



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Establishment of a New Public Media Entity

Portfolio Broadcasting and Media

On 21 February 2022, following reference from the Cabinet Social Wellbeing Committee, Cabinet:

Background

- 1 **noted** that in 2020, Cabinet noted a recommendation to establish a new public media entity and invited the Minister of Broadcasting, Communications and Digital Media to report back after completion of a satisfactory business case [CAB-20-MIN-0004];
- 2 **noted** the *Strong Public Media Business Case*, attached under SWC-22-SUB-0009, which supports the establishment of a new public media entity;

Establishing a new public media entity

- 3 **agreed** to establish a single new Crown entity that:
 - 3.1 subsumes Radio New Zealand (RNZ) and Television New Zealand (TVNZ) (with the expectation that trusted brands and services are retained);
 - 3.2 would be a public media entity supported by commercial revenue to help ensure its financial sustainability;
 - 3.3 delivers content through a variety of platforms, including linear delivery, its own online platform, and third-party platforms;
 - 3.4 subsumes both entities' operations and enables shared functions and co-location of facilities;
 - 3.5 would receive core baseline funding directly through an appropriation administered by Manatū Taonga;
- 4 **noted** that the establishment of the entity will be through legislation;
- 5 **agreed** that the Bill which establishes the new entity (the Bill) include a provision stating that the Act will bind the Crown;

Protecting the entity's editorial independence

- 6 **agreed** that the Bill provide for the protection of the editorial independence of the entity by:
- 6.1 requiring responsible Ministers to exercise their powers and functions in a way that is consistent with the entity's editorial independence;
 - 6.2 preventing responsible Ministers giving certain directions to the entity relating to editorial matters;
 - 6.3 preventing responsible Ministers removing members from the entity's board (the board) for any reason relating to editorial matters;

Recognising and supporting the Māori-Crown relationship

- 7 **agreed** that the Bill require:
- 7.1 the responsible Minister to appoint at least two members to the board in consultation with the Minister for Māori Development, to ensure that the board has adequate knowledge and understanding of te ao Māori and tikanga Māori;
 - 7.2 the board to engage with iwi/Māori on relevant matters;
 - 7.3 the entity to collaborate with Māori media organisations to help support the capacity, capability, and sustainability of the Māori media sector;
- 8 **agreed** that further work be done as part of the establishment of the new entity to identify how the Māori-Crown relationship can best be supported through the structure and operating model of the new entity, and how the entity could best align with and support the Māori media sector;

Delivering against a set of public media outcomes set out in a charter

- 9 **agreed** that the Bill include a charter for the new entity setting out the purpose, objectives, functions, and operating principles of the entity;
- 10 **agreed** that the purpose of the entity that would be set out in the charter comprise the following four public media outcomes:
- 10.1 a strong, distinctive Aotearoa/New Zealand identity;
 - 10.2 a valued, visible, and flourishing te reo Māori me ngā tikanga Māori;
 - 10.3 an inclusive, enriched, and connected society;
 - 10.4 a healthy, informed and participative democracy;
- 11 **agreed** that the objectives of the entity that would be set out in the charter are to:
- 11.1 reflect, represent, and help shape the development of Aotearoa/New Zealand's unique national identity and culture;
 - 11.2 provide shared experiences that contribute to a sense of citizenship and national identity;
 - 11.3 reflect the particular contribution of te ao Māori to a unique Aotearoa/New Zealand identity;

- 11.4 promote the understanding and the use of te reo me ngā tikanga Māori to all New Zealanders and promote the telling of Māori stories;
 - 11.5 reflect, include, and serve the full diversity of Aotearoa/New Zealand society, including multiple languages and cultures;
 - 11.6 support children's and young people's emotional, physical, and mental wellbeing, creativity, learning, and development, social participation, and sense of belonging;
 - 11.7 ensure content and services are available and accessible to all regions and communities, and to New Zealanders of all ages, ethnicities, genders, and abilities;
 - 11.8 support all New Zealanders to be informed, engaged citizens who participate fully in society;
 - 11.9 build awareness of the world and of Aotearoa/New Zealand's place in it;
 - 11.10 foster critical thought, counter misinformation, and promote informed and many-sided debate;
 - 11.11 support freedom of thought and expression;
- 12 **agreed** that the functions of the entity that would be set out in the charter are to:
- 12.1 provide high-quality content across all genres that entertains, informs, and educates, and that is freely available and accessible to all New Zealanders over a range of platforms, including:
 - 12.1.1 content that is predominantly and distinctively of Aotearoa/New Zealand;
 - 12.1.2 coverage of events of national significance;
 - 12.1.3 content in or using te reo, that promotes tikanga Māori, and that reflects Māori history, experiences, and perspectives to a broad audience;
 - 12.1.4 content that appeals to and engages a wide audience;
 - 12.1.5 content that provides for tastes, interests, and perspectives not catered for elsewhere;
 - 12.1.6 content that reflects the needs and experiences of New Zealanders of all ages, genders, abilities, and ethnicities, from all regions and communities;
 - 12.1.7 reliable, accurate, comprehensive, impartial, and balanced regional, national, and international news and information;
 - 12.2 preserve content that reflects Aotearoa/New Zealand's history and enable access to that content;
 - 12.3 preserve, and enable Māori to have access to, their taonga content;
 - 12.4 deliver or support the delivery of content and services that recognise New Zealand's international obligations including the promotion and protection of Pacific languages;

- 13 **agreed** that the operating principles of the entity that would be set out in the charter are to:
- 13.1 demonstrate editorial independence, impartiality, and balance, particularly in the delivery of news and current affairs;
 - 13.2 ensure the participation of Māori, and the presence of a significant Māori voice in the development and delivery of content and services;
 - 13.3 represent and reflect the full diversity of New Zealand's communities in its day-to-day operations;
 - 13.4 strive to better understand, engage, and serve New Zealanders of all ages, abilities, genders, and ethnicities, from all regions and communities;
 - 13.5 strive to identify and address areas where public media content is not easily accessible or meeting the full needs of New Zealand's diverse communities;
 - 13.6 enable participation and involvement by under-served, under-represented and under-engaged audiences in decisions about content and services;
 - 13.7 ensure the means of delivery aligns with audience preferences and needs;
 - 13.8 strive to innovate and take creative risks;
 - 13.9 strive to achieve the highest standards of quality and integrity;
- 14 **agreed** that the Bill empower the responsible Minister to add to the functions of the entity;
- 15 **agreed** that the responsible Minister direct the entity once it is operational to provide an international service to the South Pacific in both English and Pacific languages;
- 16 **agreed** that, as part of the establishment phase, work be undertaken with the National Emergency Management Agency in relation to the new entity's role under the Civil Defence Emergency Management Act 2002 (or any of its successors);
- 17 **agreed** that, for the avoidance of doubt, the Bill require the entity to comply with its responsibilities as a lifeline utility under section 60 of the Civil Defence Emergency Management Act 2002;

Maximising access to public media content

- 18 **agreed** that the Bill require the entity to provide content free of charge to New Zealanders when it is first published, while maximising access to public media content;

Seeking commercial revenue to re-invest in public media outcomes

- 19 **noted** that the entity would be expected to seek commercial revenue to supplement its core baseline funding and to re-invest in public media outcomes;
- 20 **agreed** that the Bill require that, where the entity is providing the same, or substantially the same services as those previously provided by RNZ, it would be required to provide these services in a commercial-free manner;

Supporting the broader media ecosystem

- 21 **agreed** that the Bill place an obligation on the entity to work collaboratively to help support the diversity, capability, and sustainability of the broader media ecosystem, wherever this does not prevent it meeting government expectations that it will earn commercial revenue;
- 22 **agreed** that, to address possible concerns about the entity's impact on the broader sector, the entity's operating model should include:
- 22.1 constraints on the entity's eligibility to act as a commissioning platform for content funded by NZ On Air;
- 22.2 expectations to prevent the entity from building up excessive cash reserves, and that non-Crown revenue would primarily be invested in public media outcomes;
- 23 **agreed** that the Bill require the new public media entity to work collaboratively with NZ On Air, and NZ On Air to work collaboratively with the new entity, in relation to funding decisions where duplication of, or gaps in, funding could occur;
- 24 **agreed** that further work should be done as part of the establishment of the new entity to identify how best to support collaboration between the new entity, NZ On Air and other media organisations on the creation and distribution of local content, how best to constrain the eligibility of the entity to benefit from content funded by NZ On Air, and to maintain NZ On Air's sector oversight of all content being funded and any gaps and duplication;

Determining an organisational form

- 25 **agreed** that the Bill establish the new entity as an autonomous Crown entity on the basis that this form is most suited to the primarily non-commercial, public media focus of the new entity;
- 26 **agreed** that the Minister for Broadcasting and Media is the responsible Minister for the new entity, reflecting the entity's primary focus on achieving public media outcomes;
- 27 **agreed** that the Minister of Finance has a statutory role in relation to the entity, to provide oversight of the entity's financial performance, which would include:
- 27.1 the responsible Minister making board appointments with the agreement of the Minister of Finance, with the responsible Minister consulting the Minister of Finance on removal of board members;
- 27.2 the ability to request information from the entity in relation to the entity's financial performance;
- 27.3 the ability to provide input in relation to the entity's strategic direction and performance;

Establishing governance arrangements

- 28 **agreed** that the Bill provide that:
- 28.1 the entity's board comprise a minimum of six and a maximum of nine members, balancing efficiency of decision-making while allowing room for the board make up to reflect a range of competencies, diversity, and sector representation;
- 28.2 the entity's board be appointed under the standard appointment provisions under section 29 of the Crown Entities Act 2004;

Setting reporting requirements

- 29 **agreed** that the Bill require the new entity to report annually on its performance against its other statutory obligations and its commercial performance, including in relation to:
- 29.1 delivery of its charter;
 - 29.2 supporting the Māori-Crown relationship;
 - 29.3 seeking commercial revenue to the extent necessary to deliver on its public media outcomes and operate sustainably;
 - 29.4 working collaboratively across the media sector wherever possible to support a diverse, capable, and resilient media ecosystem;
- 30 **agreed** that the Bill require the entity to regularly obtain and take into account audience research as part of this assessment of its performance;
- 31 **agreed** that the Bill provide that the House of Representatives should review the entity's charter and the entity's performance against the charter every five years;

Establishing monitoring arrangements

- 32 **agreed** that the Bill provide that the entity be monitored on whether it is meeting its specific obligations in relation to performance against its charter, its other statutory obligations and its commercial performance;
- 33 **agreed** that as part of the work on the establishment phase:
- 33.1 an effective monitoring framework for the new entity is developed to ensure its performance can be transparently monitored;
 - 33.2 monitoring arrangements for the new entity are developed, with clear roles and responsibilities for each agency, and reflecting the need for a range of expertise to be applied to monitoring of the new entity's performance;

34 s9(2)(f)(iv)

Transitioning to the new entity

- 35 **agreed** that, to ensure a smooth transition period the Bill will:
- 35.1 empower the new entity board to stand up the new entity and ensure it is delivering against its obligations;
 - 35.2 convert RNZ and TVNZ to Crown entity subsidiaries of the new entity and repeal the RNZ and TVNZ Acts and other associated legislation, as appropriate;
 - 35.3 provide for the preservation of assets, rights, liabilities and contracts held by RNZ and TVNZ as subsidiaries;
 - 35.4 provide for the transfer of assets, rights, liabilities and contracts as required from RNZ and TVNZ to the new entity;

35.5 disestablish the subsidiaries once the new entity is fully operational and any contract matters are finalised;

Considering existing archiving provisions

36 **agreed** to repeal Part 4A of the Television New Zealand Act 2003 and that no similar provision be drafted in the new Bill on the basis that the scheme it provides for is no longer fit for purpose;

37 **agreed** that current archiving agreements between TVNZ/RNZ, Manatū Taonga and Ngā Taonga are considered as part of the work on the establishment phase;

Drafting instructions

38 **invited** the Minister for Broadcasting and Media to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions;

39 **authorised** the Minister for Broadcasting and Media to further develop and clarify policy matters and make decisions on minor or technical matters as required for the drafting of the Bill, providing these decisions are not inconsistent with decisions made by Cabinet;

Setting up an Establishment Board

40 **agreed** that a Strong Public Media Establishment Board is set up to provide advice to the Minister for Broadcasting and Media on the establishment of the new entity;

41 **agreed** the terms of reference for the Board, attached under SWC-22-SUB-0009;

Financial implications

42 **noted** that:

42.1 s9(2)(f)(iv) [Redacted]

42.2 [Redacted]

s9(2)(f)(iv) [Redacted]

43 [Redacted]

44 [Redacted]

45

s9(2)(f)(iv)

46

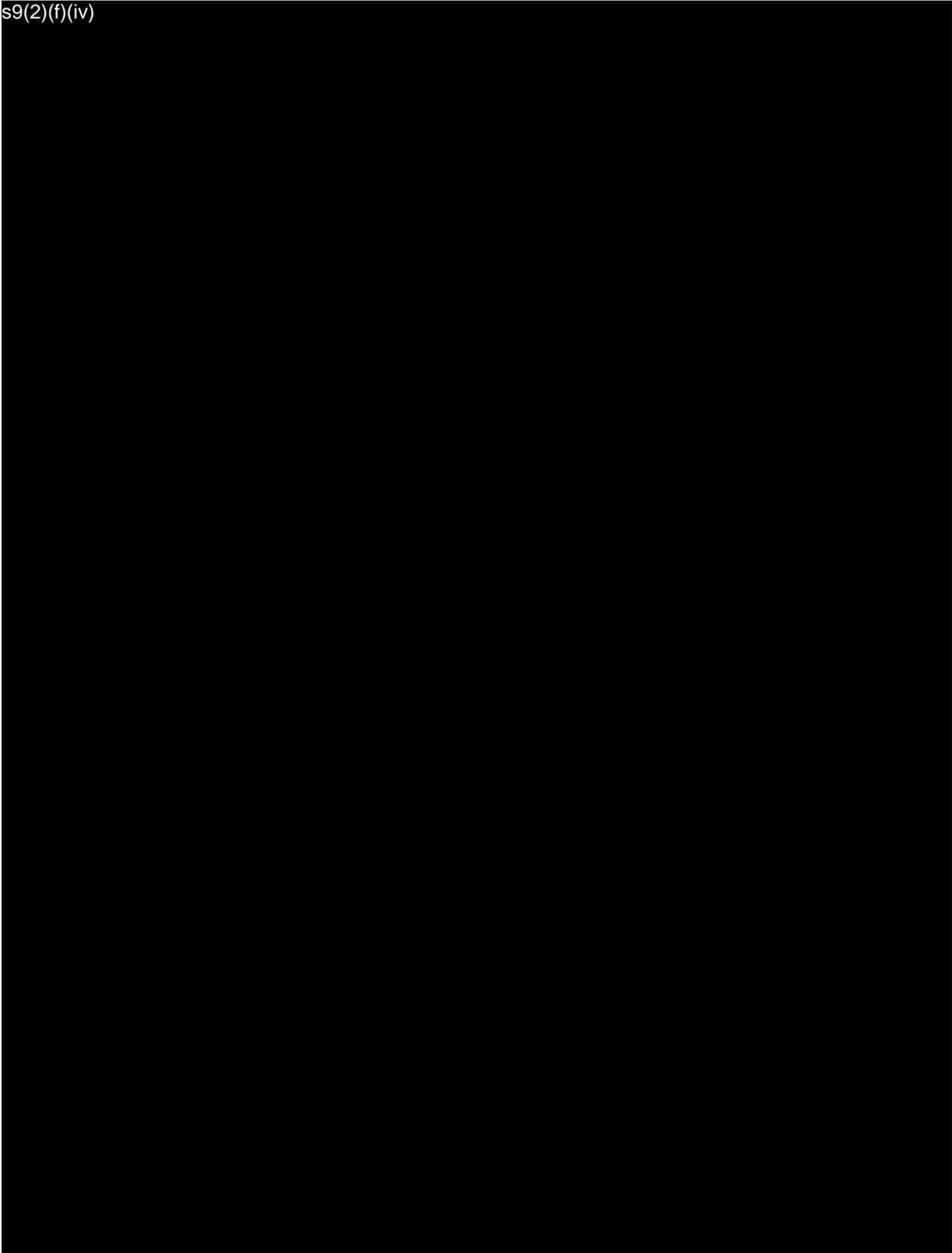
47

48

49

50

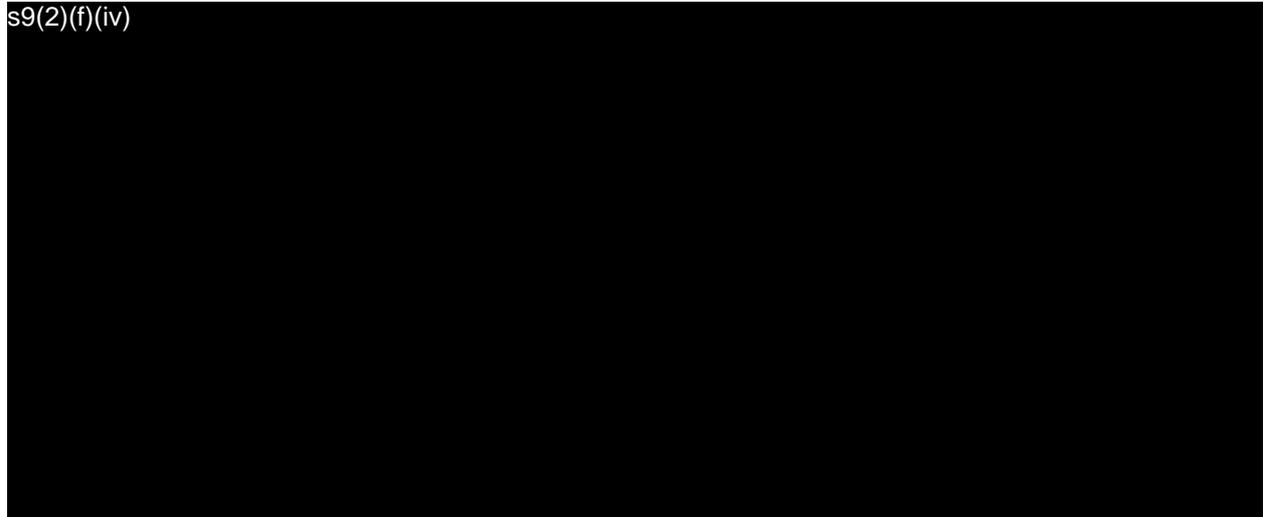
51



52

s9(2)(f)(iv)

53



Michael Webster
Secretary of the Cabinet