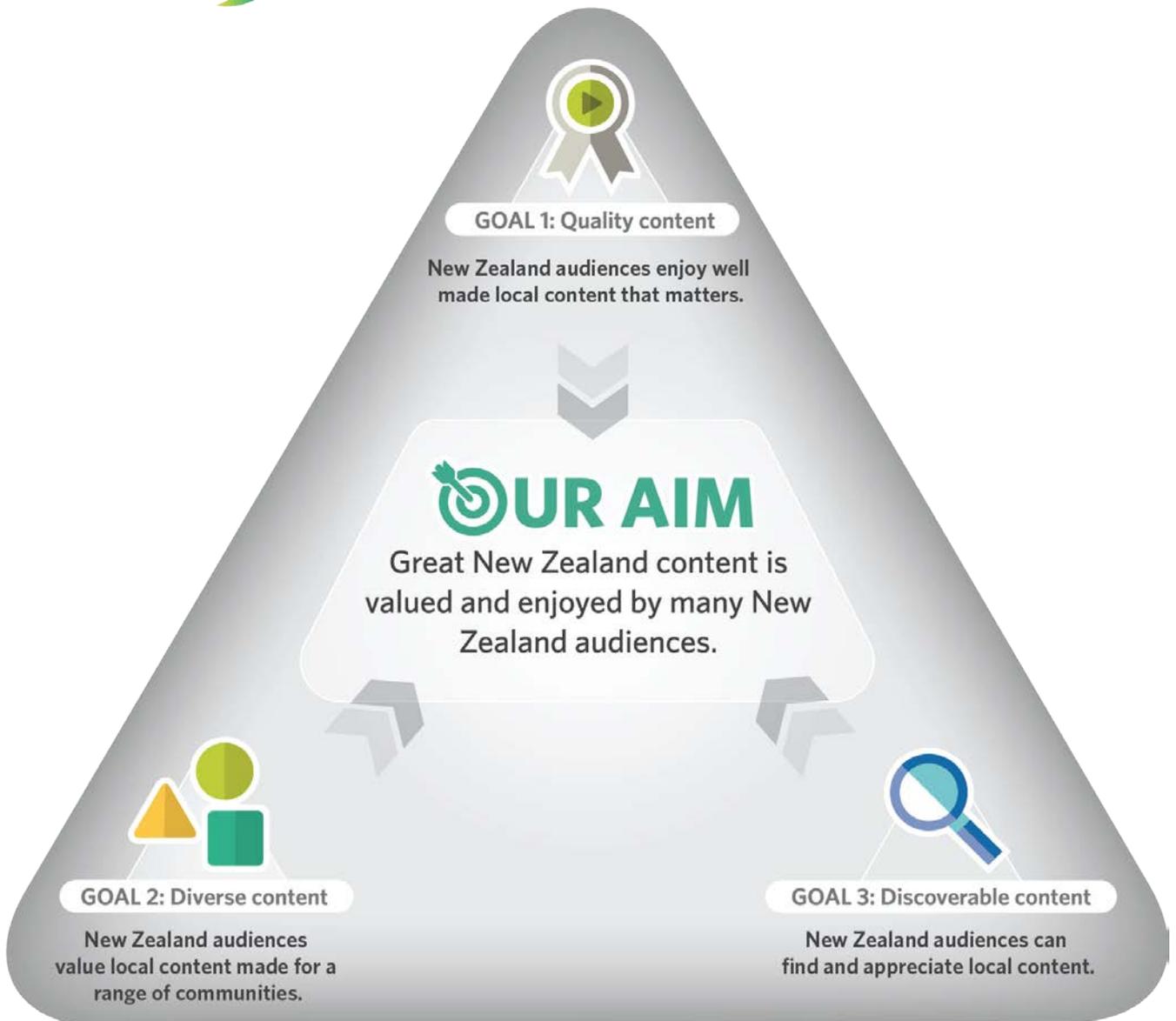


¹S36(1)(a) Broadcasting Act

QUALITY, DIVERSE, DISCOVERABLE



FUNDING STRATEGY



Te Rautaki Toha Pūtea: he ahunga mai

NZ On Air Funding Strategy: the 'why'

6. This strategy replaces all current strategies. Goals like these have been expressed in some parts of our work but not previously aligned across all our investment activities. *See Appendix 1* for more discussion.

7. What we want to happen as a result:

He Hua Kounga

Quality Content

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

He Hua Kanorau

Diverse Content

- 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

- 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.

8. Our 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.²

9. 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.

10. The main delivery mechanism for the strategy is the new **NZ Media Fund** (NZMF), created by consolidating funding streams and strategies which have begun to overlap. This is intended to provide a simple, straightforward approach to navigating a dynamic environment.

11. Other areas that contribute to our work, but are not covered by this strategy, include research, sector partnerships, and a small amount of industry development funding.

12. We discuss the NZ Media Fund and its four funding streams below.

² Core objectives of public media: support a strong civil society, enrich cultural knowledge, extend public education and strengthen community life... accessible to all. http://pmintegrity.org/pm_docs/PrinciplesofPublicMedia_001.pdf.

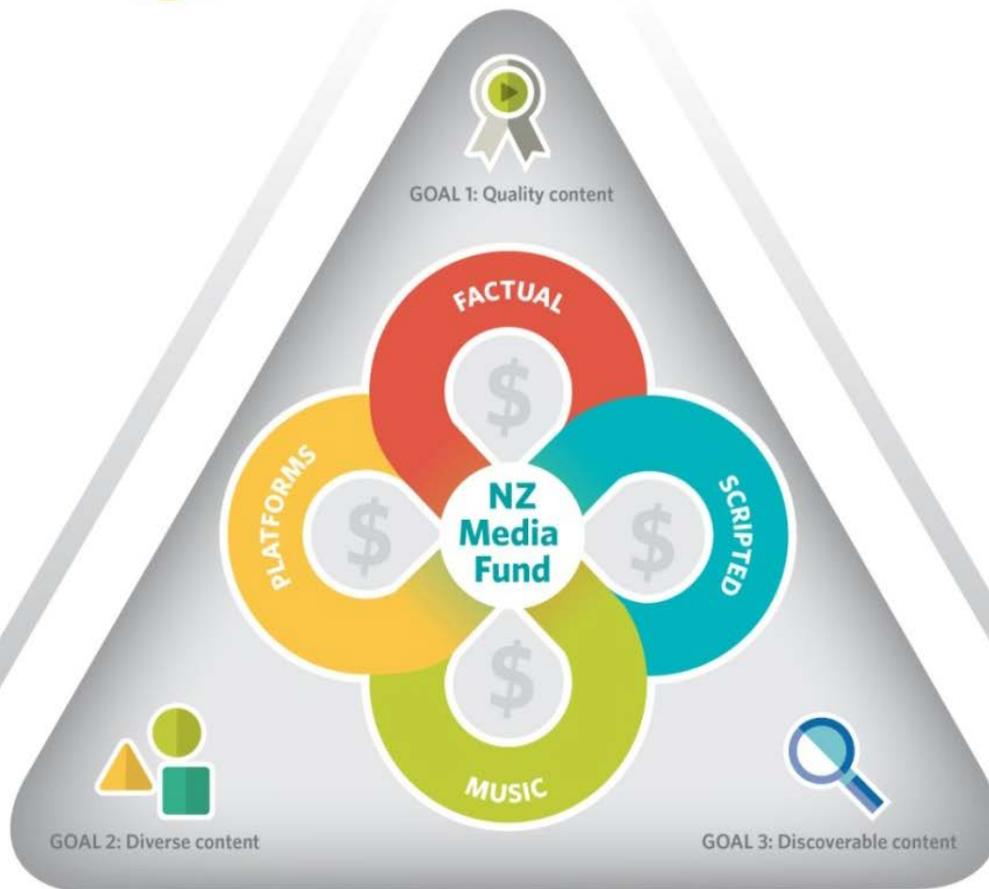
We adapt these for NZ and express as - *to enrich NZ cultural experience, to improve diversity of media content accessible to all, to strengthen community life, and to promote informed debate.*

QUALITY, DIVERSE, DISCOVERABLE

The NZ Media Fund



FUNDING STRATEGY



 **OUR AIM**

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

The NZ Media Fund: the ‘what’

13. The NZMF covers content for television, radio, music and online media.
14. There are four funding streams: **Factual**, **Scripted**, **Music** (all contestable) and **Platforms**. Based on NZ On Air’s existing funding levels, and using 2016/17 trends as a guide, we estimate there will be around \$38m available for Factual, \$42m for Scripted, \$43m for Platforms and \$4m for Music in 2017/18. The Board will determine funding targets for each stream, adjusting as necessary for demand shifts.
15. We will continue to fund content featuring Māori interests and language, complementing the work of Te Māngai Pāho³, by applying Rautaki Māori principles to relevant applications to the Scripted, Factual and Music streams in particular. *See Appendix 2.*
16. Contestable content applications must have a **qualifying commissioning platform** that
 - offers to co-invest in the production budget
 - provides free access to the content unless we accept an alternative distribution plan
 - provides a promotions plan for the funded content
 - can provide an audience for funded content that is appropriate for the size of the investment
 - will provide audience data after release
 - is an established, viable business
 - has a sustained commitment to local content for New Zealand audiences.

Ngā Puna Pūtea

The funding streams

17. The **Factual** funding stream focuses on audio/visual documentary and factual projects made for diverse audiences. We will prioritise content that is clearly different to local factual content made commercially. Funded content may involve different New Zealand regions and cultures, investigate significant topics of current or historic interest, may involve specialist journalism, reveal an aspect of te ao Māori, provide useful New Zealand information in an engaging way, or cover an event or issue important to New Zealand culture and identity.
18. The **Scripted** funding stream focuses on audio/visual drama, comedy, animation, and other entertaining content requiring a planned creative approach. We will prioritise engaging projects that will entertain or challenge a targeted audience. Projects will range from relatively large budget television series and telefeatures to smaller-scale quality projects selected to provide a diversity of creative ideas.
19. The **Music** funding stream delivers music to radio and streaming services, and provides break-through opportunities to selected artists. We actively promote New Zealand music to increase its discovery in a crowded market.
20. The **Platforms** funding stream provides operating funding to specially targeted services to create and deliver audio/visual public media content of particular cultural or social value. NZ On Air will rarely fund new platforms and will not generally accept unsolicited applications to this stream.⁴ Current entities we support include -

³ Section 39A Broadcasting Act

⁴ We are unlikely to change this policy unless we receive specific funding for this purpose or decide, after consultation, that market shifts mean that content is best delivered in a new way. In such a case we will likely seek expressions of interest.

- RNZ (Radio New Zealand)
 - 12 community access radio stations from Auckland to Invercargill⁵
 - National Pacific Radio Trust (Niu FM and 531 Pi) and Samoa Capital Radio
 - Digital Media Trust (content discovery websites NZ On Screen and AudioCulture)
 - Media Access Charitable Trust (Able, delivering captions and audio description)
21. NZ On Air requires annual funding applications from each funded Platform, except RNZ, to ensure excellent content is provided efficiently and enjoyed by diverse audiences. RNZ's non-contestable funding is guaranteed and the amount is set by Government.
22. A range of FAQs about the funding streams is on our website.

He aha ngā Rerekētanga?

What is different?

23. We have **simplified** different funding streams and strategies to recognise changes in audience media consumption.
24. Core principles from our current strategies and funds are incorporated into **a single funding strategy**. This strategy replaces the drama, documentary, digital, Pacific and music strategies, the Channel Preference policy, and the Platinum and Digital Media funds.
25. We require market attachment but are **platform-neutral**. We will accept relevant content applications financially supported by a qualifying broadcaster or platform ('commissioning platform').
26. There is a **greater expectation of co-investment** at increased levels. Commissioning platforms will be expected to provide an adequate contribution to the production budget. Applicants are also encouraged to explore third party investment options.⁶
27. We will **focus hard on efforts to find audiences**. Commissioning platforms will be expected to demonstrate significant promotional support for funded content to help its chances of success. We will assess how active and successful this promotional support has been, by both the platform and the content creator, when considering future funding applications.
28. Our **application process will be fully online** to streamline and standardise requirements. This will reduce duplication of effort for both applicants and NZ On Air.
29. We will look for **improved links across our content portfolio**. For example, we will actively encourage the use of New Zealand music in the content we support, and will expect that captioning will be included in most online-only content, adding to the funded captions available on free-to-air television.
30. We will have **greater expectations for accreditation** on funded content so that New Zealand audiences can recognise and value taxpayer funded content.
31. We will be restructuring our own operations to deliver the strategy.

⁵ Twelve stations are currently funded: Planet FM Auckland, Free FM Waikato, Access Radio Taranaki, Access Manawatu, Radio Kidnappers Hawke's Bay, Arrow FM Wairarapa, Coast Access Radio Kapiti, Wellington Access Radio, Fresh FM Nelson, Plains FM Canterbury, Otago Access Radio, and Radio Southland.

⁶ s39(a) Broadcasting Act

He aha ngā Pūmautanga?

What stays the same?

32. We will still back the **best available ideas**, making considered choices in a contestable environment.
33. Decisions will be made by a Staff Investment Committee or the Board, depending on the level of funding sought and the complexity of the decision. External advice will be sought as required (e.g. script, budget, cultural, creative). Funding panels may be used.
34. Annually we will provide **advance information on NZ On Air's priorities** so we can balance our investment slate and achieve our own targets. To manage demand, we will segment rounds so we can assess like projects against like. *See Appendix 4.*
35. **Content will be available free** to New Zealand viewers and listeners for as long as possible.
36. We will continue to focus on:
 - Transparency
 - Contestability
 - Innovation
37. We expect an audience size⁷ and business case appropriate to our level of funding and also take into account other criteria, such as cultural value, to ensure **a good balance of cost and benefit**.
38. **Māori content**⁸ will continue to be supported across all funding streams and the outcomes achieved will be reported separately each year.
39. **Diversity is our watchword** - in both our content range and in likely audiences. We will always assess how proposals might contribute to featuring, individually and collectively, a diverse, interesting New Zealand comprised of different ethnicities, ages, genders, regions, ideas, values and beliefs.⁹
40. Some **terms of trade** may be slightly amended as we look to standardise our approach across all the content funded by the agency. We will consult guilds and seek feedback if we need to propose change, but expect any change to be administrative.
41. We will maintain **low overheads** and staff numbers to maximise funding available for content.

⁷ s39(b) Broadcasting Act

⁸ S36(1)(a)(ii) Broadcasting Act

⁹ Ss36(1)(c),(ca) and 39(d) Broadcasting Act

Hei Pūtea Penapena: me pēhea

NZ Media Fund investment: the ‘how’

42. We will consistently use **nine investment principles** to guide funding decisions, based both on Broadcasting Act requirements and the need to manage public funds wisely.

Investment principle	NZ On Air will
Tōna Mana Ahurea Cultural value	Prioritise content that: <ul style="list-style-type: none"> tells engaging New Zealand social, cultural, political or historical stories takes an innovative approach is particularly appealing to a specific audience that is less well served with local content, and/or contributes to the Rautaki Māori.
He Mahinga Taurite Balance	Balance mainstream content and special interest content for audiences cited in the Broadcasting Act.
He Para Huarahi Risk	Be generous with creative risk in funded content; conservative with business risk.
Te Whaihua Competition	Support a range of content and entities, both to encourage multiple views and voices, and to encourage competition for the best ideas. Expect commissioning platforms to show a sustained commitment to New Zealand identity and culture.
Te Whaipanga Value for Money	Use efficient processes and focus on cost-effective content with a reasonable shelf-life that attracts audiences of an appropriate size.
He Uara Whakatepe No duplication	Invest in content and entities that add diversity to content already available and which the market alone cannot support.
He Iti Matakahi Leverage	Prioritise 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. which intend to commission or license New Zealand music).
Te Āheitanga Capability	Prefer 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 unsupported start-ups will be rare.
Me Matatika Fairness	Require accurate, reliable information from applicants to ensure good decision making in a contestable environment.

43. We set out some details of our proposed funding and co-investment requirements for feedback at *Appendix 3*.

Ngā Hōtaka Kāhore He Tautoko

What we won't fund

44. Some projects are not eligible for funding. These are:
- Projects seeking completion funding that have not secured platform investment.
 - Projects which can be designed to secure commercial funding.
 - More than four series of the same factual idea or more than six series of the same scripted idea, unless exceptional circumstances exist (for example, series with special audience and cultural appeal that maintain acceptable platform support). In some cases we may support less than the maximum numbers of series. This is so we can keep making space for new ideas.
 - Music applications where the artist or music project has had three grants in a 12 month period.
 - Applications from businesses which are not New Zealand-registered.
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FEEDBACK

1. What do you think of the strategy and new media fund?
2. In general, do you agree or disagree with the direction of the changes? Please elaborate on anything you think needs to be amended.
3. What ideas for improvement do you have?
4. Do you have any questions? Please check the FAQ's on our website. The FAQs will be frequently updated. You can add a question to the FAQs by emailing allanah@nzonair.govt.nz
5. You can also provide feedback on the strategy and the appendices that follow:

*Please email your feedback to nicky@nzonair.govt.nz
by Friday 18 November 2016.*

APPENDIX 1

Hei Whakamārama Te Rautaki Pūtea

Explaining our funding strategy

The strategy fits within NZ On Air’s [strategic framework](#). NZ On Air’s vision and mission are:

Vision: Diverse, relevant local content – New Zealand on air

Mission: To champion local content that engages, stimulates, and satisfies intended audiences.

<p>Funding strategy definitions:</p> <p>Objective (our aim)</p> <p><i>Great New Zealand content is valued and enjoyed by many New Zealand audiences</i></p>	<p>The ultimate goal</p> <p><i>Great</i> means quality content, good of its type, consistent with public media principles.¹⁰</p> <p><i>Valued and enjoyed</i> means accessed and appreciated by intended audiences. NZ On Air will actively work to drive audience reach and engagement.</p> <p><i>Many audiences</i> means, collectively, a wide range of different New Zealanders including Māori.</p>
<p>Goal 1</p> <p>He Hua Kounga</p> <p>Quality content</p> <p><i>New Zealand audiences enjoy well made local content that matters</i></p>	<p>This goal focuses on how projects are executed and received</p> <p><i>Enjoy</i> means watch/listen and liked by the intended audience.</p> <p><i>Well made</i> means a good production standard for its type, equal or better to similar international content.</p> <p><i>Content that matters</i> means important in its subject, its innovative approach, its relevance to its target audience.</p> <p>More about this goal:</p> <ul style="list-style-type: none">• We expect all funded content to be quality, no matter how big the financial investment or where the content is found. In tight fiscal times we are, by necessity, raising the bar.• The high calibre of content previously supported by the Platinum fund will continue to be made. We are retiring the Platinum fund because it is a TV-centric concept and this funding strategy embraces all content platforms.• Quality means different things to different audiences. We consider the opinion of the target audience the most important.

¹⁰ Core objectives of public media are to support a strong civil society, enrich cultural knowledge, extend public education and strengthen community life. http://pmintegrity.org/pm_docs/PrinciplesofPublicMedia_001.pdf.

<p>Goal 2</p> <p>He Hua Kanorau</p> <p>Diverse content</p> <p><i>New Zealand audiences value local content made for a range of communities</i></p>	<p>This goal focuses on how projects reflect a diverse New Zealand</p> <p><i>Diverse content</i> means content made for varying ages, tastes and interests.</p> <p><i>Value</i> means valued by its target audience and by others who support diversity.</p> <p><i>Range of communities</i> means a range of targeted audiences.</p> <p>More about this goal:</p> <p>The targeted audiences for whom <i>specific</i> content applications can be made include the following audiences.</p> <p>Children and youth</p> <ul style="list-style-type: none"> • We will help grow great New Zealanders by providing enriching local content for children that encourages imagination and curiosity. <p>Pacific audiences</p> <ul style="list-style-type: none"> • We will ensure diverse content made for Pacific peoples in New Zealand is accessible, enjoyed and valued. <p>Other ethnic populations</p> <ul style="list-style-type: none"> • We will support valued content serving other ethnic populations in New Zealand that exceed 100,000. At this time these are Indian and Chinese New Zealanders. NB: funded access radio also provides options for both these and smaller populations. <p>Regional audiences</p> <ul style="list-style-type: none"> • We will support valued regional news and information, for communities of reasonable size, as content that national media can rarely provide. <p>Other community minorities of reasonable size</p> <ul style="list-style-type: none"> • We will support valued projects as opportunities permit including content that reflects diverse religious and ethical beliefs. <p>People with disabilities</p> <ul style="list-style-type: none"> • We will support valued stories about disability both to be inclusive and to provide insight for a general audience. We will make funding available for content to be made accessible for those with sight and hearing impairments.
<p>Goal 3</p> <p>He Hua Kitea</p> <p>Discoverable content</p> <p><i>New Zealand audiences can find and appreciate local content</i></p>	<p>This goal focuses on how audiences find content</p> <p><i>Find</i> means discover and consume on the platforms they are using.</p> <p><i>Appreciate</i> means enjoy and agree the cultural and financial investment in funded New Zealand content is worthwhile.</p> <p>More about this goal:</p> <ul style="list-style-type: none"> • We place high importance on promoting funded content, especially for music and online-only projects, due to the vast number of potential outlets and the difficulty of content being found. • Proposals must identify how target audiences will be connected with the content. • Both commissioning platforms and producers will be required to be active and skilled in promotion. • We will prioritise commissioning platforms that can provide an audience for funded content that is appropriate for the size of the investment. • All content must be free to New Zealanders at some point. We will prefer a free first release but may consider varying business cases.

APPENDIX 2

Ko Tā Te Rautaki Māori

Funding policy for Māori content

Tēnā koutou. Ka ū tonu mātou ki tō te Tiriti o Waitangi.

Objectives:

1. To support the production of quality Māori content made for a general audience
2. To have good relationships with Māori content creators
3. To uphold the mana tangata and mana iwi of funded content

NZ On Air:

- Must make special provision for Māori content.
- Will focus on English language content, to complement the work of Te Māngai Pāho.
- Will encourage the use of te reo, as appropriate, particularly in normalising the language for audiences not fluent in te reo (generally 'zero – passive' in terms of the ZePA model used in Māori language policy).
- Will undertake an ancillary and complementary role to Te Māngai Pāho, co-venturing on projects which meet our shared objectives.
- Notes the significant public funding available for Māori content provided through Māori Television, and Te Māngai Pāho, and will thus allocate funding for Māori content as a relatively modest proportion, given NZ On Air's other statutory requirements.
- Will annually publish a list of funded Māori content.
- Will consult annually with relevant Māori entities in setting goals and targets that contribute to this rautaki.

Priorities for funded content will focus on:

- Serving a target audience of New Zealanders interested in, or appreciative of, te ao Māori.
- The different and diverse, providing audiences with Māori perspectives, made with the appropriate kaupapa, and contributing to a visible Māori presence in media.
- Content that is led by or with the significant involvement of Māori key creatives.
- Affordable genres that are in relatively short supply and/or have possible opportunities for securing additional funding.

Funding decisions:

- Will favour content with a longer shelf life, namely those that will have multiple repeats, be available online and be made easily available to different audiences.
- Will consider whether funding requested is proportionate to the potential audience size.
- Will be made against Māori content targets which are annually reported and reviewed, to ensure sufficient contestable opportunities are made available.
- For most recipients of Platforms funding, Māori content targets will also be set.

Ko te pae tawhiti kia tata, Ko te pae tata kia mau, kia tina! Mauriora ki a tātou.

APPENDIX 3

How will the funding rounds be organised?

1. We need to be able to compare projects of similar type and scale in order to make fair decisions, and effectively manage the fund. For this reason we will use the four funding categories below. Our expectations vary depending on the quantum of funding sought. Occasionally we will issue RFPs.
2. The following are general application requirements. These may change over time.
 - 2.1 **Funding request of more than \$500k:**
 - Likely to have both** a broadcast (free-to-air television) **and** online outcome.
 - Must** have a significant licence fee or co-investment.
 - Must** have a plan to reach the audience which includes the broadcast timeslot; target audience estimates; and a marketing/promotions plan.
 - Must** be a **fully developed** proposal which includes a full treatment/scripts; adequate research; full budget; and specified audience.
 - 2.2 **Funding request between \$100k- \$500k:**
 - May** have a broadcast or an online-only outcome: significant platforms will be prioritised.
 - Must** have a competitive licence fee or co-investment.
 - Must** have a plan to reach the audience which includes the broadcast timeslot (if applicable); target audience estimates; demonstrated understanding of the audience; and a marketing/promotions plan.
 - Must** be a **developed** proposal which includes the creative concept; full budget; and specified audience.
 - May** be requested to provide a trailer, episode, or online taster.
 - 2.3 **Funding request between \$50k - \$100k:**
 - May** have an online-only outcome.
 - Must** have co-investment or an adequate level of third party funding.
 - Must** have a plan to reach the audience which includes target audience estimates; demonstrated understanding of the audience; and a marketing/promotions plan.
 - Must** provide a **clear description** of the creative concept and content structure; budget summary; and specified audience.
 - May** be requested to provide a trailer, episode or online taster.
 - 2.4 **Funding request less than \$50k:**
 - Must** meet published criteria (eg. [New Music Single funding](#))
 - Must** have a promotional plan.
3. All projects are required to be online for an agreed period.
4. Only applications submitted through NZ On Air's new applications portal will be considered. Among other things, this means a deadline is a deadline. NZ On Air will publish deadlines a year in advance to help the sector plan.
5. Businesses must first be a registered applicant with NZ On Air before any funding application can be made. Online registration for applicant businesses will be available in early 2017.

APPENDIX 4

Hei Mahere mō ngā Hui Whakatau

Proposed meeting scheduling

July 2017	September 2017	December 2017	March 2018	May 2018
 <p>FACTUAL</p> <p>Broadcast Factual</p>	 <p>FACTUAL</p> <p>Children's Pacific Ethnic Disability Other Minorities</p>	 <p>FACTUAL</p> <p>General Factual^ Online Special Projects* Current Affairs Spoken Content - (audio)</p>	 <p>FACTUAL</p> <p>General Factual^ Regional Media</p>	 <p>FACTUAL</p> <p>Innovation» Spoken Content - (audio)</p>
 <p>SCRIPTED</p> <p>Broadcast Drama</p>	 <p>SCRIPTED</p> <p>Children's Comedy</p>	 <p>SCRIPTED</p> <p>General Drama^</p>	 <p>SCRIPTED</p> <p>General Drama^ Comedy</p>	 <p>SCRIPTED</p> <p>Invited projects/ special initiatives</p>
 <p>MUSIC</p> <p>New Music – Single NZ Music Features[¥]</p>	 <p>MUSIC</p> <p>New Music – Single NZ Music – Project</p>	 <p>MUSIC</p> <p>New Music – Single NZ Music – Project NZ Music Features[¥]</p>	 <p>MUSIC</p> <p>New Music – Single NZ Music – Project</p>	 <p>MUSIC</p> <p>New Music – Single NZ Music – Project</p>
-	Industry Development Fund	-	Industry Development Fund	 <p>PLATFORMS</p> <p>Annual Applications for following financial year</p>

^ General Factual and General Drama mean both broadcast and online projects (eg webseries)

» Innovation will have a specific RFP which may change focus each year

* Online Special Projects means partnership projects (eg international funds) and any annual applications for 'umbrella' projects involving multiple content items

¥ NZ Music Features include radio programmes or online initiatives specifically promoting new NZ music