



STATEMENT OF INTENT

2017 - 2021





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STATEMENT FROM THE BOARD

NZ On Air connects and reflects our nation. The content we invest in defines who we are and where we have come from – it's a key part of our cultural fabric.

As we face massive change in New Zealand media, NZ On Air is embarking on the most profound strategic shift in our history. In the 2017 year we will move from a broadcast-centric approach to a platform neutral public media funding agency.

These fundamentals won't change:

- Ensuring New Zealand stories and songs are available free on the platforms most-used by New Zealanders. It means there are more, diverse options for audiences to choose from amid limitless foreign content.
- Carefully selecting investments to support and grow skilled jobs in the creative and production sectors, and contributing to economic growth.
- Requiring a solid business case to underpin great content ideas
- Keeping it simple – we minimise red tape.

From July 2017 we are implementing a new Funding Strategy and a single NZ Media Fund which we describe later in this document.

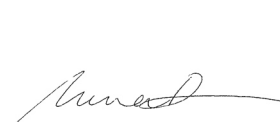
Founded on core public media principles the strategy focuses on delivering quality and diverse local content, and ensuring it can be discovered and appreciated by target audiences.

The new strategy and single fund are the building blocks for change. We are now well-equipped to alter course as the tides of international content, technology and audiences continue to shift.

We intend to maintain one of the highest success rates for creative content in the world, with over 99% of funded content completed and released.

And we are proud of our efficiency: spending less than 3% of revenue on running costs means the maximum amount possible of public funds can be invested in content and services for New Zealanders.

This Statement of Intent sets out NZ On Air's intentions and undertakings for the medium term period 2017 – 2021.



Miriam Dean CNZM QC
Chair



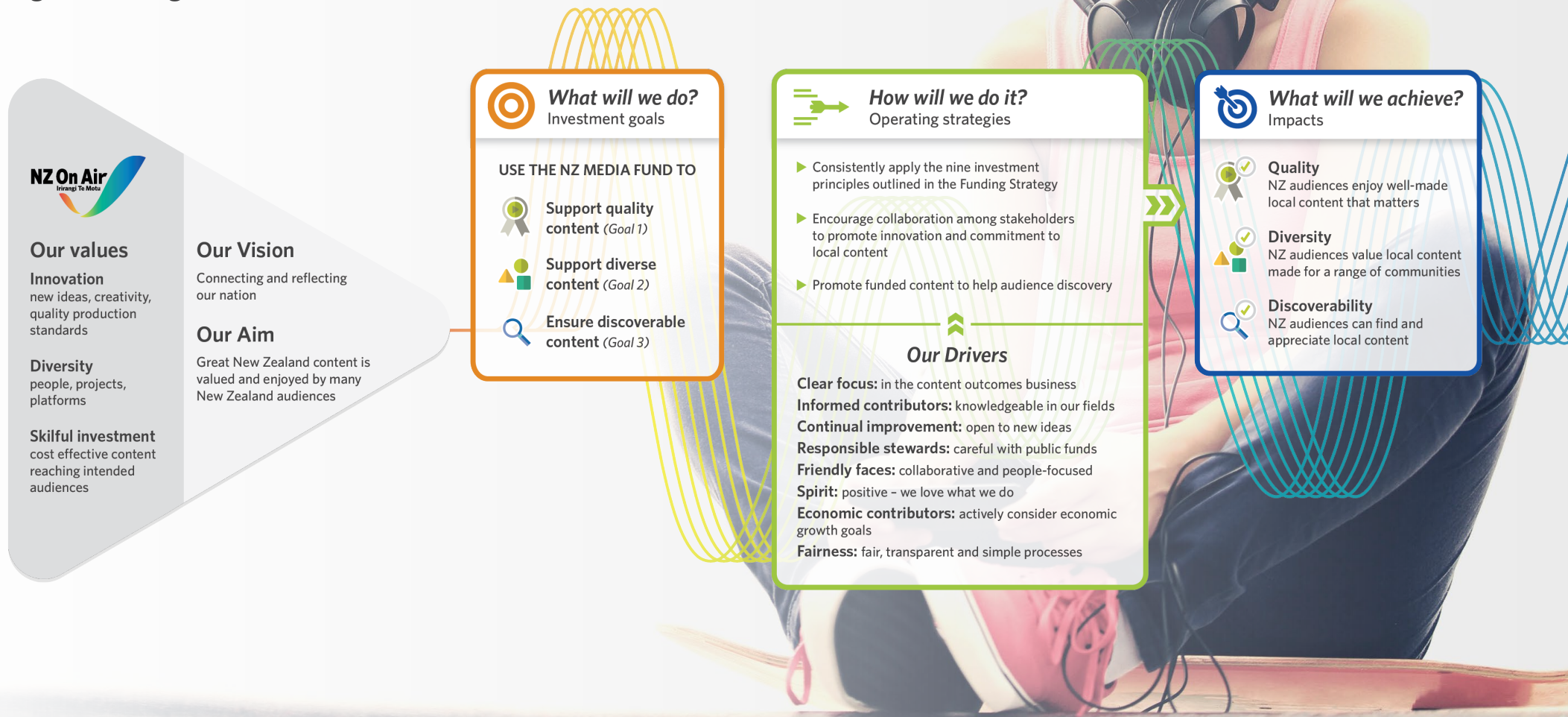
Ross McRobie
Chair, Audit and Risk Committee

12 June 2017

STRATEGIC FRAMEWORK

Our long term focus is on constantly adapting to environmental change.
Our strategic framework shows what drives us, and what we are aiming for.

Figure 1: Strategic framework



WHO WE ARE

The stories and songs we invest in reflect the diverse lives of New Zealanders. We contribute to a broad representation of New Zealand cultural identity which, in turn, helps build social cohesion, inclusion and connection.

Audiences have never had such a vast range of choices of services, devices and content. The media landscape and technology will continue to change rapidly.

Our job is to invest in important local content that New Zealand's small market cannot provide alone. The flexibility of the NZ On Air model, unique in the world, means we are in the best possible position to adapt to fragmenting audience behaviour – because we are not limited to one platform.

Annually we expect to invest over \$130 million into providing content for local audiences.

Giving audiences quality local content has a cultural impact far in excess of the financial investment. Audiences are introduced to New Zealanders they might not otherwise meet, hear their own accents, and gain a greater understanding of the stories, songs and people that shape us as a nation. NZ On Air funded content makes us feel at home.

In short, authentic New Zealand stories and songs made to surprise and delight New Zealand audiences can only be made here. NZ On Air, a Crown entity established under the Broadcasting Act, is charged with making this happen.

Annually we expect to invest over **\$130 million** into providing **content for local audiences.**



Our values

Innovation
new ideas, creativity,
quality production
standards

Diversity
people, projects,
platforms

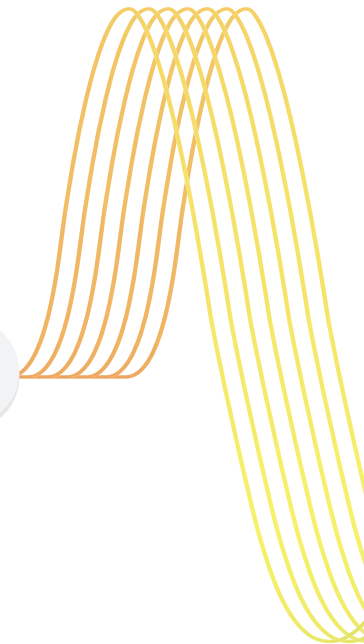
Skilful investment
cost effective content
reaching intended
audiences

Our Vision

Connecting and reflecting
our nation

Our Aim

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



STRATEGIC DIRECTION

ENVIRONMENT

Audiences today have considerably more choice for entertainment and information thanks to digital media platforms.

Most New Zealanders now have internet access, and data consumption and mobile platform use continue to rapidly increase - meaning more content on more platforms than ever before. While television and radio still deliver the largest audiences, they are increasingly more content curators and aggregators than content controllers.

The sector faces a volatile business environment. Rapid change to New Zealand's technology options and population demography leads to changing audience behaviour and expectations. This, along with a challenging media business environment, means mainstream content partners have restricted co-investment options and less appetite for diversity.

Despite the rapid change and volatility what remains true is the audience appetite for quality, relevant and diverse New Zealand content.

While our mandate is cultural, our investments have clear business benefit and create skilled jobs. The associated economic impact on other sectors (e.g. tourism, hospitality, facilities and equipment, the wider screen and music industries) is also important. For example, television production can be seen as the 'engine room' of wider screen production, helping underpin the skills training, infrastructure, work flow and creative development necessary for successful film making. Producers own the intellectual property of funded content and can market it both here and offshore.

In music, our support adds opportunities for recording professionals, music video makers and tour promotion. A radio or online hit can boost streaming revenue and record sales, and build audiences for live shows and tours, stimulating the wider music economy. New Zealand is one of the few countries that invests in local music.

Our Drivers

Clear focus: in the content outcomes business

Informed contributors: knowledgeable in our fields

Continual improvement: open to new ideas

Responsible stewards: careful with public funds

Friendly faces: collaborative and people-focused


Spirit: positive - we love what we do

Economic contributors: actively consider economic growth goals

Fairness: fair, transparent and simple processes


We work in a highly collaborative industry and have a long history of initiating successful partnerships. We will continue to work - and enjoy exploring new options with - other agencies with complementary mandates.

We are part of the wider cultural sector so our high level impacts also contribute to the aspirations of the cultural sector as a whole.




What will we do?
Investment goals


USE THE NZ MEDIA FUND TO



Support quality content *(Goal 1)*



Support diverse content *(Goal 2)*



Ensure discoverable content *(Goal 3)*

INVESTMENT GOALS

The **Funding Strategy** has three investment goals linked to impacts:



He Hua Kounga | Quality Content

NZ audiences enjoy well-made local content that matters

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



He Hua Kanorau | Diverse Content

NZ audiences value local content made for a range of communities

- New Zealanders will appreciate local content made for audiences with diverse interests
- Content creators will have a range of opportunities to make different types of local content



He Hua Kitea | Discoverable content

NZ audiences can find and appreciate local content

- Funded content will be available and enjoyed by audiences on the platforms they use
- Funded content will be online and free to watch or listen to at the beginning of its life and at regular points thereafter

The main way we deliver against these goals is the **NZ Media Fund** (NZMF). Introduced in 2017, the NZMF provides a simple, flexible approach to navigating a dynamic environment. The NZMF has four funding streams. The *Scripted*, *Factual* and *Music* streams are open and contestable. *Platforms* is a closed fund supporting selected entities to provide a wide range of public media content. Each stream has an associated annual work programme.

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

Figure 2: Funding Strategy





How will we do it?
Operating strategies

- ▶ Consistently apply the nine investment principles outlined in the Funding Strategy
- ▶ Encourage collaboration among stakeholders to promote innovation and commitment to local content
- ▶ Promote funded content to help audience discovery

OPERATING PRINCIPLES

Based around our Drivers (Figure 1), we will consistently use **nine investment principles**, delivering 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 general content and diverse content for targeted 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 Whaipainga 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 unlikely.
Me Matatika Fairness	Require accurate, reliable information from applicants to ensure good decision making in a contestable environment.

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



HOW WE WILL MEASURE SUCCESS



What will we achieve?
Impacts

- Quality**
NZ audiences enjoy well-made local content that matters
- Diversity**
NZ audiences value local content made for a range of communities
- Discoverability**
NZ audiences can find and appreciate local content

The key measures to assess if we have achieved our three impacts are:



He Hua Kounga | Quality Content

NZ audiences enjoy well-made local content that matters

Measured by:

The majority of New Zealanders believe NZ On Air supports local content important to New Zealanders

(target 75%)

New Zealanders aware of our support for content like that content

(target 70%)



He Hua Kanorau | Diverse Content

NZ audiences value local content made for a range of communities

Measured by:

NZ audiences appreciate the diversity of content funded by NZ On Air

(target 75%)



He Hua Kitea | Discoverable content

NZ audiences can find and appreciate local content

Measured by:

Annual audience targets are achieved for funded screen and music content

(targets as set in each annual Statement of Performance Expectations).

Detailed operating measures are set out in our annual Statement of Performance Expectations. They will be broad to allow us maximum flexibility in a volatile environment.

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

ORGANISATIONAL **HEALTH AND CAPABILITY**

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

We have four core goals.

- Recruitment, training and remuneration policies focus on attracting and retaining skilled, flexible, efficient and knowledgeable team players.
- Staff are committed to the agency and its work.
- Our office environment and equipment are safe and well maintained.
- Equal employment opportunity principles are incorporated in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size.

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

OUR SYSTEMS

Information technology is a critical component in supporting our work. Our core systems have been updated to support the NZ Media Fund from 1 July 2017. A rolling schedule of upgrades for our supporting systems is in place, combining outsourcing, cloud hosting and on site servers to gain the most effective solution for our information technology needs. Our website is a key component in how we communicate with our stakeholders. This is scheduled for a full upgrade in the first year of this SOI. NZ On Air has no other significant capital needs.

