

**Improving New Zealand's public media –
recommendations for the Minister for Broadcasting
and Media**

Strong Public Media Establishment Board

March 2023

PROACTIVELY RELEASED

The Strong Public Media Establishment Board was: Michael Anderson, Andy Coupe, Barbara Dreaver, Bailey Mackey, Tracey Martin (Chair), Dr Jim Mather, Peter Parussini, John Quirk and Aliesha Staples.

It was appointed on 21 April 2022 and held 10 meetings to progress ANZPM, the last of which was a brief close-out meeting online, on 16 February 2023.

This document was written following that final meeting and reflects the majority view of the Board. It does not necessarily reflect the views of individual members.

It draws upon the work overseen by the Establishment Board, previously published material such as the Strong Public Media Business Case and the Business Case Governance Group Report and publicly available research on New Zealand's media, including from New Zealand on Air (NZoA), Kantar and Sapere.

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Introduction

Public media has been part of the framework of modern democracies since the first part of the 20th century. Following the BBC model to 'inform, educate and entertain', public media has provided the news and stories and, more recently, supported the languages and culture of its countries. It is critically important in New Zealand and around the world, but like all traditional media, it is under pressure.

We were appointed as an advisory board to the Minister to oversee the establishment of a new public media organisation. Independent, multi-platform, larger and stronger – and initially built on the foundation provided by bringing RNZ and TVNZ together – it was intended that a number of issues would be addressed:

- Our public media would be better able to work and be distributed in a world of digital channels, global competition and changing audiences
- NZ news and content (both current and archived) would be more accessible with our national identity and culture strengthened
- All of our local audiences would be better served, with a wider range of New Zealanders having access to relevant content, along with the current audience base
- Public media would be more financially sustainable and better able to adapt to change
- The wider NZ media sector would be strengthened by a focused public media entity.

These outcomes are still desirable, and the underlying challenges facing our public media have not disappeared with the decision to stop this programme of work – in fact, throughout our work, they have only become more obvious. The industry's economics are incredibly challenging, and disruption and changes to the media sector continue. In a society that has become more fractured, the need for high-value public media content - and especially trusted, quality news media sources - is greater than ever.

We, therefore, wanted to provide our collective insight and advice on what can be done to strengthen public media in Aotearoa without ANZPM. There has been a lot of work, and we want to utilise it where possible. A large amount of separate policy and financial advice, as well as work done on designing the operating model of a multi-platform public media entity, has already been provided to Government, and there is no intention to repeat that.

This brief paper is a distillation of our work that focuses on the key issues we believe need to be addressed and the best ways of doing this in light of the Government's February decision.

Context for reform and current issues

The Government has already considered the importance of public media and its current challenges. However, it is worth restating these briefly as these challenges are becoming more pronounced, and the points outlined provide the context for our recommendations.

Public media is critically important

It provides independent, trusted news that informs people and supports a healthy democracy. It connects our society - helping New Zealanders see and hear our unique stories, the events that matter to us, our entertainment and each other – and is where people turn in a crisis. Unfortunately, Covid and recent weather disasters have borne out this latter point.

Every country like ours invests in public media for these reasons: so that their people can hear their news and voices and see their culture. Public media is also usually associated with high degrees of trust and social cohesion. In Aotearoa, this has been established over decades by RNZ and TVNZ. People are familiar with these organisations, which still have powerful brands and large audiences, especially from the demographic who grew up with these organisations at their strongest.

Having strong public media that provides a range of news and content is vital to New Zealand society, particularly if services provided by private media change focus or reduce over time - and our media sector is facing intense global competition as well as changing audience behaviour.

We cannot overstate that these issues are not simply about technological change and a media sector having to adjust. Digital media and the global platforms have changed our society. One of the things public media has historically done is connect us and provide the broad range of views and shared experiences that promote social cohesion. Across all media, that is now becoming increasingly difficult, with how people engage with content and news increasingly personalised.

New Zealanders currently have access to some great overseas entertainment and news media and there are some excellent journalists and journalism from private local media. Having a variety of voices, 'plurality', in media is recognised as important to democracy. But, like other democracies, New Zealand cannot rely solely on private media with commercial drivers for the delivery of trusted and broad content.

While the survey is now a little dated, it is also worth noting that New Zealanders value public media. The last time NZoA surveyed the public was surveyed on how they felt about public media, whether or not people watched or listened to New Zealand content, they believed that it was important to have it available. Close to 90% of people thought it important to have free-to-air, publicly funded television content and three-quarters agreed that it was important to have a public service broadcaster.

Digital disruption has transformed the New Zealand media sector

Digital technology has driven a shift away from traditional linear media formats - newspapers, radio, and television - and fundamentally changed audience behaviour.

News is now online, and traditional broadcasting media is under pressure from the tech giants and streaming services around the world. International media models are about scale and ubiquity. The overriding trend is for mergers and partnerships to capitalise on the scale that can produce the massive amount of content required to sustain online audiences – for example, the catalogues of Netflix and Disney+ or user-generated content of YouTube and TikTok.

New Zealand's media are now directly competing with the global giants for consumer attention and advertising. However, they also compete with a much more comprehensive range of international content, from overseas news outlets and entertainment streaming businesses to social media platforms and posts and commentaries from bloggers, influencers, groups, and individuals.

New Zealanders are online

People now have much more choice regarding what content they consume and how they consume it. Newspapers (and television and radio) have been replaced by phones.

2020 was the crossover point where online platforms overtook traditional media in Aotearoa in terms of engaging with the largest daily audiences across all age groups. However, young people made the shift before then and do not use traditional media much. Each day, 90% of our 15–24-year-olds use social media, while less than one in three watch TV, local on-demand sites, or listen to the radio - the places where they are more likely to find NZ content. In 2022, with New Zealanders spending less time engaging with media than in 2021, the only growth in any audience here was for YouTube.

Platforms such as Facebook and Instagram can allow New Zealanders to consume local media content, especially 'social' content, but generally, they are online with global platforms and overseas content. NZ content - our drama, comedy, stories, and music - are tiny parts of the global catalogue and there is little incentive for global platforms to support it.

Business models are under pressure

The shift in consumption patterns has put traditional media business models under significant and ongoing pressure. Along with competition for audience, a major reason for this has been the shift towards digital advertising. Most of NZ's advertising spend is now online, with digital channels providing greater reach and allowing for more precise targeting for advertisers.

The Covid pandemic provided some short-term audience uplift, resulting in increased profits for many media companies, which also had access to \$100 million in Government help through the \$50 million media Covid support package and the \$55 million Public Interest Journalism Fund. But it also accelerated the increasing trend of New Zealanders moving from traditional media to online delivery.

Since 2020 there have been significant changes to media ownership and announcements in the last few months – of staffing reductions and shifts at MediaWorks and Sky, and the impending end of Spark Sport – illustrate the constant challenges to the business models of local media companies from international competition for audience and revenue.

News media impacts

The shift online has particularly impacted news media models, with a significant reduction in the number of newspapers and journalists over the last decade.

Our news media are now online, but this has not necessarily meant they have retained the same advertising revenue, and the online model is further challenged by the reluctance of New Zealanders to pay for news content.

This has also impacted news media coverage and content. The major news firms operate a national news model, which provides greater efficiencies and allows content to be used more widely but has put further pressure on journalism in smaller towns and cities. Again, both private and public news media have been supported by the PIJF over the last two years, including 'local democracy reporting', and this fund ceases in mid-2023.

There is still good quality journalism and journalists, including from some new and smaller digital news outlets. The strength of local news media is most notable when there is real news relevant to large audiences. However, there is also a tendency to drive traffic to news websites with sensational headlines and for more 'tabloid content', including the reporting of social media comments. Notably, there are now greater differences in editorial direction and tone in our news media, including our largest media. This is most evident in the growth of new radio stations focused on particular niche audiences.

Digital disruption has also increased misinformation

The growth of social media and the splintering of news sources has contributed to misinformation.

Disinformation and misinformation are not new problems, but they have been exacerbated by the internet and the way that global digital platforms and algorithms work. As well as the recognised issues of giving people what they supposedly want and increasing polarisation of views, which prevents the healthy and informed debate that helps democracies to work effectively, this can work to undermine trust in the news media.

New Zealanders are increasingly worried about misinformation, especially from social media, and they are (slowly) losing trust in the news media, including public media.

Public media in Aotearoa

Our public media operates within this context. New Zealand has a small, deregulated media market under pressure from global competition. Our public media also has its own unique challenges.

Several local media, including private media, provide valuable public media content and quality news. There is also a range of community media, such as Student Radio, the Pacific Media Network and Community Access Radio, that provide public media services and that receive some government funding.

New Zealand's public media consists of: RNZ, TVNZ, NZ on Air, Te Māngai Pāho and Whakaata Māori. Only the first three are mandated to reach a broad audience with a range of content. No other countries have a public media model like ours where public-owned TV and radio are separate, and a standalone funding agency exists. All three of these entities have different legislation, monitoring and mandates and only RNZ has a Charter setting out its values and goals – the distinctive characteristic of public media organisations and what separates them from private media. Public media has a broad commitment to all citizens; private media have an obligation to their shareholders.

In summary:

- RNZ is a traditional public services broadcaster funded by the Government and guided by a charter
- TVNZ is a government-owned broadcaster that earns its revenue from advertising, has an over-riding commercial rather than public media focus, and
- NZoA is a funder of NZ content (but not necessarily 'public media' content and news has not been specifically funded apart from the PIJF.)

Our public media is under financial pressure

NZ has a 'low-cost' public media model internationally, or, from another perspective, it has underinvested in public media for a long time, with around two-thirds of public media spending of \$450 million a year coming from TVNZ's commercial earnings.

Better Public Media estimates that per capita, people in the UK pay \$81 each a year, Norwegians \$110 and Germans \$142. By comparison, Kiwis pay \$27 each a year to fund RNZ, TVNZ and NZoA. (This is also significantly less than Australians pay for their public media. In terms of revenue, the BBC has annual revenue of \$10.2 billion, and the ABC \$1.3 billion.)

This is especially problematic when costs, including content production and platform costs – have been rapidly increasing. Inflation and competition for talent and services will see this cost pressure continue.

Like other traditional media, our public media have to compete for audience and, in the case of TVNZ, for revenue, with the global giants. (While RNZ and TVNZ are large companies domestically, like all public media, they are very small players internationally, and that is where the main competition for audience and revenue comes from.)

TVNZ's operating revenue had been trending slowly down for the last decade – although, in the year to June 2021, it reported a record profit, largely due to effects associated with the COVID-19 pandemic. Longer term, TVNZ's commercial revenue is also forecast to decline, even though it is trying to make the transition to being digital-first and having some success with expanding the audience for TVNZ+.

Historical performance is not the issue. TVNZ has managed an extremely successful linear business – maintaining market share of 9.2% over the last several years. However, the market conditions have changed, including domestically, with the entry of a significant global competitor to TVNZ. The current owner of 'Three' is the \$55 billion business, Warner Bros. Discovery, with access to a huge global content library and a world-class digital platform.

RNZ's baseline funding was increased by the Government by more than \$7 million from 2020 (it also provided \$40m over four years to the Māori media in last year's Budget). However, RNZ is facing an operating deficit of approximately 10% of its revenue this financial year, or \$5 million.

Modelling done for the Establishment Board last year concludes that, without change, RNZ and TVNZ are financially vulnerable given the gap between their revenues and costs. Over the 10 years from 2023/24 to 2032/33, the modelling showed RNZ and TVNZ's costs exceeded revenues by \$1.63 billion. Combined revenue was forecast to decline from \$379m in 2024 to \$267m in 2033, while costs were projected to rise from \$439m to \$523m over the decade.

In addition to this, to reach audiences better, TVNZ and RNZ require investment in digital platforms, and TVNZ has begun developing a business case for this significant investment.

And is losing audience

Our public media has also been slowly losing audiences and seeing trust dissipate. Some audiences, especially young people, are not well served by our public media – in part because they are on other platforms – and that is also the case for some of our largest ethnic groups, notably Pacific and Asian New Zealanders.

In other words, our public media is not serving all of our public. If audiences do not know or engage with our public media, it is difficult for them to trust it. RNZ and TVNZ are still our most trusted news media, though as is happening globally, trust is slowly declining.

Lifeline broadcasting

Finally, the critical role of public media in lifeline broadcasting during civil emergencies has been reinforced recently.

Work on ANZPM acknowledged the role of RNZ and TVNZ as 'lifeline entities' and planned to transfer these responsibilities. But this year's tragic weather events, especially Cyclone Gabrielle and the Auckland floods, highlighted the importance of strong public media during a crisis. RNZ and TVNZ were able to deliver as no international media could. These disasters have underlined the need for trusted, curated and regional news and continuing to maintain a range of broadcasting platforms, including the AM network.

In summary, the specific challenges facing the Government around public media are:

- Ensuring there is trusted, independent and verified news and information available to the public
- Ensuring content - comedies, drama, documentaries etc. - made by and for a wide range of New Zealanders is available
- The need for multi-channel delivery so that more people can find and reliably access this news and content - making the online shift effectively and maintaining existing platforms
- Financial and funding pressures on the current entities and the Crown.

Recommendations

The above issues cannot all be dealt with easily or quickly – or without cost. However, there are a number of actions that can improve the current provision of public media in Aotearoa New Zealand and prepare for further reform.

The programme work already undertaken (the major steps in this process are attached at the end of this document as ‘Establishment phase milestones’) means that we know a lot more and have a lot more evidence and data about both RNZ and TVNZ and the media sector and provides a number of insights and opportunities to guide decisions around strengthening our public media.

1. Quick wins

The following recommendations are based on the work done to design an operating model for the new entity and low-cost changes that largely require different approaches and ways of working rather than greater spending.

A traditional role of public media is to provide common experiences and connections across society. However, to work effectively, it needs to actively build trust and reasons for audiences to engage. This is not necessarily hard. For example, look at how the Women’s Rugby World Cup and the Black Ferns’ performance drew television audiences and positively impacted the country.

News and current affairs

News and current affairs are a cornerstone of public media, and TVNZ and RNZ have high levels of recognition and trust from years of delivering our news. It is notable that the audiences for both increased through the first year of Covid.

The impacts of Cyclone Gabrielle and the Auckland floods two weeks prior also reinforced the critical importance of local news media and access to useful, informed, curated, and timely information. TikTok etc., can provide compelling images, but not the news and information that people can use and act on. A professional media newsroom is required to organise content, check it, ensure information is verified and factually correct, and provide context.

However, trust needs to be actively maintained and rebuilt in a world where trust in media is declining, and there is more misinformation. New Zealanders must know they can reliably access accurate and independent news and information. We suggest:

- **Enhancing editorial standards.** Our public media must lift standards and be transparent with the public about this. The BBC, for example, has published its editorial policies and how it will measure against those. A ‘fact-checking’ service and a new complaints mechanism could support this. News is central to TVNZ’s business – both for audience and revenue – but it should be able to clearly differentiate itself from other commercial news media. For example, it could clearly differentiate between sponsored/advertorial content versus news and current affairs.
- **The editorial policies of RNZ and TVNZ should be aligned.** Work began on this through the ANZPM process and could continue.
- **Greater formal cooperation and coordination between newsrooms.** Both organisations are strong in news, and it is the area with the greatest cultural compatibility. However, greater

collaboration would better utilise resources, provide New Zealanders greater coverage of national events (e.g., national disasters and elections) and help look after a journalist workforce that is having to operate in increasingly difficult conditions. This would also help with:

- Providing greater regional news coverage and possibly more significant NZ media presence in key overseas locations.

Children's programming

Children's programming, in particular availability and access to 'television' content made for our tamariki, is a critical gap in the current provision of our public media services. There is a risk this will deteriorate further without intervention. Some excellent content has/is being funded and made. Still, children's programming is not commercially attractive (which, under current models, creates problems for TVNZ). Therefore, the content is not getting the visibility or reach with audiences that it needs.

This is problematic in more than one way. It is not only about children missing content about them and their world, but it is a missed opportunity to build a trusted and enduring relationship with audiences. If parents trust that public media will deliver for their children, they may trust its news and that it might deliver for them. Children, who build a trusted relationship with public media early, may be more inclined to access, or seek out public media content in later years.

Furthermore, funding for children's content is at greater risk. It has been signalled over the last year that historic levels of funding and support from NZoA and from TVNZ for children's programming are set to reduce significantly. Additionally, NZoA has adopted a policy of 'digital first' and radical sharing of content rather than supporting the linear HEIHEI platform.

To address this, both funding and distribution models may need to be adjusted, but we suggest the following:

- **Improve availability.** Making a linear television channel available (or for part of the day) to carry children's content. Currently, both TV2 and Duke have content gaps during the early part of the day.
- **Improve accessibility.** Having a specific, easily identifiable digital location where adults can easily find safe, relevant children's content. (For example, ABC has developed personalisation on its streaming platform that provides this functionality.)

Video content and collaboration

All the dominant platforms with recent growth (except for Spotify and its music catalogue) are based on video content. Our children and young people – and increasingly everyone else – are going online to watch videos, post video clips, watch movies and sports, or play games. Video content is required to reach our underserved audiences and for our public media to 'compete'.

However, video content is significantly more expensive to produce, curate and distribute than website or audio material. Even international media models are all about scale – in part about getting access to catalogues of material, and they have deep pockets and vast technical capability.

Collaboration is vital for our public media to provide more of this content without the huge cost. We recommend:

- **Increasing collaboration between TVNZ and RNZ.** The work on ANZPM required TVNZ and RNZ to talk more, and the organisations recognise this is the closest they have been. However, their mandates are still very different, and currently, no legislative provisions require collaboration between RNZ and TVNZ or other entities. The goal is greater content sharing to increase the catalogue of NZ-made content available across various platforms and from different providers. (Ideally, this would also require greater collaboration and coordination with NZoA as the funder of NZ content, but its current approach is to be agnostic around platforms.)
- **Developing sector partnerships.** A particular issue is getting more content to underserved audiences, and this is where partnerships with other local media are also required. Currently, content sharing is largely one-way, e.g., RNZ content going to other media. But public media objectives are met by getting a range of content to wider audiences – rather than, for example, having Māori content on Whakaata Māori and Pacific media content on Pacific media, so unseen by wider audiences.
- **Improving access to archived content.** Content does not all have to be new, and a lot of older NZ-made content is currently inaccessible. Freeing-up archival material (through a formal agreement between TVNZ and Nga Taonga, for example) would improve the amount of public media video content available although this may require legislative change and dealing with copyright and ownership issues.
- **Actively pursue international public media partnerships.** The obvious partners are the other public media organisations we are familiar with – ABC, BBC, PBS and CBS. However, one of the things Netflix has shown is the range of quality international content available, and, for example, Korea, Germany, France and Denmark all have public media.
- We also recommend that the Government consider new funds or funding mechanisms to deliver public media video content to under-represented and under-served audiences.

2. Funding and technology investments

Funding and cost pressures are real. Like roading and water infrastructure, our public media infrastructure and services require ongoing maintenance and upgrading to maintain what we already have and develop for the future. Audiences are moving online, but many New Zealanders continue to watch television and listen to the radio. For public media to serve the public fairly, we need to continue to support those services for some time to come – including past the point where they are viable commercial offerings.

Operational funding

Guaranteeing public media services across society means providing a number of different platforms for engagement – web-based, radio, television and digital - and ensuring the viability of the existing businesses and operations. We recommend:

- **Addressing RNZ's operational cost pressures and funding.** RNZ is the current public media broadcaster, and its current budget is inadequate to maintain services. However, providing this boost does not solve our public media problems. RNZ reaches less than 10% of the public – each week, not daily. If the Government wants to reach more people with more content, it cannot simply expect a refocussed RNZ to do it.

- **Ensuring TVNZ play a greater public broadcasting role.** This is discussed in the third section below.
- NZoA could also perform a more significant role in public media. While it has been the funding agency for RNZ and the majority of its funded content has been on TVNZ, this is in part to do with TVNZ's historical dominance as a linear TV platform. NZoA's role is about ensuring NZ content is produced and it is agnostic about what platforms this is carried on. In future, NZoA could be given a remit/charter that require it to ensure some public media content is produced.

A digital platform

Developing a world-class digital platform is the single most important new investment for our public media.

Developing such a platform and the capability to exploit it fully requires investment in the hundreds of millions of dollars. We do not believe that New Zealand has the scale to warrant investment in more than one digital platform for public media content. Nor do we believe that multiple fragmented services would provide a compelling experience for audiences. Part of the challenge of competing on a global media stage is the need to have brand recognition so people can find content.

To be clear, we need a NZ platform that can provide access to large amounts of NZ video content. It is not enough to create content; there must be reliable on-going access so people can find it and see it (or hear it).

With the current entity structures and finances, we recommend the following:

- **Building on TVNZ's current digital investment plans.** While TVNZ is at the beginning of their digital journey and is still planning investment in technology and capability, they have a foundation to build from (and cash reserves). RNZ does not yet have a digital foundation.
- **Again, however, collaboration is critical.** We believe NZ's investment in a digital platform for public media must be made once to be as cost-effective as possible. In addition, it must be able to be used widely across NZ's public media landscape to support Māori, Pasifika, Asian and other community media.
- Because of this, we recommend **placing additional requirements**, such as broader industry access rights, on any requests for capital injections, investments or additional funding requested by RNZ, TVNZ & NZoA. This would include any business cases (if required to be presented to Ministers for approval).

Maintaining current infrastructure

Our work found that both RNZ & TVNZ need to make significant technology investments to:

(1) relieve technical debt, (2) address IT security concerns, (3) enhance capabilities, e.g., analytics, (4) address supporting infrastructure needs, e.g., studios, HVAC, and (5) establish digital platforms. In addition, businesses based on technology, which media entities are, must have the right infrastructure.

A strategy for ongoing lifecycle investment in platforms/transmission costs for linear services is required. For now, we need multi-platform public media, meaning investing in digital and

maintaining current networks. (The future of the FM network was a consistent question raised by private sector broadcasters when we engaged with them.) Longer term, we also need a way out of some legacy platforms, and we envisage this would require work by Kordia and the Treasury.

In the short term, a key challenge is how to make the shift to digital platforms while retaining key legacy infrastructure – for equity as well as security reasons. We recommend:

- **Funding a guaranteed AM service, maintained at current service levels until at least 2032.** This could either be through RNZ or Kordia.
- **Ensuring sufficient funding for RNZ** to undertake remedial technology work and maintain current services and standards on-going.
- As alluded to above, a useful approach for Government could be tasking Kordia with the life-cycle management of critical broadcasting infrastructure. This would allow RNZ to divest some assets and focus on the delivery of public media services.

3. Governance and monitoring

There will be a need for greater funding for public media over time. However, in the near term, institutional arrangements can be improved to best use Crown investments. This is about better aligning operations and mandates and strengthening monitoring to ensure delivery against the required outcomes.

TVNZ's role

While TVNZ does produce public media content, it is not governed by a charter like RNZ. Its predominantly commercial focus constrains but does not prevent its ability to make content available that meets the needs of underserved audiences and extends provision beyond current audiences. If the Government wants TVNZ to play a more significant public media role, it could:

- **Enter into a contract with TVNZ for Charter outcomes**, tied to specific funding, reporting and accountability requirements.
- **Update Letters of Expectations for RNZ and TVNZ** to encourage collaborative efforts between the two entities to achieve public media outcomes.
- **Encourage a balanced approach to outcomes** by appointing Board members to TVNZ with a focus on public media experience and ambition, alongside commercial considerations.

Monitoring and governance changes

Having a strong public media sector requires more than a strong public media entity. It also requires clear regulation and a regulator/monitor to oversee it. We note that the BCG recommended creating a new monitoring agency that combines some of the activities currently undertaken by existing entities.

A monitoring agency with regular public reporting requirements could do much to encourage the constant improvement and innovation required by public media and provide assurance across the wider media sector.

Other changes that can improve public media outcomes include:

- **Strengthening the stewardship role of Manatū Taonga** through a greater monitoring role of both RNZ and TVNZ, and a focus on achieving enhanced public media outcomes. Enhanced public media performance measures were developed for ANZPM. Including these measures into monitoring frameworks for RNZ and TVNZ would enable direct monitoring of TVNZ achieving those public service outcomes, alongside the company's commercial role that is monitored by the Treasury. Some of the public media measures developed for ANZPM could be adopted into existing monitoring frameworks for RNZ and NZoA also. For example, NZoA may be required to perform more research into public media needs.
- **Simplifying the current funding pathway for RNZ.** RNZ's current funding (via NZoA) could be simplified and redirecting it via Manatū Taonga would allow for additional direct monitoring of outcomes.
- **Improved data and evidence.** Better understanding who our public media is reaching, and who it is not, by defining audiences and measuring media consumption consistently across all publicly owned and publicly-funded media.

The ANZPM Bill, while not proceeding, provides a modern public media charter and legislation that can be used to update existing arrangements for the current entities. This can be used:

- for TVNZ (as part of a contract/agreement as above); and
- to update the RNZ Charter.

4. Progress current work programme

We recognise that the SPM programme was not the only work being undertaken to improve New Zealand's media system and that there is no single silver bullet.

This Board has not been involved in the other media policy work underway but would recommend the following:

- Continuing with current work on the Online News Bill, which will support media companies to get paid when their content is used online. This will provide a more sustainable revenue stream for media companies.
- Updating the current Broadcasting Act. Again, work done on the ANZPM legislation may assist.

5. Summary of recommendations

All of the suggestions above are designed to strengthen public media outcomes within the existing framework and while limiting the cost to the taxpayer. Longer term, our view is that having a single entity is the most cost-effective way of utilising the government spend and having the scale to best work in a world requiring multiple platforms to reach audiences with New Zealand news, perspectives, and entertainment and to have the video content that modern audiences want.

However, whether or not this occurs, our key recommendations are that:

- Our public media have a deliberate strategy to build trust, particularly through quality, independent news
- Children – want to try and maintain and build future audiences and give our children and their families ongoing access to NZ-made content
- Radio NZ receives the operational funding it needs to do its job and the capital to maintain the AM network
- TVNZ is given guidance to provide more public media outcomes, even at the cost of commercial returns. This may require amendments to the TVNZ Act.
- We need a world-class digital platform for public media. It is a costly investment and the best result for New Zealand is if it is accessible by a range of local media

Appendix One - Strong Public Media: Establishment phase milestones

