

Children's Content Funding

Discussion paper

NZ On Air

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This paper was developed by NZ On Air with the input of a working group comprising: television producers Janine Morrell-Gunn, Mary Phillips, Nicole Hoey and Lisa Taouma; broadcaster Kathryn Graham; advocate Janette Howe; digital media/education experts Frances Valentine and Emily Loughnan. The group was facilitated by technology entrepreneur Melissa Clark-Reynolds. We are grateful for their assistance.

PURPOSE

This paper is intended to stimulate thinking and invite input into a new NZ On Air children's content funding strategy.

PROCESS

Six questions are highlighted at the end of this paper. Answers to those questions, plus any other feedback or suggestions for improvement to our approach, are welcome. Responses should be emailed to Anna Currie anna@nzonair.govt.nz by midday 17 July 2015. Please note we will be publishing responses in full or in part on our website.

NZ On Air will consider responses, adapt our approach as necessary, and discuss at a sector forum to be held around October 2015.

After the forum, and having considered any further feedback, NZ On Air will confirm its strategy for funding children's content to take effect from July 2016.

OVERVIEW

NZ On Air is reviewing its strategy and investments in children's content. Our focus is on ensuring funded content is available to children wherever they mainly access media.

NZ On Air is the primary funder of audio/visual NZ content for children. We want to support useful New Zealand content that is loved by its audience, available on a range of commonly-used platforms, and of a type that the market will not otherwise deliver.

While there is a wealth of international broadcast and online content available for children to access, it is crucial that there is also significant New Zealand content available. Local content reflects our identity, languages and culture, helping to establish, celebrate and reinforce what it means to be a New Zealander. It is particularly important that young people are exposed to these values while they are still working out their own identity and their sense of place.

This is a challenging fiscal environment as well as a time of rapid change in the way children's media is created, consumed and engaged with. Young audiences worldwide lead the way in the adoption of new platforms and technology. Increased broadband penetration and in particular tablets and other mobile devices have revolutionised access, with digital platforms transforming media use and audience behaviour overall.

New Zealand's 2013 census notes there are over 911,000 children and young people aged 0-15 years in this country. As such they form a significant audience, which is recognised in the Broadcasting Act.

This paper explores the current approach to children's content in New Zealand, what's happening overseas, and changes in media consumption and the market. We then suggest some options for change, and are seeking feedback on these.

CONTEXT

In New Zealand, NZ On Air is the sole entity with a specific statutory responsibility to support audio/visual content for child and youth audiences.

Internationally, in all but the largest markets, providing locally-made broadcast content for children is generally achieved by special measures. These include specifying children's content in public broadcasting charters, genre quotas on commercial broadcasters, dedicated funding, and/or other regulatory instruments. Such special provisions are intended to help young people develop a clear sense of cultural identity, to ensure adequate provision is made for an important audience with less commercial appeal, and also to moderate the amount of product marketing to young audiences.

Almost every country, including New Zealand, has signed the United Nations [Convention on the Rights of the Child](#). There are specific references to the right of children to have access to reliable and relevant information through mass media as well as having access to elements that support their use and learning of cultural identity¹.

¹Although it has no official standing, the 2014 World Summit on Children and the Media proposed a [Children's Media Charter](#) to recognise the importance of media content for children.

OVERSEAS SNAPSHOT: BROADCAST AND ONLINE CONTENT

The United States of America is the largest producer of English-language children's content: thus American-originated content dominates the free-to-air children's television schedules of many countries.

The 24/7 global children's channels found on most pay television services worldwide, such as Nick and Disney, have provided a place for children to watch (mainly American-sourced) television at broadcast times that suit them. These channels also offer online on-demand services focused on children alongside their broadcast channels.

In other English-speaking countries, commercial television channels mostly screen foreign children's content. Local children's content is generally present if there is a quota, subsidy, regulatory requirement or some other way to acquire content well below the cost of production. Broadcast channels are advertising-supported but, increasingly, online offerings are subscription-based and advertising-free. Online children's spaces often also have pay-per-play games or other digital content (e.g. Club Penguin) as part of the channel's engagement plan and as a revenue generator.

Public broadcasters, such as the BBC in the UK and the ABC in Australia, typically have non-commercial broadcast children's channel(s) and a portal for children's content that is a combination of on-demand television programmes and additional online-only content, games, resources and interactive content. Foreign content is included as well as local content.

The non-commercial offerings in several relevant countries are briefly noted below.

UNITED KINGDOM

In the United Kingdom the BBC provides children's and young people's content on three broadcast channels:

- [CBBC](#) provides mainly UK programmes for primary-aged children aged six to 12 years at a total cost in 2013/14 of £101 million, of which £76 million is for content.
- [CBeebies](#) offers mainly UK programmes, for children aged 0 to six years at a total cost in 2013/14 of £42.6 million, of which nearly £29 million is for content.
- Digital channel [BBC3](#), aimed at youth, which includes a relatively large amount of foreign content. The budget for this channel is over £85m. In April 2015 the BBC announced a cost-cutting move to migrate this channel to an online service only available through iPlayer². This is part of a planned change for the BBC iPlayer from a broadcast TV catch-up service to the BBC's primary digital entertainment destination and complementary fifth channel.

The 2013/2014 BBC Annual Report noted the difficulties of remaining relevant at a time when more content choices are available, especially for older children. The new CBeebies mobile app had been downloaded two million times during the year.

² <http://www.bbc.com/news/entertainment-arts-26452235>

Digital delivery of content has been increasingly important to the BBC. More children watched BBC content on-demand by the end of 2012 than broadcast and this is expected to continue to increase. A 2013 BBC Trust review of its programming for children found that 2.1 million children aged four to 12 watched the main channels BBC1 and BBC2 every week but did not watch either CBBC or CBeebies. The same report noted difficulties in drawing CBeebies viewers across to the older CBBC channel as they moved into the target age group.

The UK communications regulator Ofcom has [rolled children's issues](#) into its 'future of PSB' work. As it did this it concluded:

There is no evidence that the market will fill the gaps in children's content provision left by falling investment by the commercial PSBs. No commercial digital channel has established a business case for investment in high quality UK programming for older children, and our modelling suggests that such a case is unlikely to emerge.

AUSTRALIA

The ABC offers two channels for children, both with interactive websites, and has just launched an app for children that brings together its children's content.

- ABC3 is aimed at children aged 5-12 years, broadcasting 49% Australian content 15 hours per day.
- ABC4 Kids is aimed at pre-schoolers. The channel broadcasts 26% Australian content 13 hours per day.

The ABC notes the increasing focus on users creating content with the launch of user generated content platform RAWR and the 'Art Maker' tablet app. *The Australian* earlier this year cited the annual budget for programming, acquisition and broadcast of children's content as AUD\$34 - \$40m.³

THE USA

In the US, the public broadcaster's specialist website [PBS KIDS](#) focuses on curriculum-based entertainment. *"With a 360-degree approach towards learning and reaching children, PBS KIDS leverages the full spectrum of media and technology to build knowledge, critical thinking, imagination and curiosity. By involving parents, teachers, caregivers and communities as learning partners, PBS KIDS helps to empower children for success in school and in life."*

CANADA

In Canada, alongside its broadcast content, the CBC has a section on its [website](#) divided into content for under 6 and over 6 years. While this contains some on-demand content, the site is not a digital delivery mechanism for content, but more of more an engagement tool.

IRELAND

Ireland is a useful small-country comparison. Alongside its children's programming Ireland's public broadcaster RTE has a small part of its website aimed at [kids and teens](#). This site includes some 'catch- up' programming, and is designed to support the terrestrial/broadcast offering.

³ <http://www.theaustralian.com.au/media/broadcast/drama-kids-tv-raided-for-wages/story-fna045gd->

ONLINE

In all countries the commercial phenomenon that is YouTube is revolutionising viewing behaviour. *“Children’s videos are huge on YouTube, with six of its global top 10 channels in January 2015 aimed at kids: toy-unboxing channels Funtoys Collector and Blu Toys; Minecraft gamer Stampy; Little Baby Bum (animated nursery rhymes); and two Russian animation channels, Masha and the Bear and GetMovies.”*⁴

The most popular teenage-oriented channels (13-18 yrs) on YouTube also have high numbers of subscribers (almost 20million for [Smosh](#); 35million for [PewDiePie](#) and 11million for [The Fine Bros](#)).

YouTube recently launched the YouTube Kids app in the US for touch devices which is advertising-free and curates and aggregates content for children in a safe environment. This app has more television-like content (e.g. series and whole programmes) than the typical short-form YouTube content. YouTube Kids is likely to launch in NZ and early indicators are that it will include local content sourced directly from local producers. As commentator David Kleeman [notes](#): *“Kid video on-demand services have been popping up almost weekly.... Some are from the biggest companies (Viacom reviving the Noggin brand for preschool streamed content) and some from startups. All saw their world and business model tilted on its axis with the YouTube Kids launch.”*

Kleeman’s further comments set out the issues nicely:

“The way I see it, there are three types of VOD business that are relatively protected from the YouTube tsunami:

- *The most massive services -- particularly those that have content for all audiences, like Amazon, Netflix or Hulu -- will be minimally affected, though they may see more competition for acquisition or development (YouTube Kids said very little about how it would pursue new and original content);*
- *Services that offer interactive engagement alongside video (like Playkids, with games and programming) should find an audience that comes for the games and activities and stays for the shows; and*
- *Those VOD brands that are highly focused, that can state clearly to parents what's special and unavailable elsewhere, should do well. One example is Oznoz, with try-and-buy or subscription options for programming from other countries, in their original languages.*

Of course, no one -- not these three groups or even YouTube Kids -- is immune from the biggest challenges to children's TV. There's a glut of content, and parents are overwhelmed (kids may be less so, if only because most have never known a world without mobile media). Curation, review and navigation services are bound to gain increasing power.....

There's also the basic issue of defining what is "television". One Kidscreen Summit panel considered the statement, "if your mission is to save television, you've already lost." I'd contend that the goal isn't to "save" TV, but to redefine it. Young people already have: for them, it's not the box in the corner, or even 22-minute stories around a brand. Instead, it's video in all its glorious forms -- six-second Vines, watching others play games on Twitch, UGC and Spongebob.”

⁴ <http://www.theguardian.com/technology/2015/mar/19/little-baby-bum-worlds-fifth-biggest-youtube-channel>

NEW ZEALAND SNAPSHOT: BROADCAST AND ONLINE CONTENT

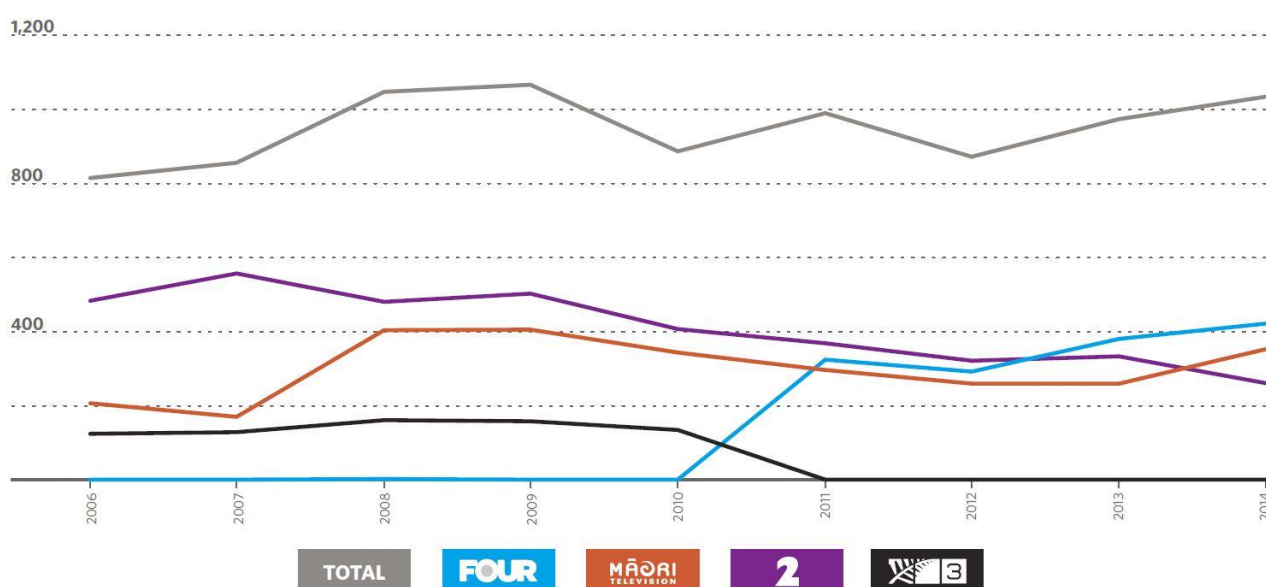
THE TV BROADCASTERS' OFFERINGS

The overwhelming majority of children's content on television channels is foreign-sourced. Free-to-air local children's programming features offpeak on [TV2](#), [FOUR](#) and [Māori Television](#), all funded fully or predominantly by NZ On Air or Te Māngai Pāho.

Figure 1: Hours of children's content by channel from 2006-2014⁵.

CHILDREN'S AND YOUNG PEOPLE'S PROGRAMMING

Fig 26. Chart of Children's Local Content by Channel



In addition many prime time mainstream local programmes also attract large numbers of older children and young people, for example natural history series *Our Big Blue Back Yard*, singing competition *The X Factor NZ*, and serial drama *Shortland Street*.

Online offerings from these broadcasters mainly comprise a simple on-demand service. None has a specialist, interactive children's space. It is rare for children's content to be promoted to children and user statistics are not made public. With broadcasters wishing to prioritise their on-demand platforms, any legal YouTube presence for local series is generally limited to clips rather than full episodes.

Of the six dedicated children's television channels available in New Zealand (Disney, Disney Junior, Nickelodeon, Nick Junior, The Cartoon Network, [Kidzone](#)), all but the latter are foreign and all are behind a paywall.

⁵ Source: *Local Content 2014* <http://www.nzonair.govt.nz/document-library/local-content-report-2014/>

ON RADIO

The radio industry has largely exited the children's content space. A handful of offpeak programmes is scattered across smaller stations and RNZ National. NZ On Air funds [The Great Big Kids' Show](#) for multiple small stations, but broadcaster support for the long-running [That's The Story](#) has ceased. In early 2015 CPIT broadcasting students launched [Chalk FM](#), a radio station aimed at 8-12 year olds and their parents, providing age-appropriate news and Top 40 music.

Of course much NZ On Air-funded music is of interest to teenagers, accessed via radio networks targeting older audiences and online streaming services. We do not specifically fund children's music for a younger audience due to the lack of a broadcast outlet for this music, although the growing consumption of music online may present new opportunities.

The first local online children's radio station emerged on iheartradio in 2014, sponsored by Plunket, and we understand Radio New Zealand is also considering a variety of new options for reaching younger audiences. However [our own research](#)⁶ shows children's interest in spoken radio content is generally low.

SUBSCRIPTION VIDEO ON DEMAND

Legally available SVOD options are today increasing rapidly in New Zealand. Spark's [Lightbox](#) has recently joined [Quickflix](#) to offer popular foreign series such as *Wiggles*, *Charlie and Lola*, *Blue's Clues*, and *Pingu*. There is no advertising, and parental controls can be used to ensure a child can only access appropriate content. Sky TV has recently launched [Neon](#), with a small children's menu, and [Netflix](#) has also recently officially arrived. These services offer little or no local children's content and there is no current indication that any service is likely to pay for first-run original local content of any scale for some time.

CHILD ORIENTED WEBSITES

NZ-based websites aimed at children are relatively rare and not well-resourced. They generally relate to a specific television programme (e.g. *What Now*, *Poppet Stars*, *The Moe Show*); are part of a broadcaster website such as *Sticky TV*; education-based (Ministry of Education sites such as www.wicked.org.nz); or genre-based (www.sciencekids.co.nz). Information about the usage of these sites is difficult to access but cut-through looks to be limited.

IN THE CLASSROOM

The Ministry of Education does not control what teachers elect to use as resources because schools are free to construct their own curriculum. Private sector providers enable licensed access to online teaching resources, which can include broadcast content – see [eTV](#) and [Clickview](#). eTV secures rights to most NZ television productions for educational use.

⁶ Children's Media Use Study 2015

As noted by a Ministry official, the NZ curriculum and Te Marautanga o Aotearoa are ‘broad and permissive’ documents.

“Schools set their local curriculum (and so choose the content they want to cover) to meet the needs of their community. As a central ministry, we don't determine what content and topics each school will cover. So there is enormous variety throughout the NZ education sector.”

However the Ministry is aware of the absence of quality online New Zealand-made audio/visual content available for educational use. A 2014 [report](#)⁷ for the 2020 Communications Trust notes that use of digital technology in schools is increasing swiftly, but it is unknown what the demand for locally-made audio/visual resources might be.

Independent sites are hard to find and lack general profile. For example there is Tauranga-based <http://www.kiwikidsnews.co.nz>, a useful news service aimed at ‘students, teachers and families’. We do not have data on the extent of their audience.

It is not yet clear how the new Network For Learning education-based portal [Pond](#) will work in serving children directly. It is currently uncurated and possibly aimed more at teachers than children.

It is clear that online content use by children is increasing exponentially, for both recreational and educational purposes – and sometimes both. The lack of quality local online content may provide an opportunity to improve integration of broadcast and educational goals.

NZ ON AIR'S ROLE IN EDUCATION

Traditionally, NZ On Air has had limited direct involvement with the education sector. Broadcast content, which may inform, entertain and has the potential to educate, is nonetheless not primarily designed to be curriculum material. Nor should it be. In short, NZ On Air focuses directly on the entertainment and information needs of child audiences; from a resources perspective, the Ministry focuses on teachers.

Nonetheless there are secondary use opportunities. Individual producers can sometimes find alliances in the education sector to extend broadcast content use, although most report some frustration with the lack of a clear pathway. The lack of that pathway also means that specific Ministry of Education and NZ On Air goals are not aligned.

There remains an opportunity here. NZ On Air is discussing with various parties, and ideas for better integration are welcome.

⁷ <http://2020.org.nz/wp-content/uploads/2014/07/Digital-Technologies-in-School-2014-FINAL.pdf>

NZ ON AIR'S CURRENT FUNDING ACTIVITY

A core function of NZ On Air is to 'reflect and develop New Zealand identity and culture'⁸. The agency is the only New Zealand media entity specifically required to provide for child audiences⁹.

Children's content is connected to four of the six NZ On Air over-arching [strategies](#):

- Maintain a balance of mainstream and special interest content
- Ensure a sound business case supports each funding decision
- Test different and diverse digital initiatives
- Better understand our intended audiences needs

The agency commits \$14m-\$18m annually to a range of content, mostly for television audiences with some recent digital media funding support for online-only content. In addition some funded prime time mainstream television programmes also attract large numbers of children and young people.

First release on a free-to-air channel is required – no NZ On Air-funded content is commissioned specifically for channels behind a paywall. Programmes are also required to be subsequently available online, usually for a defined period.

TELEVISION FUNDING

A diverse range of programming is supported from (comparatively expensive) drama and animation to (comparatively inexpensive) long-run magazine series. Funded programmes have a clear target audience, are broadly underpinned by educational goals, and hold their own against international content.

Most New Zealand domestic children's content is different to that made for the international market. Some core aspects – Māori language, NZ Sign Language, regional, ethnic and linguistic diversity – are generally undesirable in content made for international markets. These cultural elements make domestically-focused funding important.

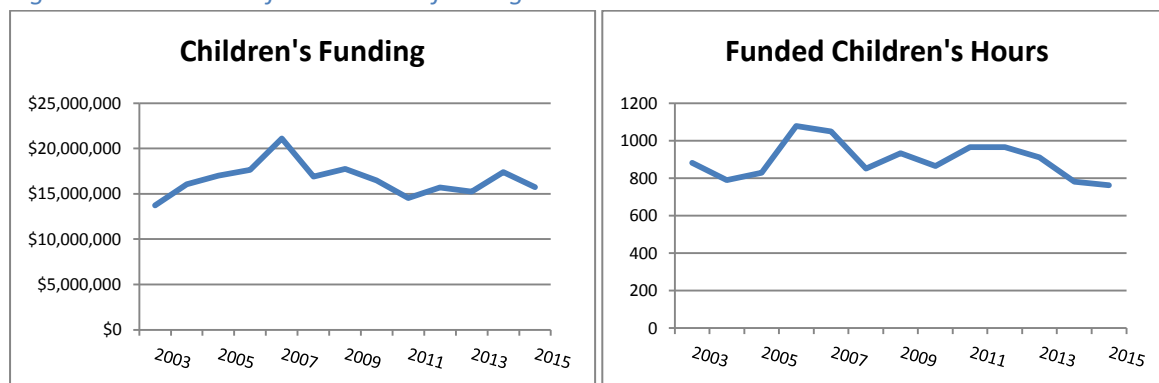
Specific children's funding applications are considered annually all together. This is so that all ideas can be considered simultaneously, and to encourage broadcasters to focus strategically on this genre. As with all genres, demand for funding exceeds supply.

Current funding practice aims to have a local option for young people to watch on television almost every day of the week. The amount of funding and the hours achieved have been fairly constant over the last 10 years with little sustainable growth.

⁸ Broadcasting Act 1989 s 36(a)

⁹ Broadcasting Act 1989 s36(c) - *to ensure that a range of broadcasts is available to provide for the interests of...children...youth*

Figure 2: Data trends for hours and funding



Source: Nielsen Television Audience Measurement

TYPES OF FUNDED CHILDREN'S TV CONTENT

The range of content across the pre-school, primary and secondary target age groups is also generally consistent. The target age range of NZ On Air-funded children's television programmes for the 2014/15 year (to date) is set out in Figure 3.

Figure 3: NZ On Air funding by age group

Programme	Type	Duration	Channel	NZOA \$
Pre School				
<i>Little Monstar 2</i>	animation	40 x 5	TV2	\$394,980
<i>Wiki The Kiwi 3</i>	animation	12 x 7	TV2	339,670
<i>The Moe Show 2</i>	puppet	52 x 11	FOUR	\$1,974,926
				\$2,709,576
Primary				
<i>What Now 2014</i>	Magazine	40 x 120	TV2	\$ 3,189,000
<i>Pukana (captioning)</i>	Magazine	(80 x 26)	FOUR	\$54,901
<i>Sticky TV 2014</i>	Magazine	264 x 35	FOUR	\$2,364,627
<i>The Barefoot Bandits</i>	Animation	10 x30	TV2	\$827,670
				\$6,436,198
Intermediate/Secondary				
<i>The 4.30 Show</i>	Magazine	200 x 30	TV2	\$3,080,400
<i>2Kaha 2*</i>	Māori	25 x 30	TV2	\$ 1,025,000
<i>Fresh*</i>	Pasifika	25 x 30	TV2	\$1,143,890
<i>Smokefree Rockquest 2015</i>	Entertainment	1 x 1 + 4 x 30	FOUR	\$319,050
<i>The Cul De Sac</i>	Drama	6 x 30	TV2	\$1,024,942
				\$6,593,282
Total Children's TV 2014/15 (as at March 2015)				\$15,739,056

*These series are funded as 'youth' programmes. Source: Nielsen Television Audience Measurement

Funding constraints mean there is less drama and animation than is desirable, and the recent reduction of international children's co-productions (a way to help fund comparatively expensive content) has been noticeable after the global financial crisis. For animation, its inclusion in the

Screen Production Grant¹⁰ may help.

In 2015 two long-running factual series *Operation Hero* and *Just the Job* were not renewed by the broadcaster. Nonetheless both TV2 and FOUR tell us they remain interested in screening local children's content but are unable to invest significant money or promotional resource.

The longer-running magazine series are designed for currency and rarely have a long shelf life. This content is rarely repurposed or repeated. However preschool content is often repeated as the audience is constantly renewed.

Finding secondary audiences for content by collective sharing (e.g. online) can be difficult due to the commercial rights involved in the programme commissioning process.

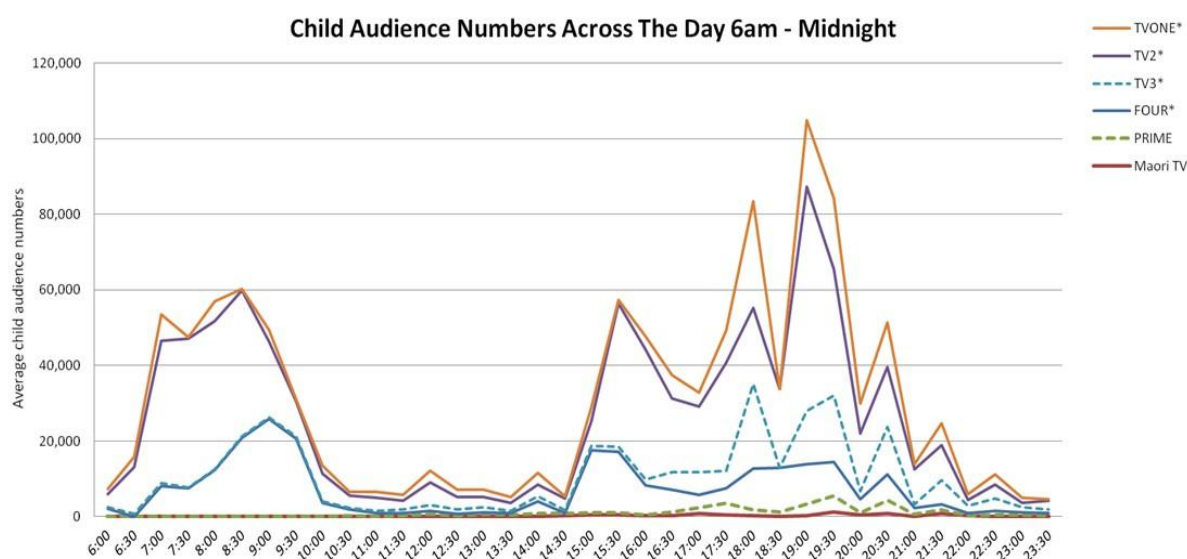
To date funding constraints have meant there is limited standalone or engagement-oriented online/transmedia content. Nonetheless funded television producers have gradually increased their online presence, including ramping up social media engagement.

NZ CHILDREN'S TELEVISION VIEWING DATA – 5-14 AUDIENCE

Like adults, children's viewing has changed significantly over the years. The continued expansion of Sky (in 50% of households and currently offering six dedicated children's channels as well as general channels that have strong appeal to younger audiences e.g. MTV, E, Discovery) and internet platforms like YouTube has seen the free-to-air audience fragment.

It has always been the case that New Zealand children's programmes do not make children's most-watched programme lists. As shown in Figure 4, the biggest child audiences are in early evening prime time: but free-to-air children's programmes screen offpeak.

Figure 4: Average number of children aged 5-14 watching FTA channels over the day Jan –Dec 2014



¹⁰ The only genre that may access the production rebate scheme for content aimed at international markets as well as be eligible for NZ On Air's funding focused on domestic audiences.

A range of 2014 viewing data is set out at Appendix 1¹¹. Audience numbers vary. Multiple viewing options clearly help and longer-running series generally each attract well over 20,000 broadcast viewers in total. In short, children mostly like films, drama and cartoons, a trend unchanged over decades. When *Shortland Street* was created, one of the drawcards for NZ On Air was its potential to attract older children as part of the general audience in prime time.

Online viewing is rising exponentially but statistics are rarely made public. We know that programmes that are several years old (e.g. *Cool Kids Cooking*, *The Erin Simpson Show* and *Let's Get Inventin'*) are still attracting views, illustrating the longer 'shelf life' that some children's programmes can have when they are made available online for some time.

DIGITAL MEDIA FUNDING

In 2012 NZ On Air funded two projects through the Digital Media Fund aimed at younger children.

- [Nia's Extra Ordinary Life](#) – a 12-part webseries for children aged 6-10. The series was well received by children and parents around the country but audience numbers were relatively low due to challenges in reaching the target audience. YouTube views were modest at around 12,000 in total although additional viewers were later reached through Māori Television's on-demand platform.
- [Let's Get Inventin'](#) – an iPad app developed from the successful TV show. The app was promoted through the final broadcast series of *Let's Get Inventin'* and through live audience events. Within the first nine months the app was downloaded 1,743 times. The long-running television series was not renewed in the very year the app was launched, demonstrating one of the risks attached to aligning digital media to TV production.

In 2014 NZ On Air prioritised the child audience for funding applications to the Digital Media Fund. A number of projects have been funded since. They include:

- [Little Legends](#) - an interactive app for iOS tablets that lets kids create their own stories
- [Sign Ninja](#) - a web-based game to teach children NZ Sign Language
- *Jiwi's Machines* – an upcoming webseries that involves children in the creation of machines designed to inspire budding young New Zealand inventors, innovators and scientists
- *Wild Eyes* – an upcoming interactive app for iOS and Android that will involve children in exploring the great outdoors and conservation.

We also fund streaming of the final of the secondary schools choral competition *The Big Sing*, which reaches audiences in excess of 150,000 over the course of each year. And, while aimed at a slightly older audience, webseries [Yours TV](#) launched on TVNZ On Demand in May 2015 featuring content created by young people with the assistance of professionals.

There has been little connection with the games industry, largely because games content tends not to be culturally specific. It could be, but the pedagogic value would have to be clear.

There is no shortage of great ideas for interactive or digital children's content, but the main issues are:

- having a clear strategy and purpose for investment to maximise impact
- having the funds to support more of the proposed ideas
- having a recognised and promoted online place where projects can be found

¹¹ All data is sourced from A C Nielsen

- being able to reach audiences to make them aware of digital projects
- attracting large enough audience numbers to warrant investment.

NZ AUDIENCE RESEARCH – CHILDREN’S MEDIA USE

In 2015 NZ On Air published [research](#) into NZ children’s media use¹². This is a comprehensive study from interviews with parents and children aged 6-14 in more than 700 households nationwide.

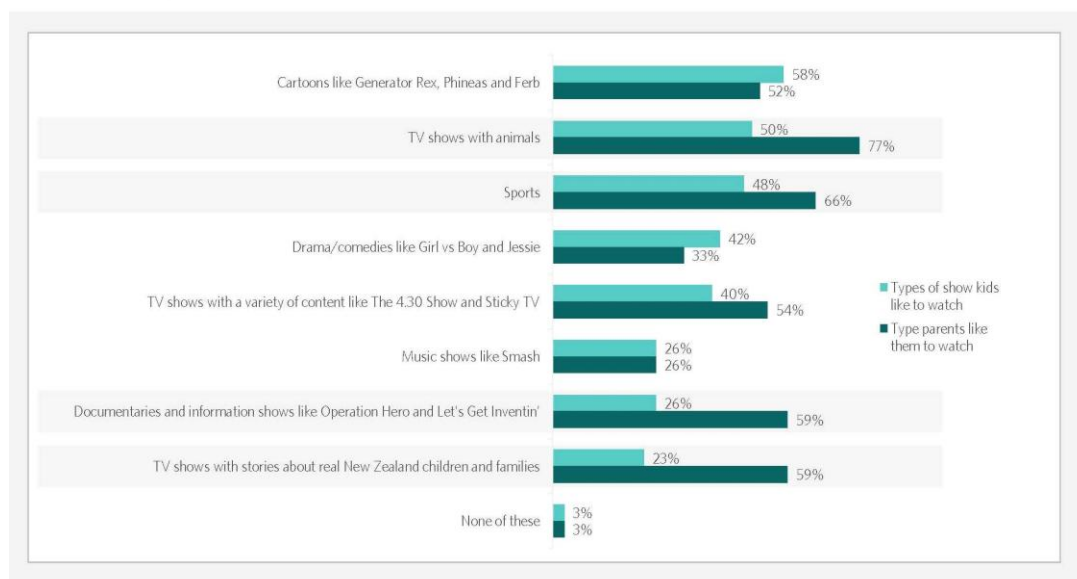
KEY FINDINGS

- TV is a constant presence in children’s lives, reaching nine out of ten 6-14 year olds each day. Nearly every household with children in this age group has a television.
- Two thirds of these children also use the internet each day; and nine in 10 children use the internet at home.
- Independent internet use increases rapidly from school age. Parents are the key decision makers until about 8 years; after which children start finding online content themselves.
- YouTube is as popular among children as their most watched TV channel, TV2.
- Tablets and smartphones are used more by Pakeha, Asian and wealthier families and uptake is rising swiftly.
- Māori and Pacific children, and those from rural and lower income homes are less likely to regularly use a tablet.
- Children in cities are more likely to be regularly using You Tube; children in smaller cities and provinces are more likely to watch TV.
- Use by children of broadcaster on-demand platforms is low.
- There is strong support from parents for New Zealand-made programmes.

Figure 5: Parent and child audience preferences

Parents’ preference for types of children’s TV shows

Parents’ preferences differ from their children’s. More parents would prefer their children to watch animal shows, sport, documentaries, or shows about real NZ children and families than cartoons.



¹² Ofcom in the UK conducted a similar study in late 2014: [Children and Parents – Media Use and Attitudes Report](#). The findings are very similar to the NZ study.

SUMMARY OF ISSUES

There are existing and emerging challenges and opportunities in serving local content to New Zealand child audiences. The preceding discussion can be summarised as below.

TELEVISION CONTENT

- Television content remains important, especially to serve less privileged and rural children, and television is still the prevalent platform.
- Local content is valued by children and parents.
- Given exponentially increasing online use, a television outcome alone cannot be considered successful.
- Local children's television production has good coverage in the schedules, with long-running daily and weekly programmes but –
 - genre and age group diversity is limited, mainly due to funding constraints (for example, comparatively low levels of animation and drama)
 - online access after broadcast is mainly on platforms not tailored to and rarely used by children
 - much funded content has relatively short shelf life and therefore limited online appeal
 - children's audiences are quite distinct by age (and possibly more fine grained than our pre-school, primary, secondary groups). It is difficult to make programmes that appeal to, say, both primary and intermediate children.
- Even though NZ On Air fully or nearly-fully funds most children's content, licensing issues constrain widespread use on multiple platforms including YouTube. Sharing content can be complicated due to IP and rights issues.
- Funded producers have carefully maintained and developed their online presence and are ramping up social media use, all within existing budgets.

ONLINE-ONLY CONTENT

- To date, funded digital media (online-only) projects have been relatively small scale and most have struggled to find audiences of any scale, even when very well executed.
- There is a large amount of very good foreign children's content online (often series made for television) with new services launching weekly.
 - In some ways this is the same as the television market has always been, where unlimited foreign content is more easily available than commissioning costly local production.
 - In other ways the situation is quite different because children now select their own online content whenever and wherever they choose.
- It is difficult to launch online content successfully outside an existing website or online aggregator of substance. This is because both discovery and repeat visits are very difficult to achieve.
- YouTube is the main content discovery site accessed by NZ children.

LINKS TO EDUCATION

- There is no strategic connection to the provision of educational or curriculum content (which might help to extend audience reach from NZ On Air's perspective; and also provide potentially useful tailored NZ audio/visual material from a curriculum perspective).

FUNDING

- Local broadcasters will not financially invest in children's production in any significant way, but TV2 and FOUR (and Māori Television, focusing on Te Reo) continue support by creating and programming children's schedules. This support cannot be taken for granted.
- NZ On Air funding of television and digital media for children has mostly been decided separately due to funding constraints, television's large reach, and a desire to maximise funded television hours.
- Funding is static and significant co-investors are rare. There are often ethical issues around possible co-investment from businesses selling some types of consumer products.
- The environment is changing rapidly and success is hard to predict. While public funding encourages creative risk taking, funding is too precious for significant projects to fail.

CONCLUSION

- Given the rapidly changing environment, there is new uncertainty and risk about where public funding can be most usefully applied to benefit the largest New Zealand child audiences.

Discussion point 1:

Do these key issues effectively summarise the environment as it relates to NZ On Air funding strategy? Is anything missing?

A POSSIBLE POLICY

The New Zealand Children's Screen Trust has drafted a children's media rights declaration. The core principles are extracted below. There are similar documents in other jurisdictions.

The draft declaration asserts:

1. Children have a right to accessible and diverse local media which is made specifically for them and which doesn't exploit them.
2. Children should have access to media which entertains, educates and stimulates them and which allows them to develop to their fullest potential.
3. Children should see themselves, their culture, their life experiences and hear their accents in a range of quality programmes which affirm their sense of self, community and place.
4. Stories are vital for the development of identity and imagination. Stories relevant to their age and culture should be available to children of all ages.
5. Children's media should be wide-ranging in genre and content, but should not include gratuitous scenes of violence and sex.
6. Children's programmes should be aired in regular slots at times when children are available to view, and/or distributed via other widely accessible media or technologies.
7. Sufficient funds must be made available to make children's programmes to the highest possible standards.
8. Children of all backgrounds, ethnicities and abilities should see and hear themselves reflected positively in local programmes.
9. Children have a right to be safe in accessing media on all platforms.
10. Children must be enabled to exercise their creativity in making and interacting with programmes.

Although currently television-centric these ideas, or some of them, could form a useful policy base for NZ On Air.

Discussion point 2:

Is this an appropriate policy approach to frame NZ On Air's children's funding work?

Why or why not?

A POSSIBLE STRATEGY

Considering the above, set out below are some assumptions relating to NZ On Air and children's content that might inform the development of a strategy.

We are likely to define children as preschool and school age, namely -

Preschool 2-5 years

Primary 6-12 years

Secondary 13-17 years

Our assumptions are that funded content should:

- Be child-centred and age-appropriate
 - Be delivery and device-agnostic
 - Be focused on NZ culture and identity
 - Be diverse
 - Be free
 - Attract appropriate partnerships
 - Avoid overt commercial presence
 - If primarily or fully funded, be shared
- not aimed at parents or teachers
 - available where children are watching; interactive
 - different from foreign content, culturally relevant
 - different ages, ethnicities, abilities, interests
 - public funding requires access without a paywall (but extra screenings, whether or not behind a paywall, are encouraged)
 - increase production quantity, encourage co-production, be ethical
 - serving children as citizens not consumers
 - multiple use in multiple places, possible exceptions for content created to sell internationally

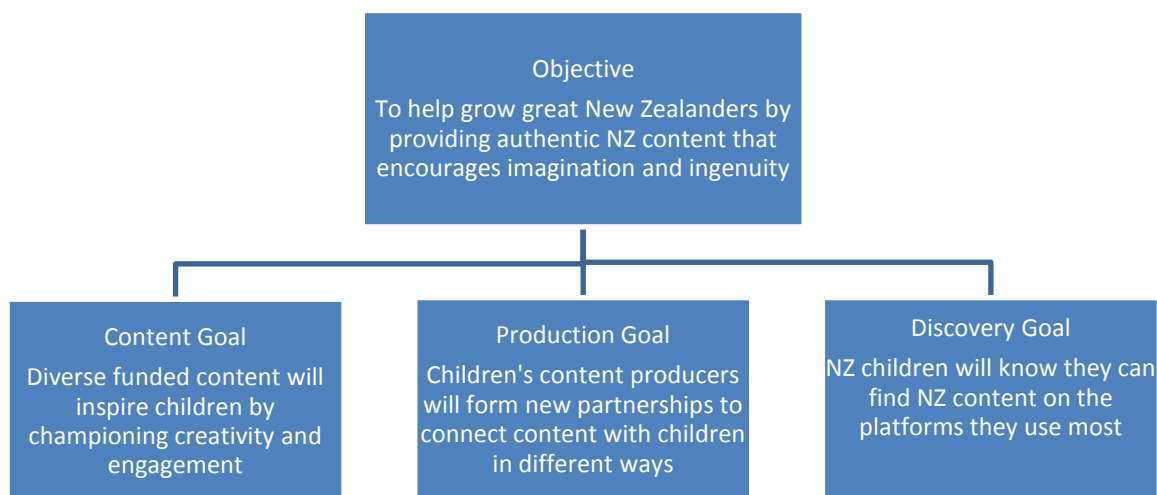
Discussion point 3:

Are these correct assumptions and the most important?

Why or why not?

A PROPOSED STRATEGIC FRAMEWORK

A core aspect of local content is its contribution to national identity. This is especially important when considering content for children and young people. Formed around the preceding policy and strategy ideas, a strategic framework for children’s media funding could look like this:



Based on this framework we would expect to develop actions for content, production and discovery, such as:

- Prioritising funding applications that contribute to these goals
- Creating or merging television and digital media content funds
- Prioritising projects that are
 - intended for multiple platforms
 - with extended online access on popular platforms
 - with improved interactivity, and
 - with good repurposing potential
- Working with partners outside the broadcast sector to help connect funded content with children in ways additional to broadcast (e.g. education, other entities serving children with a broad cultural or non-commercial purpose)
- Encouraging producers to seek international and new domestic partnerships
- Encouraging new relationships between content makers of many types

Discussion point 4:

Is this proposed strategy setting out a strong path?

Why or why not?

POSSIBLE OPERATIONAL CHANGES

Given wider fiscal constraints, it is unlikely additional Government funding will be available in the short term. Particularly related to the Content Goal above, funding options for NZ On Air include various possibilities, combinations or change in stages. In summary they are:

1. Broadly **maintain and enhance** the status quo, concentrate on television quantity while audience numbers are strong (i.e. maintaining a daily presence), make occasional special allocations of digital media funding, look for convergence opportunities as they arise.

Main strength: TV quantity maintained on platforms with large audience
Main weakness: Online presence of any scale unlikely, daily scheduled viewing may not reflect child audience behaviour in the future, risk of audience leaving us behind.

2. **Combine** children's television and some digital media funding and prioritise fully multiplatform and interactive content

Main strength: Converged content, more diverse content, higher interactivity
Main weakness: Lower output, fewer TV hours

3. **Increase** children's funding further by reducing funding from another genre

Main strength: Increased output, TV and online
Main weakness: Reduced output in another genre, all genres already under pressure

4. **Look ahead** to online as the future and encourage or help create an 'online home' for New Zealand content for children (aged 5-10 would be the most likely age range)

Main strength: A culturally specific and interactive online home where none exists
Main weakness: Where would it live? (e.g. stand alone, YouTube, On Demand?)
 Hard to find/maintain an audience for a new platform, reduced TV output, high risk, longevity? Funding issues. Rights issues.

Discussion point 5:

Which is the strongest operational option? Why?

Are there others?

If change is preferred, what is the best risk mitigator?

Discussion point 6:

Are there any other important matters raised in or omitted from this paper that need to be considered?

Appendix 1: Audience data January – December 2014

Figure 1.1: Viewing averages for long-run NZ On Air-funded children's series Jan – Dec 2014

2014 YTD Average Audience	Channel	All 5-14 %	All 5-14	All 5+ %	All 5+	\$ per hour	\$ per viewer
<i>The 4.30 Show</i>	TV2	4.10%	25,056	1.90%	78,907	\$30,804	\$1.23
<i>The 4.30 Show (R)</i>	TV2	0.16%	970	0.19%	8,075	\$0	\$0.00
<i>What Now</i>	TV2	5.81%	35,629	1.88%	78,134	\$39,862	\$1.12
<i>Sticky TV</i>	FOUR	0.90%	5,520	0.31%	12,800	\$15,353	\$2.78
<i>Sticky TV (R)</i>	FOUR	1.41%	8,603	0.50%	20,817	\$0	\$0.00
<i>Sticky TV Omnibus</i>	FOUR	1.61%	9,873	0.49%	20,458	\$0	\$0.00

Source: Nielsen Television Audience Measurement

Figure 1.2: Top 20 general programmes watched by children 5-14 Jan-Dec 2014

#	Title	Time	Channel	AUD 5-14	AUD% 5-14
1	<i>Despicable Me</i>	7:00pm Sunday	TV3	129,944	21.38%
2	<i>Toy Story That Time Forgot</i>	7:00pm Sunday	TV2	115,812	19.21%
3	<i>Ratatouille</i>	6:45pm Sunday	TV2	101,584	16.57%
4	<i>Brave</i>	6:40pm Sunday	TV2	97,502	15.69%
5	<i>Alice in Wonderland</i>	7:30pm Sunday	TV2	96,331	15.98%
6	<i>Cars 2</i>	7:00pm Sunday	TV2	93,910	15.25%
7	<i>Hotel Transylvania</i>	6:40pm Sunday	TV2	92,831	15.10%
8	<i>Hoodwinked Too! Hood vs. Evil</i>	6:50pm Sunday	TV2	92,701	15.03%
9	<i>Toy Story of Terror</i>	7:30pm Saturday	TV2	92,279	15.21%
10	<i>Gnomeo & Juliet</i>	7:00pm Sunday	TV2	88,272	14.18%
11	<i>The Smurfs</i>	6:30pm Sunday	TV2	84,708	13.64%
12	<i>17 Again</i>	7:30pm Weds	TV2	82,705	13.36%
13	<i>A Christmas Carol</i>	7:30pm Weds	TV2	80,220	13.33%
14	<i>Yogi Bear</i>	6:55pm Sunday	TV2	80,087	13.26%
15	<i>Hop</i>	7:00pm Friday	TV3	79,881	13.00%
16	<i>Shrek Forever After</i>	7:00pm Sunday	TV3	79,471	13.15%
17	<i>Prep & Landing Naughty vs. Nice</i>	7:00pm Sunday	TV2	79,184	12.99%
18	<i>The Grinch</i>	6:30pm Sunday	FOUR	78,783	13.10%
19	<i>Mars Needs Moms</i>	6:50pm Sunday	TV2	77,119	12.49%
20	<i>Tangled</i>	6:30pm Sunday	TV2	75,044	12.35%

Source: Nielsen Television Audience Measurement

Figure 1.3: 2014 Top 20 children's programmes watched by children 5-14 Jan-Dec 2014

#	Title	Time	Channel	AUD 5-14	AUD% 5-14
1	<i>Toy Story That Time Forgot</i>	7:00pm Sunday	TV2	115,812	19.21%
2	<i>Toy Story of Terror</i>	7:30pm Saturday	TV2	92,279	15.21%
3	<i>Prep & Landing Naughty vs. Nice</i>	7:00pm Sunday	TV2	79,184	12.99%
4	<i>Randy Cunningham 9th Grade Ninja</i>	7:50am Saturday	TV2	52,256	8.54%
5	<i>My Little Pony Equestria Girls</i>	8:45am Sunday	TV2	50,535	8.34%
6	<i>Phineas and Ferb</i>	7:50am Saturday	TV2	49,524	8.08%
7	<i>Anastasia</i>	6:30pm Saturday	FOUR	49,375	8.25%
8	<i>TransFormers Prime</i>	8:40am Saturday	TV2	48,236	7.89%
9	<i>Teen Titans Go!</i>	7:30am Saturday	TV2	45,006	7.37%
10	<i>Generator Rex (R)</i>	8:15am Saturday	TV2	44,300	7.24%
11	<i>Green Lantern The Animated</i>	8:15am Saturday	TV2	43,873	7.18%
12	<i>TransFormers Prime Beast Hunt</i>	8:45am Saturday	TV2	43,570	7.20%
13	<i>Jessie</i>	4:00pm Friday	TV2	43,416	7.14%
14	<i>Robot and Monster</i>	7:15am Saturday	TV2	41,488	6.81%
15	<i>Dog With a Blog</i>	4:00pm Thursday	TV2	40,861	6.62%
16	<i>Teen Titans Go!</i>	7:25am Friday	TV2	40,769	6.61%
17	<i>Beware The Batman</i>	8:40am Saturday	TV2	40,691	6.68%
18	<i>Secret Mountain Fort Awesome</i>	9:05am Saturday	TV2	40,125	6.55%
19	<i>Matt Hatter Chronicles</i>	7:20am Friday	TV2	39,452	6.43%
20	<i>Austin & Ally</i>	4:05pm Friday	TV2	39,047	6.45%

Source: Nielsen Television Audience Measurement