

**Manatū
Taonga**

Ministry
for Culture
& Heritage

**Briefing to the Incoming Minister
of Broadcasting, Communications,
and Digital Media**

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1. Introduction

Nau mai haere mai ki te kohinga Wāhi Whakapāho me te Whakaahua hoki.

Nō mātou te hōnore ki te mahi tahi, kōrero tahi me te whakamanahia ō whakaharatau mō tēnei kohinga Wāhi Whakapāho me te Whakaahua, a, kia mahi ngātahi ai mō tō māhere rautaki mō Aotearoa whānui.

Welcome to the Broadcasting, Communications and Digital Media portfolio.

We look forward to talking with you about your priorities for the portfolio and expectations of the Ministry for Culture and Heritage, and to working with you to deliver your strategic agenda for New Zealand's broadcasting and digital media sector.

2. Portfolio overview

This briefing covers the portion of your new portfolio relating to broadcasting and digital media matters. The Ministry for Culture and Heritage is the lead agency for these areas. The Ministry of Business, Innovation and Employment will brief you separately on the communications aspect of your portfolio.

Sector overview

New Zealand's broadcasting and digital media sector is vital to telling and sharing New Zealand stories, to enabling a well-informed democracy through high-quality news coverage, and to shaping our individual and shared sense of what it means to be a New Zealander. It is an outlet for creative expression and the exchange of ideas.

The broadcasting sector is large, diverse and integral to New Zealanders' everyday life. It comprises a mix of free and pay services delivered across television, radio and digital platforms. The Crown invests in public broadcasting services through the production of content and through the ownership and funding of broadcasters. The sector is rapidly transforming as technological advances give audiences more ways than ever before to watch and listen to media.

Broadcasting and digital media connect people and communities by giving voice to the stories and experiences that make up the fabric of life in New Zealand, and by promoting those stories at home and abroad. New Zealanders count on broadcasters to keep them informed. A strong and independent local media service is crucial in the context of widely available global content and private interests shaping news coverage. During times of emergency, broadcasters provide a lifeline to affected communities looking for the information they need to keep themselves and their families safe. Broadcast and digital media content providers also make a significant contribution to our economy.

New Zealand's cultural diversity is flourishing, and it is important that our broadcasting services reflect and encompass these changes. In particular, Māori culture remains at the heart of New Zealand's unique cultural identity and our distinctive place in the world. Through supporting media programmes that promote Māori language and culture, the broadcasting sector can help all New Zealanders to connect with Māori culture as a means of building an inclusive society that has a shared national narrative.

Government's role

The Government's role in relation to broadcasting and digital media policy is to ensure reasonable access to relevant, high quality local and global content, legally, safely and cost effectively for all New Zealanders.

Successive governments have invested in the sector in recognition of the importance of access to content that meets the needs of New Zealand's diverse audiences and provides first-rate, informed news coverage. In 2017/18, government is investing over \$216 million in public broadcasting through Vote Arts, Culture and Heritage; Vote Māori Development; Vote Foreign Affairs and Trade; and Vote Office of the Clerk.

Beyond this financial investment, government also has the critical role of establishing the strategic, policy and legislative settings to ensure maximum value is derived from a responsive and thriving broadcasting sector.

An overview of the broadcasting sector is provided at Annex 1.

3. Portfolio responsibilities

As Minister of Broadcasting, Communications and Digital Media, you have responsibility for a vibrant portfolio of Crown entities. The Ministry for Culture and Heritage provides policy and agency performance advice to support you in your role. You, the Ministry and the funded agencies each has a set of responsibilities laid out in key reference documents such as *The Cabinet Manual (2017)* and *Statutory Crown Entities: A Guide for Ministers (2014)*.

The following section on Ministerial responsibilities includes those from the former Broadcasting portfolio, which was disestablished in 2016. We look forward to engaging with you and your Ministerial colleagues to discuss the scope of the new portfolio and the division of responsibilities between the Ministry for Culture and Heritage and the Ministry of Business, Innovation and Employment.

Ministerial Responsibilities

Your new portfolio presents you with the unique opportunity to articulate your vision for public broadcasting during a period of rapid transformation that is creating new ways of reaching New Zealand audiences. You will have the opportunity to discuss the future of the sector with established and respected broadcasters as well as new digital entrants to the market. Your responsibilities will include making policy decisions on broadcasting issues such as digital convergence and captioning; overseeing the government's investment in public broadcasting; and setting your legislative programme.

A significant part of your new role will involve working with the diverse range of Crown entities and Crown-funded organisations that will deliver much of your strategy and priorities. The Crown Entities Act 2004, along with enabling legislation, outlines your responsibilities for oversight and management of Crown entities: Broadcasting Commission (NZ On Air), Broadcasting Standards Authority, Television NZ and Radio NZ. Your portfolio also covers the National Pacific Radio Trust, which maintains the national pacific radio network, and the Advertising Standards Authority, which acts as a self-regulatory body for the advertising industry.

The Ministry for Culture and Heritage will support your work with funded agencies, which will include articulating Government's policies and your expectations of them. Refer to Annex 2 for an overview of funded agencies within the broadcasting sector.

The Ministry will also support you in your important role in working with your Ministerial colleagues to build connections between the Broadcasting, Communications and Digital Media portfolio and other portfolios.

Responsibilities of the Ministry for Culture and Heritage

The Ministry is here to support you in carrying out your Ministerial duties and realising your priorities for the broadcasting and digital media sector. We will provide you with free and frank advice on relevant portfolio issues, and will develop and implement policies and strategy to deliver on your objectives and to support the Government's wider priorities and policies.

As the Ministry's Chief Executive, Paul James is your main point of contact with the Ministry. He is responsible to you as portfolio Minister under section 32 of the State Sector Act 1988.

The Ministry has three main areas of work in relation to broadcasting and digital media matters in your portfolio.

We provide policy advice

Policy advice supports Ministers in making decisions on government policy matters. A current example of the Ministry for Culture and Heritage's policy work is its digital convergence programme. Working with the Ministry of Business, Innovation and Employment, the Ministry for Culture and Heritage has developed legislative proposals to respond to the impact of convergence between the telecommunications, information technology, media and entertainment sectors in New Zealand. You will need to make decisions on whether to proceed with legislation in this area, and we will look to engage you on this before Christmas.

We fund and provide advice on Crown-funded agencies' performance

The government directly funds a number of New Zealand's broadcasting organisations¹. The Ministry for Culture and Heritage administers the funding for these organisations and assists you to meet your responsibilities for funded agencies. This includes advising you on agencies' planning and accountability documents and, for Crown entities, providing advice to you on setting entities' strategic direction and priorities, board appointments and governance issues.

The Ministry is currently working with funded agencies on improving how they measure and report on their outcomes. We are also beginning work on agency bids for Budget 2018, and will soon be seeking your direction on Budget priorities and how you would like to engage with the Budget bid process.

We administer legislation

The Ministry administers three Acts that are central to the broadcasting sector.

Broadcasting Act 1989

The Broadcasting Act 1989 establishes New Zealand's broadcasting standards regime and complaints process and regulates advertising hours and electoral broadcasting. It also establishes three Crown entities:

- Broadcasting Standards Authority, to oversee the standards regime
- NZ On Air (Broadcasting Commission), to fund programmes that reflect and develop New Zealand culture and identity
- Te Māngai Pāho (Te Reo Whakapuaki Iirangi), to fund programmes that promote Māori language and Māori culture.

¹ TVNZ is a Crown entity company and subject to the Crown Entities Act 2004, but it receives no direct government funding.

The Broadcasting Act 1989 is administered by the Ministry for Culture and Heritage, with the exception of Part 4A, which establishes Te Māngai Pāho and is administered by Te Puni Kōkiri, and Part 6, which relates to electoral broadcasting and is administered by the Ministry of Justice.

Radio New Zealand Act 1995 and Television New Zealand Act 2003

The Ministry for Culture and Heritage also administers the Radio New Zealand Act 1995 and the Television New Zealand Act 2003 although, as these publicly owned broadcasters are Crown entity companies, they are monitored by the Treasury.

Funded agency responsibilities

Agency boards have primary responsibility for funded agencies' performance, consistent with the arms-length principle underpinning the governance of Crown-funded cultural agencies. This is the principle by which the agencies operate autonomously with a degree of separation from government. It is particularly relevant for entities such as NZ On Air, Radio NZ and the Broadcasting Standards Authority to carry out their statutory functions independently of the government of the day. The role of each board is determined by legislation or other documentation, which safeguards the Crown's interest and ensures the agency complies with its obligations and funded purpose.

Crown-funded agencies are expected to adhere to the no surprises convention, which means keeping you informed about issues *“that may be discussed in the public arena or that may require a ministerial response.”*²

4. Opportunities and challenges for the broadcasting and digital media sector

The broadcasting and digital media sector both reflects and shapes New Zealanders' evolving stories and identities. The sector needs to be responsive to the shifting needs and expectations of New Zealanders and to the opportunities and challenges of a changing society and world.

New and continuously evolving technology is changing the way we produce, distribute and access New Zealand and international cultural content. Traditional business models are being disrupted, and many new means of creating and presenting content are emerging, presenting both opportunities and challenges to the sector.

² Source: Enduring Letter of Expectations (2012), Minister of Finance and Minister of State Services.

As New Zealand's population becomes increasingly diverse, our broadcasting sector will need to respond to ensure that all New Zealanders can find their stories reflected and celebrated. The sector has a key role in continuing to support the expression of Māori culture while growing its programming and access levels for Pasifika and children's audiences and people with disabilities, among others. Ensuring these communities can access the benefits of New Zealand's media sector will help to foster an inclusive and cohesive society.

There are opportunities to enhance the contribution that broadcast and digital media companies make to our economy. These companies are knowledge intensive, strongly innovative and their content and intellectual property is highly exportable.

Domestic media companies will need to be innovative and resilient as they adapt to a changing environment and strive to stand out in an increasingly competitive market. The entry of global providers such as Netflix and Amazon into New Zealand has increased considerably the amount of media content available to audiences, emphasising the importance of locally-produced content that reflects New Zealand experiences.

It is also vital that, during this time of sector disruption, our broadcasters can continue to deliver robust independent news and media coverage to New Zealanders freely and openly. New Zealanders need these media services to explore different views of the world and to critically engage in an informed democracy.

5. Cross-government work on broadcasting issues

Broadcasting responsibilities across government

The Ministry for Culture and Heritage works closely with a number of departments that have a role in supporting government's involvement in the broadcasting and digital media sector.

As noted above, Radio New Zealand (RNZ) and Television New Zealand (TVNZ) are Crown entity companies. You and the Minister of Finance are the shareholding Ministers for these companies, responsible for overseeing and managing the Crown's interest in them. As a result of these arrangements, the Treasury monitors RNZ and TVNZ, while the Ministry for Culture and Heritage provides policy advice on RNZ. Policy responsibilities for TVNZ sit with the Ministry of Business, Innovation and Employment.

The Ministry of Business, Innovation and Employment also has responsibility for spectrum management, commercial broadcasting licencing, and allocating frequencies for commercial radio. The Ministry for Culture and Heritage advises on the allocation of frequencies for non-commercial purposes and monitors the use of non-commercial licences.

The Ministry for Culture and Heritage is also working with the Ministry of Business, Innovation and Employment on a review of the Copyright Act 1994. The Ministry of Business, Innovation and Employment is currently consulting with stakeholders, including those in the broadcasting sector, to inform an issues paper, intended to be released for public consultation in early 2018.

The Ministry for Culture and Heritage keeps in regular contact with Te Puni Kōkiri, which advises the Government on Māori public policy and Maihi Karauna (the Crown's Māori Language Strategy). Te Puni Kōkiri also monitors Te Māngai Pāho and the Māori Television Service.

The Ministry for Culture and Heritage works with the Ministry of Justice and Department of Internal Affairs on the impact of convergence on the film and literature classification regime, and the intersection between this regime and the broadcasting standards regime.

Connections with the Arts, Culture and Heritage portfolio

The Arts, Culture and Heritage (ACH) portfolio holds responsibility for policy areas that align with broadcasting objectives. Government funding for broadcasting entities such as NZ On Air, Radio NZ, National Pacific Radio Trust and the Broadcasting Standards Authority is allocated through Vote Arts, Culture and Heritage.

The ACH portfolio includes responsibility for film. The Ministry for Culture and Heritage advises on film policy and funds and monitors the New Zealand Film Commission, which funds the creation of feature and short films and supports industry development. The Ministry of Business, Innovation and Employment and the Ministry for Culture and Heritage jointly fund the New Zealand Screen Production Grant (NZSPG), which is administered by the Film Commission. The NZSPG is aimed at encouraging larger-scale film productions, both international and domestic, to film in New Zealand, through cash grants for defined categories of production expenditure.

The Ministry for Culture and Heritage is also the lead agency in negotiating film and television co-production agreements with other countries. These agreements are signed for New Zealand by the Minister for Arts, Culture and Heritage.

The film and television sectors make up a single screen industry. Collaboration between these sectors is vital to ensure government policy is leveraging the wider benefits of its investment in the screen industry.

Also within the ACH portfolio is Ngā Taonga Sound and Vision, which the Ministry for Culture and Heritage funds and monitors. Ngā Taonga Sound & Vision is a charitable trust that serves as New Zealand's national audiovisual archives. It holds key broadcasting archival collections, including the RNZ and TVNZ Archives.

Music policy sits within the ACH portfolio as well. NZ On Air funds the creation of popular music to be played on radio stations and online, and collaborates with other agencies in the ACH portfolio to support New Zealand popular music. Radio New Zealand showcases and multiplies the audience for publicly funded musical ensembles and composers, including the New Zealand Symphony Orchestra and musicians who receive funding from Creative New Zealand.

The Ministry also delivers a wide range of digital media providing rich content and information about New Zealand's history and society through its websites, including *Te Ara – The Encyclopedia of New Zealand* and *NZHistory*. In 2017 there have been over 10.2 million visits to the Ministry's websites, with 3.6 million of these being returning visitors.

6. Focus for the first 100 days

The Ministry for Culture and Heritage's priority will be to support you in delivering your strategic agenda for the broadcasting and digital media portion of your portfolio. In the meantime we have listed below the major decisions and actions we are aware of that you will need to take in your first 100 days as Minister.

Budget 2018

The Ministry works with its funded agencies to collate and assess Budget initiatives across the cultural sector. We will engage with you during October and November on your priorities for Budget 2018. The Treasury has indicated that Ministers will be invited to provide a letter to the Minister of Finance on or before 8 December setting out the proposed package of Budget initiatives relating to their portfolios. Following Treasury's assessment of all initiatives, we expect that the Minister of Finance will engage with Ministers in early 2018 on their proposals.

2018 Legislation Programme – Digital Convergence Bill

We expect that Ministers will be invited to submit bids to the Cabinet Office in late January for the Government's 2018 Legislation Programme. **Withheld under section 9(2)(f)(iv).**

We would like to discuss this bid with you, along with any other legislation priorities you may have. Subject to your agreement, we will then prepare formal bids for you to submit to the Cabinet Office.

Appointing Members to Governance Boards

Over the next several months you will need to address the appointment of members to the boards of broadcasting Crown-funded entities. The most immediate appointment will be to fill a recent vacancy on the Broadcasting Standards Authority board. You have the statutory responsibility for making these appointments, but would

generally advise your colleagues of your intentions by taking a paper to the Cabinet Appointments and Honours Committee. We would like to discuss how we can support you with identifying and short-listing high quality candidates for board appointments.

Letters of Expectation

By convention, responsible Ministers provide letters of expectation to Crown-funded agencies in order to outline any priorities for the year ahead (and beyond). In order to provide adequate time for these letters to inform agencies' planning processes, they are usually issued at least six months before the start of the financial year to which they relate. As Crown-funded broadcasting agencies have a 30 June balance date, we will engage with you as soon as possible about whether you want to issue letters of expectation for the 2018/19 financial year and if so, the messages you would like them to include.

Inquiry into captioning in New Zealand

The Government Administration Committee has completed an inquiry into captioning in New Zealand, and as responsible Minister you are required to present the Government's response to the House no later than 48 days from the day of reinstatement. It is normal for Government responses to Select Committee reports to be approved by Cabinet. We will provide you with a briefing on the Committee's report and discuss with you how you would like the Government to respond.

7. About Manatū Taonga

The Ministry for Culture and Heritage's strategy

As government's adviser on cultural issues, the Ministry provides strategic leadership across the government-funded cultural sector and maintains a comprehensive overview of the sector.

Our engagement with funded cultural agencies, with the wider cultural sector and with government's wider objectives has shaped our recently refreshed purpose of *He ngākau titikaha, he hononga tangata - Promoting a confident and connected culture.*

In support of our purpose the Ministry has also adopted a direction statement *Te hono i te iwi nui tonu ki te ahurea o Aotearoa - connecting more people with New Zealand's culture.* To deliver on this direction the Ministry has identified the following strategic priorities:

- *Creating opportunities for New Zealanders to engage with Māori culture – creating an inclusive New Zealand whakapapa:*
 - We work with our partners to support Iwi/Māori cultural priorities.
 - We assist all New Zealanders to appreciate, understand and engage with Māori culture.

- *Valuing diversity in the cultures of Aotearoa:*
 - We promote the diversity of New Zealand in the cultural sector, so all New Zealanders can connect to and see themselves in it.
- *Investing in culture for the well-being and prosperity of New Zealanders:*
 - We shape government thinking about investing in culture, leveraging impact and encouraging the pursuit of excellence and innovation across the sector.
 - We support our sector agencies to remain fit for the future.
- *Caring for the nation's taonga and identity:*
 - We connect people with New Zealand's culture by sharing stories.
 - We act as a responsible guardian to the tangible and intangible cultural heritage under our care as it continues to evolve.

To achieve our strategy, Manatū Taonga aims to be a successful Treaty partner, sector leader and high performing public sector agency.

The Ministry for Culture and Heritage's structure

The Ministry is led by Chief Executive Paul James, and comprises three Groups:

- The *Policy and Sector Performance Group* provides policy advice to the Government on arts, media and heritage issues. The Group also monitors the Government's interest in Crown funded cultural sector agencies.
- The *Delivery Group* connects people with New Zealand's culture and heritage by caring for and sharing the nation's taonga and stories. The Group oversees the national commemoration programme (including WW100); manages important national memorials (including Pukeahu National War Memorial Park); and administers legislation and capital funding programmes.
- The *Organisational Performance Group* supports the Ministry by providing finance, human resources, information management, legal and communications services.
- The Ministry is also supported by the *Pou Ārahi Whakahaere*, who works across the Ministry and sector to influence how the Ministry supports Māori culture.

The Ministry for Culture and Heritage's Leadership team



The Ministry for Culture and Heritage's staff

The Ministry's total staffing establishment as at 30 June 2017 is 121 (including fixed term and vacancies, but excluding casual staff).

Our primary offices are the Public Trust Building on Lambton Quay, and we also have staff based at the Education Centre at the Pukeahu National War Memorial.

Annex 1: New Zealand's Broadcasting Sector

The A3 overleaf provides an overview of New Zealand's broadcasting sector, including roles and funding arrangements.

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Annex 2: Broadcasting funded agencies

The Ministry administers government funding to a number of institutions in the broadcasting sector, and manages the Crown's relationship with them.

Organisation	Purpose	Form	Crown funding (per annum)	Chair	Chief Executive
Broadcasting Standards Authority	To oversee the broadcasting standards regime in New Zealand	Independent Crown Entity	\$0.609m	Peter Radich 	Belinda Moffat 
NZ On Air	To provide funding for quality and diverse New Zealand audiovisual public media content	Autonomous Crown Entity	\$132.266m	Miriam Dean 	Jane Wrightson 
National Pacific Radio Trust	To serve New Zealand's Pacific community through maintaining the national Pacific radio network (Radio 531pi and Niu FM)	Private trust (listed in Schedule 4 of the Public Finance Act 1989)	\$3.25m via NZ On Air	Peter Fa'afiu 	Patrick Lino 
Radio New Zealand	To provide innovative, comprehensive, and independent media services of a high standard	Crown Entity Company	\$35.3m via NZ On Air \$1.9m from MCH for RNZ International	Richard Griffin 	Paul Thompson 
Television New Zealand	To share the moments that matter to New Zealanders through commercial broadcasting	Crown Entity Company	N/A	Dame Therese Walsh 	Kevin Kenrick 

* The Advertising Standards Authority (ASA) is an incorporated society which acts as a self-regulatory body for the advertising industry. The ASA receives no government funding, but it falls under your portfolio with respect to its consumer-rights function and its relationship with other public broadcasting agencies.