

In Confidence

Office of the Minister for Broadcasting and Media

Cabinet Economic Development Committee

## **STRONG PUBLIC MEDIA BUSINESS CASE GOVERNANCE GROUP**

### **Proposal**

1. This paper notes my intention to establish a governance group made up of media and public sector experts to oversee the completion of the Strong Public Media Business Case and undertake public consultation to inform the development of a charter for the proposed new media entity.

### **Relation to government priorities**

2. The Strong Public Media programme (the programme) progresses the 2020 Election Manifesto commitment to “strengthen the role of public media and Māori media in the New Zealand community and ensure public media assets are fit for the future and able to thrive amid the changing media landscape.”
3. Public media plays an integral role in creating a connected, informed, cohesive, and independent nation, and a healthy, participative democracy therefore contributing to two of the Government’s 12 priorities; ‘Supporting healthier, safer and more connected communities’ and ‘Valuing who we are as a country’.

### **Executive summary**

4. In January 2020, Cabinet invited me to report back on the viability of, and a preferred approach to, establishing a new public media entity (new entity) after the completion of a detailed business case (CAB-20-MIN-0004 refers). Work on the business case was paused due to COVID-19 but has now resumed.
5. Subject to Cabinet decisions on the outcome of the business case, I intend for the proposed new entity to be operational in 2023. To achieve this, the business case and all policy decisions will need to be concluded by the end of this year. 9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED]
6. I seek your endorsement to establish a Strong Public Media Business Case Governance Group (Governance Group), which will operate from late March or early April 2021 until I seek Cabinet decisions on the outcome of the business

case. The draft Terms of Reference attached to this paper as Appendix A, set out that the Governance Group will provide strategic oversight and leadership required to:

- a. complete the business case to test the viability of establishing a new public media entity, and
  - b. undertake public consultation to inform the development of a draft charter that will define the role of the new entity and principles to guide its operation.
7. The establishment of the Governance Group to lead this next phase of work will send a strong signal to Radio New Zealand (RNZ) and Television New Zealand Limited (TVNZ) and the public that momentum is renewed following a pause in the programme due to COVID-19.
  8. To deliver a robust business case and undertake an effective engagement process within the expected timeframe, the Governance Group will require members with strong public policy expertise, business transformation experience, as well public broadcasting and other media experience.
  9. I am considering potential candidates for the Chair and members of the Governance Group and intend to bring a paper to Cabinet Appointments and Honours (APH) Committee on 10 March 2021.
  10. I have agreed with Minister Jackson to appoint a member from the independent advisory panel established in November 2020 to strengthen the future of Māori broadcasting, if a member has the capacity to be on both groups. If not, I will consider appointing someone who can give voice to issues of relevance to Māori. This will support alignment with Māori broadcasting and media, as well as the integration of a Māori perspective and Treaty of Waitangi considerations into the options within the business case.
  11. The Strong Public Media work programme is part of the Government's third wave of COVID-19 response work, through Budget 2020. s9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
  12. I intend to issue a press release, once appointments have been confirmed, on the role of the Governance Group and its members. This Cabinet paper will also be proactively released following APH.

## Background

13. In January 2020, Cabinet directed officials to undertake a detailed business case to test the viability and most effective means of delivering a new public

media entity (new entity) and to ensure that the Crown can optimise the value of its investment in public media (CAB-20-MIN-0004 refers).

14. Cabinet directed that the business case should test the viability of a new entity with the following features and characteristics (CAB-20-MIN-0004 refers). These are that the entity would:
  - Be a single legislative entity
  - Have a clearly defined public media mandate and purpose, with the core functions of a globally recognised public media entity
  - Provide public media services across a variety of platforms, some of which will be advertising-free
  - Have a mixed funding model with revenue derived from Crown and non-Crown sources
  - Operate as a not-for-profit entity, and
  - Have statutory provisions for editorial and operational independence.
15. The Strong Public Media programme (the programme) was paused due to COVID-19. Resources were reprioritised to focus on the immediate response, including new funding for the delivery of the \$50 million media support package. Part of the business case, the Strategic and Economic cases, had been drafted when the programme was paused. Cabinet agreed to resume work on the programme in August 2020 (DEV-20-MIN-0169 refers).

### **The rationale for a Strong Public Media Business Case Governance Group**

16. This paper seeks endorsement to establish a Strong Public Media Business Case Governance Group (Governance Group).
17. The ability of the new entity to enhance the effectiveness of the agreed public media outcomes, over and above what the current entities are able to do now, is fundamental to the success of the programme. Cabinet has agreed that a new entity should enable access to content and services that support the needs and interests of New Zealanders living in Aotearoa, including Māori, Pasifika, and under-served audiences. A critical success factor for the new entity is that it enables an informed, engaged and open society, where all people, including those typically hard to reach, participate in our democracy because they have access to a diverse range of content that they value and trust.
18. Cabinet also agreed that to achieve these ambitious outcomes, a new entity should be able to respond effectively to an evolving operating environment, maintain relevance to changing consumer preferences in terms of what media they access and how they view it, and to complement and collaborate with private media.
19. To ensure the business case provides for credible and practical options to achieve these outcomes I am in the process of putting together a group of

media and public sector experts to govern the analysis and advice that will go into the business case, and to provide me with advice on the options once the business case is completed.

20. Subject to Cabinet decisions on the outcome of the business case, I intend for the new entity to be fully operational in 2023. To achieve this, the business case and all policy decisions will need to be concluded by the end of 2021. 9(2)  
[REDACTED]  
[REDACTED]  
[REDACTED]
21. Providing for a group of experts with both media and public sector expertise will ensure the delivery of a business case that addresses the issues it needs to and at the same time have credibility with stakeholders and the audiences it will serve.
22. Engaging early with stakeholders and the wider public will support the timely progression of legislation through the House, and ultimately, the ability to progress legislation in the timeframe required to establish a fully operational public media entity by 2023.
23. The pause in the programme last year due to COVID-19 caused a loss of momentum and created a lengthy period of uncertainty for Radio New Zealand (RNZ) and Television New Zealand Limited (TVNZ) (together, the entities), their staff, and the public. The establishment of the Governance Group will send a strong signal to the entities and the public that momentum is renewed, and work is progressing.

### **The scope, role, and duration of the Governance Group**

24. The draft Terms of Reference (ToR) for the Governance Group, attached to this paper as Appendix A, set out that the Governance Group will provide strategic oversight and leadership required to:
  - a. complete the business case to test the viability of establishing a new public media entity, and
  - b. undertake public consultation to inform the development of a draft charter that will define the role of the new entity and principles to guide its operation.
25. While named a Governance Group, it will take the form of a standard Ministerial Advisory Group. It will operate by delegation of some of the functions of the Chief Executive of the Ministry under the Public Service Act 2020.<sup>1</sup> The delegations necessary to enable the delivery of the business case will require my approval and there will still be obligations to ensure that conflicts of interest are avoided or managed.
26. I propose to finalise the ToR in consultation with the Chair of the Governance Group, once appointed.

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<sup>1</sup> See Schedule 6 clause 2(1) and 2(4).

27. The Governance Group will ensure a robust business case, as outlined above. It will also provide me with advice on options identified by the business case process, prior to seeking Cabinet's decision on the establishment of a new entity.
28. In undertaking consultation, I expect the Governance Group to undertake broad engagement with the public and to specifically engage with TVNZ and RNZ, Māori, and underserved audiences.
29. I anticipate the Governance Group will operate from late March or early April 2021 until I report back to Cabinet on the outcome of the business case and public consultation. I anticipate I will be in a position to report back to Cabinet in October 2021.

### **Expertise required on the Governance Group**

30. To deliver a robust business case and undertake an effective consultation process within the expected timeframe, the Governance Group will require members with strong public policy expertise, business transformation experience, as well public broadcasting and other media experience.
31. To deliver this phase of work specifically, collectively, the members of the Governance Group will possess the following expertise:
  - public broadcasting
  - other media business experience, including within the Māori media sector
  - government policy making and public engagement processes
  - change processes, and
  - business case processes.
32. The Chair will possess experience in a public facing-role, leading governing bodies, and have familiarity with government processes.
33. To support alignment with Māori broadcasting and media I have agreed with Minister Jackson to appoint a member from the independent advisory panel established in November 2020 to strengthen the future of Māori broadcasting to the Governance Group, if a member has the capacity. If a member does not have capacity consideration will be given to appointing someone who can give voice to issues of relevance to Māori.
34. TVNZ and RNZ directors are required to put the interests of their entity first, therefore, to avoid a perceived (or real) conflict of interest, I do not intend to appoint TVNZ or RNZ directors to the Governance Group. However, the entities will be involved as much as is necessary in providing expertise and assistance to progress the business case and other policy work. The entities' directors may also be involved in future governance arrangements as the programme progresses into implementation phases.

35. I am considering potential candidates for the Chair and members of the Governance Group and intend to bring a paper to Cabinet Appointments and Honours Committee on 10 March 2021.

### Financial implications

36. On 6 July 2020 Cabinet established a \$77 million tagged contingency from the Covid Response and Recovery Fund for investment in broadcasting initiatives and requested that further decisions on the drawdown of the contingency be taken at a later date (CAB-20-MIN-0328.01 refers).
37. Cabinet approved the draw down \$2 million for the 'Building a sustainable and viable media sector initiative' (CAB-20-MIN-0375 refers), and \$55 million for the 'Investing in Sustainable Journalism initiative' (CBC-21-MIN-0009 refers).
38. s9(2)(f)(iv) [REDACTED]

### Legislative Implications, Impact Analysis, Human Rights, Gender Implications, Disability Perspective

39. There are no such implications associated with this paper.

### Publicity

40. A press statement will be issued once appointments have been made announcing the establishment and role of the Governance Group, and its members.

### Proactive Release

41. I propose this Cabinet paper is released as soon as practicable after the appointment announcements, subject to redactions under the Official Information Act 1982.

### Recommendations

The Minister for Broadcasting and Media recommends the Committee:

- 1.1 **note** that the Strong Public Media programme progresses the 2020 Election Manifesto commitment to "strengthen the role of public media and Māori media in the New Zealand community and ensure public media assets are fit for the future and able to thrive amid the changing media landscape";

- 1.2 **note** that, subject to Cabinet approval to progress with a new entity, s9(2)(f) (iv)
- 1.3 **note** that the next step in the Strong Public Media programme is to report back to Cabinet later this year with the result of a detailed business case that provides advice on the viability and most effective means of delivering a new public media entity;
- 1.4 **endorse** the proposal to establish a Strong Public Media Business Case Governance Group, made up of media and public sector experts, to oversee the completion of the business case and undertake public consultation to inform the development of a draft charter;
- 1.5 **note** that the Strong Public Media Business Case Governance Group will operate with my approval of delegations of some of the functions of the Chief Executive of the Ministry under the Public Service Act 2020, namely delivering a completed business case;
- 1.6 **note** that the rationale for the establishment of the Strong Public Media Business Case Governance Group is to ensure the business case provides for practical options that have credibility with stakeholders and the audiences a new entity will serve and to provide visible momentum for the work programme following it pausing due to COVID-19;
- 1.7 **note** the attached draft Terms of Reference for the Strong Public Media Business Case Governance Group, which I will finalise following consultation with the Chair once appointed;
- 1.8 **note** that I intend to bring a paper to the Cabinet Appointments and Honours Committee on 10 March 2021 seeking appointments of the Chair and members of the Governance Group;
- 1.9 **note** s9(2)(f)(iv)

## **Appendix A: Strong Public Media Business Case Governance Group: Draft Terms of Reference**

### **Purpose**

The Strong Public Media Business Case Governance Group (the Governance Group) is established by the Minister for Broadcasting and Media (the Minister) to support him to report to Cabinet on the outcome of a detailed business case to test the viability of establishing a new public media entity.

### **Role and responsibilities**

The Governance Group's primary role is to provide the strategic oversight and leadership required to:

- complete the detailed business case to test the viability of establishing a new public media entity
- undertake a public consultation process to inform the development of a draft charter that will define the role and purpose of the new entity and principles to guide its operation.

The Governance Group will report directly to the Minister and will be responsible for:

- governing the completion of the detailed business case
- developing advice for the Minister on the outcome of the business case
- making recommendations to the Minister on a preferred approach and a high-level implementation plan
- leading the public consultation process that will inform the development of a draft charter.

Members are individually and collectively responsible for ensuring that the work programme remains aligned to the Cabinet mandate for Strong Public Media [[Strengthening Public Media: Report Back January 2020](#)] and progresses Government policy. This includes:

- being a champion for the project
- providing oversight and support to ensure the work meets the objectives, quality standards and timeframes required by the Minister
- identifying and responding to barriers to progress and success
- ensuring the range of stakeholder perspectives are adequately considered
- ensuring that the approach being taken to manage the programme is fit for purpose
- ensuring that the programme management team and work stream leads are supported to succeed.

Members must ensure that they do not let advocacy of particular interests override or undermine their responsibilities as members of the Governance Group.

## **Duration**

The Governance Group will operate until the completion of the business case and the provision of final advice to the Minister on the options identified by the business case. The Minister will then direct the Ministry to prepare advice on his behalf for Cabinet.

## **Authority and decision-making**

The Governance Group is not responsible for final decisions as to the establishment of a new public media entity. It is responsible for decisions necessary to ensure the completion of the detailed business case to required standards, and the development of advice for the Minister on the outcome of the business case, including on the outcome of the public consultation process.

The Minister will approved delegations from the Chief Executive of the Ministry for Culture and Heritage to the chair of the Governance Group such of her functions as may be required to allow the chair to discharge their role.

The Governance Group will operate on a consensus basis and, where it is not possible to achieve consensus, the Minister will be informed of the difference of opinion.

The chair is responsible for signing off advice to the Minister.

## **Governance Group membership**

Governance Group members are appointed by the Minister for Broadcasting and Media (following consideration by the Cabinet Appointments and Honours Committee) for a defined term consistent with these Terms of Reference and serve at the pleasure of the Minister.

The Governance Group will consist of up to seven members, including the chair.

Collectively the members of the Governance Group should possess the following expertise:

- public broadcasting
- other media business experience, including within the Māori media sector
- government policy making and public engagement processes
- change processes
- business case processes.

The chair may appoint specialist or technical advisors to support the Governance Group for a defined purpose if required to ensure that the Governance Group can discharge its role.

Fees will be determined according to the Cabinet Fees Framework.

## **Meetings**

Meetings will be held at least monthly and will be chaired by the chair appointed by the Minister.

Additional meetings will be called at the discretion of the chair to enable major decisions to be made in a timely way or if more support is needed by the programme.

## **Relationship with the Ministry for Culture and Heritage**

The Ministry for Culture and Heritage (the Ministry) is the lead agency for issues relating media and provides support to the Minister in relation to his portfolio responsibilities.

The Ministry will support the establishment of the Governance Group and will be responsible for providing it with on-going enabling and infrastructure support, including a secretariat. In particular, the Ministry will:

- allocate suitable staff to the work programme governed by the Governance Group (staff will be employed by the Ministry but work under the direction of the chair of the Governance Group)
- administer the funding for the Governance Group as agreed with the Minister and facilitate procurement of other services as required.

The Ministry will continue to provide advice directly to the Minister for Broadcasting and Media as required.

To ensure alignment and continuity of all work within the Strong Public Media programme, the chair of the Governance Group and the Ministry's Chief Executive will liaise frequently, supported by a programme director.

PROACTIVE RELEASE