

15 November 2022

DOIA22/242

9(2)(a)

Tēnā koe 9(2)(a)

I refer to your emails of 20 and 21 October 2022, with further questions on the funding of the new Aotearoa New Zealand Public Media (ANZPM) entity. Responses to your specific questions have been considered under the Official Information Act 1982 (OIA) and are outlined below.

First, as summary, the \$200 million mentioned in our response of 20 October 2022, is the annual Crown funding that will be provided by the Government towards ANZPM's estimated yearly operating budget over three years.

This is made up of new Crown funding of \$109 million, with the remaining \$91 million reprioritised from the existing Public Broadcasting Services (PBS) appropriation, where ANZPM will be taking over responsibility for these services. This is summarised in the table below.

ANZPM Crown funding	Year		
	1	2	3
	2023/24	2024/25	2025/26
<b>New Crown funding (via Budget 22)</b>	<b>\$109m</b>	<b>\$109m</b>	<b>\$109m</b>
<b>Funding reprioritised from the existing PBS appropriation.</b>	<b>\$91m</b>	<b>\$91m</b>	<b>\$91m</b>
<b>This comprises:</b>			
• Existing RNZ 'platform' funding	\$42.6m redirected from NZoA	\$42.6m redirected from NZoA	\$42.6m redirected from NZoA
• Existing NZoA content funding	\$42.2m redirected from NZoA	\$42.2m redirected from NZoA	\$42.2m redirected from NZoA
• Radio service to the Pacific	\$1.9m	\$1.9m	\$1.9m
• Other funding outside the PBS appropriation (eg Parliament TV)	\$4.3m	\$4.3m	\$4.3m
<b>Total Crown operational funding</b>	<b>\$200m</b>	<b>\$200m</b>	<b>\$200m</b>

- 1. .... the purpose of the new Crown funding of \$109m. Is it to cover additional costs of providing new public media services or is it to cover a possible decrease in TVNZ's revenue which is currently \$341m? Your response indicates this may fall to \$200m.**

There are challenges for the sector as audiences (and advertising) move from traditional platforms to digital, however it is not anticipated that ANZPM's commercial revenue will dramatically decrease.

The purpose of the new Crown funding of \$109 million is to strengthen the delivery of public media services by creating a more sustainable long-term funding model and to enable a greater focus on under-served and under-represented audiences. It provides funding certainty to the entity to address the challenges of continued public media delivery and will result in more public media content in the future.

Further information on the outcomes expected from the investment in ANZPM is available at:

[https://mch.govt.nz/sites/default/files/projects/budget\\_2022-strong\\_public\\_media.pdf](https://mch.govt.nz/sites/default/files/projects/budget_2022-strong_public_media.pdf).

- 2. Will the \$42.6m used in the past for RNZ costs still be used for that purpose?**

How ANZPM spends its revenue will be a matter for the new entity when it is created. However, it is receiving an increase in Crown revenue to allow it to achieve improved public media outcomes. The entity will be expected to continue to serve existing audiences and to reach new ones.

- 3. Will the \$42.2m previously used by NZ On Air for screen production content on TVNZ still be used for that purpose?**

As above, how ANZPM spends its revenue will be a matter for the new entity when it is created. However, it is expected that it will provide more public media content and that it will still outsource production to local content producers.

These expectations are set out in the Cabinet paper and the entity's Charter. Further information on this is available on the Manatū Taonga, Ministry for Culture and Heritage website: <https://mch.govt.nz/strong-public-media>.

- 4. How much of ANZPM's \$200m revenue from non-Crown funding sources is expected to be earned from advertising? Why is the annual advertising revenue expected to decrease from what was earned prior to the merger?**

As noted in our answer to your Question 1, it is expected that ANZPM will continue to earn commercial revenue greater than \$200m per annum. The exact make-up of that revenue will be a matter for the new entity when it begins operating, but as with TVNZ currently, it is expected that initially most of it will come from advertising.

ANZPM's ability to earn commercial revenue will be dependent on continued navigation of audience (and advertiser) demands and platform preference. ANZPM will also be required to deliver on its public media outcomes as a priority, and those services may not always earn a commercial return.

Please note that we may publish this letter (with your personal details removed) on the Ministry's website.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Nāku noa, nā

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Emily Fabling  
**Pou Mataaho o Te Aka**  
**Deputy Chief Executive, Policy and Sector Performance**

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