

[In Confidence]

Office of the Minister for Broadcasting and Media

Cabinet Business Committee

Investing in Sustainable Journalism: Draw down of tagged contingency

Proposal

- 1 This paper seeks agreement to the use and draw down of \$55.0 million from the tagged operating contingency established by Cabinet from the COVID-19 Response and Recovery Fund (CRRF) for investment in broadcasting initiatives [CAB-20-MIN-0328.01 refers]. This will be used over three years on an *Investing in Sustainable Journalism* initiative to provide targeted short to medium-term protection of public interest journalism.
- 2 I will seek agreement to the use of the remaining \$20.0 million in the contingency before the end of the 2020/21 financial year.

Relation to government priorities

- 3 The proposal is consistent with the Government's objective of limiting the negative economic and social impacts from COVID-19 and the response to the pandemic.

Executive Summary

- 4 The impact of COVID-19 has exacerbated the decline of traditional commercial media models. Prior to COVID-19, rapid technological change and changing consumer behaviour was already causing financial constraints for media organisations as advertising revenues moved away from traditional media outlets towards online platforms and social media . As a result of COVID-19, further declines in advertising revenue¹ have resulted in significant media redundancies,² pay cuts and disposal of infrastructure, with further cost-cutting measures expected. Thus, COVID-19 has accelerated the need to confront the pre-existing and fundamental challenges facing the media sector. In particular, it has compressed the time available for media

¹ During the height of New Zealand's level 4 lockdown (April 2020), advertising spend was down 37.9%, beyond that seen in 2009 during the GFC (as reported by Standard Media Index). More recent research into the New Zealand market by IBISWorld indicates revenue for the Advertising and Market Research Services industry is expected to decline by 9.1% in 2020-21. Weak economic conditions caused by the COVID-19 pandemic are anticipated to lead businesses to significantly reduce spending on advertising.

² For example, in April NZME made 200 staff redundant. Remaining staff took a 15% pay cut for 12 weeks, with the CEO and Director reducing their salaries by 20%. AUT's 2020 *New Zealand Media Ownership Report* estimates that, in all, "during 2020, approximately 637 jobs disappeared from the New Zealand media industry".

companies to adapt and transition to more sustainable business models that will be fit for purpose for the future media landscape.

- 5 The Government supports a viable fourth estate as a central feature of a healthy democracy. In this context Government support is required to ensure journalistic capability across local, regional and national newsrooms, infrastructure, and the continued production of New Zealand made content is retained. The spread of misinformation related to COVID-19, particularly through social media channels, has sharpened public awareness of the importance of, and reliance on, a strong and independent media sector.
- 6 In April 2020 the Cabinet Business Committee (CBC) agreed to implement a \$50.0 million initial media sector support package to address immediate cashflow issues caused by the sharp decline in revenue over the initial response period [CBC-20-MIN-0051 refers]. CBC noted that the first package would not provide sufficient support if there was a prolonged impact on revenue and invited me to report back to Cabinet with further measures to form a more substantial package. While the domestic economy has fared better than forecasts projected, the challenges facing the media sector remain. The uncertainty surrounding a COVID-19 resurgence also places the media sector, along with other sectors in our economy, in a precarious position.³
- 7 I seek agreement to draw down \$55.0 million over three years from the tagged contingency set aside by Cabinet for broadcasting initiatives. This funding will be administered by New Zealand on Air to support the production of public interest journalistic content that is relevant to and valued by New Zealanders. The initiative will protect journalistic jobs at a local, regional and national level.
- 8 This funding represents a significant investment in journalism in New Zealand. The media sector produces significant economic benefit with newspaper income alone generating \$666 million in 2019., However, this income is dropping, with newspaper income falling to this level from \$709 million in 2018 and \$788 million in 2017.⁴ The number of journalists in New Zealand has also dropped by nearly 50 percent between Census 2006 and 2018.⁵
- 9 This fund will provide targeted support in the short to medium-term, while longer-term work is progressed to support the sector to transition to more sustainable business models.

³ The Pre-Election Economic and Fiscal Update notes that the economic impact of COVID-19, while still large, has been less severe than anticipated in previous forecasts. Despite a less negative near-term outlook, the medium-term outlook has deteriorated owing to a deterioration in the global economic outlook, and to the fact that the effects of the COVID-19 pandemic are now expected to be more persistent.

⁴ Stats NZ, Annual Enterprise Survey. This data includes newspapers with an online presence (as well as print), but excludes online only newspapers. These figures exclude profit made by newspapers, which is confidential information.

⁵ The number of journalists in New Zealand fell by nearly 50 percent between 2006 and 2018 (from 4,284 to 2,061). While the definition of 'journalist' changed between 2006 and 2018, analysis suggests the results are comparable (Patrick Smellie, *Options to Improve the Environment for NZ Journalism*, NZ On Air, October 2019).

- 10 In administering this fund, NZ on Air will be guided by the intent of the fund, to preserve and enhance public interest journalism in newsrooms across local, regional and national levels. The principles set out in paragraph 29 will inform the detailed design of the fund. Additionally, all NZ on Air funding decisions are guided by nine investment principles.⁶ These principles address competition, balance, the avoidance of duplication, and fairness and ensure the wider sector is considered in all funding decisions.
- 11 As the initiative will not be operational until the last quarter of the current financial year, I am seeking to re-phase the \$75.0 million contingency to \$10.0 million in the remainder of 2020/21, followed by \$45.0 million in 2021/22 and \$20.0 million in 2022/23.
- 12 I propose to draw down \$55.0 million from the contingency with the following profile:
- \$10.0 million in 2020/21
 - \$45.0 million in 2021/22
 - \$20.0 million in 2022/23.
- 13 I propose a lower funding profile in the final year of the initiative to reflect the transitional nature of the initiative, while the sector moves towards more sustainable business models. I am also seeking agreement to some operating funding for NZ On Air and the Ministry for Culture and Heritage to support the administration and ongoing monitoring and evaluation of the initiative.
- 14 This draw down will leave \$20.0 million in the contingency for 2021/22. I will seek agreement to its use before the end of the 2020/21 financial year.
- 15 Subject to approval, I propose to publicly announce the initiative in February. The Ministry for Culture and Heritage and NZ On Air will continue to work together to progress this initiative, including undertaking targeted sector consultation in February 2021. Stakeholder feedback will inform the detailed design and implementation process for the fund, which will be progressed over through February, prior to the opening of the first funding round in March. I expect to see the first pieces of content available by May 2021.

Background

Government support for the media sector

- 16 On 6 July 2020, Cabinet established a \$77.0 million tagged contingency fund from the CRRF for investment in broadcasting initiatives and requested that further decisions on the drawdown of the tagged contingency be taken at a later date [CAB-20-MIN-0328.01 refers].
- 17 The tagged contingency was intended to build on the \$50.0 million initial media sector support package to address immediate cashflow issues caused

⁶ Cultural value, balance, risk, competition, value for money, no duplication, leverage, capability, and fairness

by the sharp decline in revenue over the initial response period [CBC-20-MIN-0051 refers]. Implementation of these measures is nearing completion. To date, \$46.9 million has been approved for use under eight initiatives, and 460 organisations from across the breadth of the sector have received funding. While print and online media organisations did benefit from these initiatives, the bulk of the funding was delivered to the broadcasting sector.

- 18 The intent of the first package was to preserve the critical components of the sector long enough to develop a more substantial and targeted support package and a more enduring strategy for the future sustainability of the sector. To this end, on 7 August 2020 Cabinet agreed to a partial draw down of \$2.0 million in 2020/21 from the tagged contingency for the *Building a sustainable and viable media sector* initiative [CAB-20-MIN-0375 refers]. This work is under way, starting with the development of a framework that will set out the components of a well-functioning media system, and an assessment of how well the New Zealand media environment measures up against this. This work will result in options, for both the government and the sector, to progress to a more stable, viable, future state.
- 19 To ensure a smooth transition and to provide a buffer against the uncertainty over the near term, this Cabinet paper proposes to draw down \$55.0 million from the contingency for an initiative that will support the sustainability of public interest journalism while the longer-term work progresses.

Investing in Sustainable Journalism

COVID-19 has accelerated significant disruption facing the media sector

- 20 A healthy media sector is a central component of an open, participative democracy, holds government to account and has a vital role in supporting wider economic activity. The media sector makes a strong contribution to wellbeing outcomes, particularly cultural identity, civics and governance. It provides jobs and platforms for advertising and business that support economic activity at a local, regional and national level.
- 21 New Zealand media organisations were facing challenges to their viability prior to the outbreak of COVID-19. Increased competition from international content providers, declining revenue shares, and a transformation in audience behaviour are driving significant changes in the media's operating environment. These factors are resulting in a fragile media system with a reduced ability to meet the needs and interests of New Zealanders. COVID-19 has exacerbated these challenges.
- 22 Media companies have attempted to mitigate the impact of COVID-19 on their businesses by managing costs through salary reductions, redundancies, reducing or closing services, and accessing Government support.
- 23 Advertising revenue has rebounded slightly better than some forecasts had predicted.⁷ Even so, the ongoing viability of the sector and the critical services

⁷ Patrick Smellie, *NZME announces new dividend policy on covid bounceback*. BusinessDesk, 10 November 2020.

it provides to New Zealanders remains at risk, and continued support as well as enduring policy solutions are required. In the long-term, it is likely that a permanent market shift will mean some business models are no longer viable. In the short to medium-term, the ongoing economic and social disruption the virus is causing around the world (with some countries experiencing a second lockdown), ongoing border closures, the uncertainty around a potential COVID-19 resurgence in community transmission and the timing of a vaccine, leaves all businesses, including the media, in a precarious position.

- 24 At the same time, the media's role has never been more critical. Combating disinformation surrounding the pandemic with accurate reporting and science-based analysis has been, and will remain, vital.

Purpose and principles of the fund

The fund will target public interest content at risk of not being produced without intervention

- 25 I propose to draw down \$55.0 million from the tagged contingency for the initiative *Investing in Sustainable Journalism (IISJ)*. This initiative will provide contestable funding delivered through a number of funding rounds over three-years, by NZ On Air.
- 26 The overarching outcome sought is to *preserve and enhance public interest journalism that will otherwise be at risk or lost due to the impact of COVID-19 on newsrooms*.
- 27 The initiative will support the production of journalistic content that is critical to an open, progressive democracy, and to protect jobs at a local, regional and national level. The fund's purpose is not to subsidise the general operations of media organisations or to help individual companies survive this crisis. It is intended to serve as transitional funding while longer-term work is underway to support the sector to move towards more sustainable business models.
- 28 Pressures facing the media sector are increasingly impacting the viability of a range of content of relevance to New Zealanders. To reflect this, I recommend this initiative use a wider definition of 'public interest journalism' as being *journalism that contributes to a person's ability to function as a valued and informed member of the communities in which they live and/or work*.
- 29 In order to achieve the fund's broad outcome above, the following principles will inform the detailed design of the fund. The fund will:
- 29.1 retain quality journalism,
 - 29.2 ensure a diversity of topics, perspectives and analysis from and within a range of different media organisations,

Geraden Cann, *Sky increases guidance on streaming revenue growth*. The National Business Review, 11 November 2020.

- 29.3 support the provision of relevant public interest journalism at a national, regional, and local level,
 - 29.4 ensure continued production of content featuring local stories and perspectives, and
 - 29.5 reach diverse audiences across a range of platforms (for example, digital, television, radio and print media with an online presence).
- 30 The high-level policy parameters for this initiative are outlined below. The detailed design of the fund will be undertaken by the Ministry for Culture and Heritage and NZ On Air, informed by targeted consultation with the sector once Cabinet decisions have been confirmed.⁸
- 31 I seek delegated authority to make further decisions on detailed design and delivery settings (including timeframes) and other minor and technical matters to support the implementation of the initiative. I expect advice on the detailed design and delivery settings in early February 2021.

Approach to eligibility and types of support

Eligibility will be defined broadly across a range of content and platforms

- 32 In recognition of the broad definition of public interest journalism, eligible content may include (but not be confined to) at-risk journalism that:
- 32.1 seeks to inform and engage the general public about important issues of the day,
 - 32.2 investigates, reports on and explains public policy or matters of public significance, engages citizens in public debate, or informs democratic decision-making,
 - 32.3 holds power (in its various forms) to account, or
 - 32.4 covers matters of interest to a range of New Zealanders, including (but not limited to) matters relating to cultural, ethnic, and artistic expression; sports; science and health.
- 33 Journalistic output funded through this initiative will be required to be made freely accessible on the funded organisation's platform (for example, in front of any paywall). To maximise the reach of this output, criteria will also favour (but not mandate) applications that support wider distribution, collaboration, or aggregation by providers.

The fund will support a variety of costs in relation to content and platforms

⁸ NZ On Air must deliver this initiative consistently with its statutory funding obligations (for example, it must consider the size of the audience likely to benefit from the investment, and the extent to which the content would help NZ On Air meet its objectives, including to reflect and develop New Zealand identity and culture). NZ on Air will likely need to design a specific funding policy for this initiative that balances consideration of the IISJ funding principles with its statutory requirements. These issues will be worked through during the detailed design and implementation phases.

- 34 It will support the reasonable costs associated with producing public interest journalism content including Māori and Pacific content, and, if required, the necessary infrastructure support, management, and training and development to support content production.

A wide range of media entities will be eligible for funding

- 35 All media entities (from large media entities through to small, local entities and Māori and Pacific media entities) will be eligible to access funding, provided entities can demonstrate a need and an audience.

- 36 In addition, NZ On Air is required by the Broadcasting Act 1989 to “reflect and develop New Zealand identity and culture by ... promoting Māori language and Māori culture” and will be guided by this function in its development of the fund, as well as by its own policies, currently expressed for existing funding by its Rautaki Māori strategy for funding Māori content. Stakeholder consultation on eligibility and criteria for the fund will include Māori media sector leaders.

- 37 Print-only media organisations are excluded from the eligibility criteria [REDACTED]
[REDACTED] s 9(2)(h)
[REDACTED] For most publications, this condition can be met. [REDACTED] s 9(2)(h)
[REDACTED]

- 38 Eligible entities will also be required to be subject to a relevant standards regime (the Media Council or the Broadcasting Standards Authority). In the interests of transparency, content will also be required to be clearly signalled as funded by NZ On Air.

Crown-owned and funded public media organisations will be eligible, provided they meet certain additional eligibility requirements

- 39 Crown-owned and funded public media are funded to deliver public interest journalism among other services. They are also relatively insulated from the revenue and liquidity pressures facing commercially funded entities and have the ability to submit budget proposals. Publicly funded media services are relatively well positioned in the short-term to continue to provide core journalistic services in this challenging environment. I recommend that Crown-owned and funded public media entities be eligible for this initiative only:

39.1 where the funded content is additional to content that the entity is currently funded for,

39.2 where the funding does not duplicate other roles funded through the initiative, and

39.3 when acting in partnership with independent producers.

- 40 This approach provides a balance of ensuring that this initiative is targeted at media producers directly impacted by COVID-19, and avoids funding duplication (both within the initiative and between entity-specific funding and

this initiative) whilst also enabling public media to support the expansion of coverage where relevant.

Media organisations with overseas ownership interests will be eligible, but must meet certain criteria around a New Zealand presence and operations

- 41 Consistent with other sectors of the economy, private New Zealand media has a mixture of local and overseas ownership. As with elements of the initial media support package that are already in place, this initiative will be focused on businesses that operate and employ journalists in New Zealand. Funding will be restricted to media organisations that generate content that is focused on the New Zealand market (or a regional or local market in New Zealand), that employ journalists in New Zealand, have an operational presence in New Zealand, and pay tax in New Zealand. This initiative will not support overseas-domiciled news organisations that may report on New Zealand affairs from time to time.⁹

Relationship with the Local Democracy Reporting pilot

- 42 This initiative is informed by the success of the Local Democracy Reporting pilot (LDR), launched in 2019 as a partnership between NZ On Air, Radio New Zealand and the Newspaper Publishers Association. LDR funded the recruitment of eight journalists in regional newsrooms across New Zealand to boost reporting on local bodies and other publicly funded organisations. Following an increase in funding, four additional journalists are joining the scheme for 2021.
- 43 A review of LDR undertaken in mid-2020 found that it had filled gaps in the reporting of local government and that it has been welcomed by media who have used the reporters' work.¹⁰ LDR has demonstrated the viability and effectiveness of providing Crown support to bolster public interest reporting in light of the significant pressures facing local newsrooms. The review also advocates supporting a broader range of topics beyond local democracy reporting. IISJ enables this through its broader focus.
- 44 LDR is currently funded until December 2021. While LDR has been a success, it has served its purpose as a pilot programme and has informed the development of the larger scale IISJ. LDR content falls within the scope of the public interest journalism content that will be funded by IISJ. The Ministry and NZ On Air will develop the detailed design settings for the fund in a way that ensures there is no duplication of funding across the contestable funds it administers, including IISJ and LDR.
- 45 I will receive further advice on the intended treatment of LDR in relation to IISJ as part of design and delivery advice in the New Year.

⁹ Under the Broadcasting Act 1989, NZ On Air is unable to have an absolute rule favouring New Zealand owned companies. A policy (used as a guideline for decision making) that preferred New Zealand companies is considered lawful.

¹⁰ Gavin Ellis, *Review of Local Democracy Reporting 2020*, October 2020 <https://www.nzonair.govt.nz/research/review-local-democracy-reporting-2020/>

Benefits of this initiative

This initiative is expected to have significant benefits in the short to medium-term, while longer-term strategic policy work is undertaken

- 46 This initiative will protect and preserve journalistic output that New Zealanders depend on to remain informed. The importance of an informed public has been highlighted in the wake of the COVID-19, as disinformation surrounding the pandemic spread on social media. This initiative will support New Zealand media to provide the output from the equivalent of up to 250 full-time journalists over the short to medium-term.
- 47 Without this initiative, reductions in journalistic coverage and journalism layoffs are likely to continue, alongside further COVID-19-induced retrenchment by media companies from the regions to metropolitan areas. The initiative will also maintain and, where possible, restore regional news coverage to inform regional communities and give visibility to regional developments and issues. Through ensuring an adequate number of journalists on the ground across New Zealand, this initiative will ensure community, local, and regional issues are covered, reducing the ongoing rural-urban divide and averting the risk of parts of the country becoming “news deserts” as has been seen in other countries.
- 48 Longer term this initiative will interact with other work programmes. This includes the work to support the sustainability of the media sector for which Cabinet has already agreed funding, the Strong Public Media programme, and the Māori Media Sector Shift.

Implementation considerations

The initiative will be implemented by NZ On Air

- 49 This initiative will be delivered by NZ On Air with support from the Ministry for Culture and Heritage. The approach leverages NZ On Air’s established structures and expertise in providing contestable funding. It also builds on its experience supporting the delivery of LDR and funding long-form investigative pieces through regular funding rounds, as a supplement to television documentaries. However, the addition of this function does represent a timebound expansion of the scale and scope of NZ On Air’s current activity.¹¹
- 50 Therefore officials will take a more active role in the design and delivery of this initiative, including in targeted stakeholder consultation on more detailed design settings, and through enhanced monitoring and evaluation processes throughout the life of the initiative.

¹¹ At its peak in 2021/22 and 2022/23, the \$20.000 million per annum investment represents a significant increase to NZ On Air’s annual baseline funding (excluding funding passed on to RNZ and new COVID-19 funding). NZ On Air received an additional \$60.678 million over four years through Budget 2020 to deliver a number of contestable funds to support the government’s policies, including to adapt to and recover from COVID-19 (excluding an additional \$21.750 million for RNZ).

51 The collaboration envisaged will not impact on NZ On Air’s independence in implementing and operating the fund. Consistent with all of NZ On Air’s funding allocations, decisions about which proposals to support will be made by NZ On Air at arm’s length from Government. To ensure the initiative is implemented at pace, NZ On Air expects to run regular funding cycles, beginning in March 2021. I will issue a specific Letter of Expectation to NZ On Air setting out my expectations for the outcomes of this initiative.

Financial Implications

52 I am seeking agreement to re-phase the funding with the following profile:

	\$m – increase/(decrease)			
	2020/21	2021/22	2022/23	2023/24 & Outyears
Broadcasting Initiatives - Tagged Operating Contingency	10.000	45.000	20.000	-

53 Drawing down this funding would be a charge against the “Broadcasting Initiatives” tagged operating contingency established as part of the CRRF Round 2 Package [CAB-20-MIN-0328.01 refers].

54 Given the iterative approach to this initiative, and the delay in drawing down the funding, I am seeking agreement to roll over any underspends for this initiative into the next financial year. I propose that any underspends remaining at the end of the three years be returned to the centre.

55 A small amount of funding will need to be made available to meet costs that will fall on NZ On Air (initiative administration and reporting costs) and the Ministry (monitoring and evaluation costs). A higher investment in the current financial year is in recognition of the Ministry and NZ On Air needing to work through together the evaluation approach and reporting requirements for the initiative.

Legislative Implications

56 There are no legislative implications resulting from this paper.

Impact Analysis

57 A regulatory impact statement is not required for this paper.

Climate Implications of Policy Assessment

58 Do not not apply to this proposal.

Human Rights

- 59 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 60 The Treasury, the Ministry of Business, Innovation and Employment, Te Puni Kōkiri, the Ministry for Pacific Peoples, and DPMC were consulted on this paper. NZ On Air was informed.

Communications

- 61 I intend to announce these initiatives as soon as practicable following Cabinet decisions.

Proactive Release

- 62 I intend to release this paper proactively. Proactive release is subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Broadcasting and Media recommends that the Cabinet Business Committee:

- 1 **Note** that in April 2020 the Cabinet Business Committee invited the Minister of Broadcasting, Communications and Digital Media (now the Minister for Broadcasting and Media) to report back to Cabinet with further measures to form a more substantial media support package [CBC-20-MIN-0051 refers];
- 2 **Note** that government support is needed to provide targeted, short to medium-term protection of public interest journalism and jobs in the context of the development of a strategic framework and subsequent policy work to ensure that there is not an irreversible loss of capability and infrastructure in the media sector as a result of the ongoing economic impact of COVID-19;
- 3 **Note** that on 6 July 2020, Cabinet [CAB-20-MIN-0328.01 refers]:
 - 3.1 agreed to establish a tagged operating contingency of up to the amounts as follows in Vote Arts, Culture and Heritage, to provide for Broadcasting Initiatives:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Broadcasting Initiatives - Tagged Operating Contingency	-	27.000	25.000	25.000	-

3.2 noted that decisions on draw down of the above tagged contingency will be taken by Cabinet at a later date;

4 **Note** that on 7 August 2020 Cabinet agreed to draw down \$2.0 million in 2020/21 of the tagged contingency in recommendation 3.1 for the 'Building a sustainable and viable media sector' initiative to enable the development of a strategic framework and subsequent policy work to support longer-term sector sustainability and viability [CAB-20-MIN-0375 refers];

5 **Agree** that the \$75.0 million remaining in the contingency be re-phased over the three-year horizon of this initiative to reflect the time that has lapsed since Cabinet envisaged draw down of this funding would be sought, with the following profile:

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Broadcasting Initiatives - Tagged Operating Contingency	10.000	45.000	20.000	-	-

6 **Agree** to draw down \$55.0 million of the tagged contingency in recommendation 5 for the Investing in Sustainable Journalism initiative;

7 **Note** that the Minister for Broadcasting and Media will return to Cabinet before the end of the 2020/21 financial year with a proposal to draw down the remaining funding in the contingency;

8 **Note** that the initiative provides multi-year contestable funding delivered through NZ On Air to protect public interest journalism that will be at risk or lost due to the impact of COVID-19 on newsrooms;

9 **Note** that this initiative is not designed to subsidise the general operations of media organisations or to help individual companies survive the pressures they are facing, and that there are longer-term programmes of work underway to support the media sector to transition to a more sustainable future;

10 **Agree** that some operating funding will be required by NZ On Air and the Ministry for Culture and Heritage to support the administration and ongoing monitoring and evaluation of the initiative;

11 **Approve** the following changes to appropriations to provide for the decisions in recommendation 6 and 10 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Arts, Culture and Heritage Minister for Broadcasting and	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears

Media					
Non-Departmental Output Expense: Public Broadcasting Services	9.800	24.937	19.950	-	-
Multi-Year Multi-Category Expenses and Capital Expenditure: Departmental Output Expense Policy Advice, Monitoring of Funded Agencies and Ministerial Services Monitoring of Funded Agencies (funded by revenue Crown)	0.200	0.063	0.050	-	-
Total Operating	10.000	25.000	20.000	-	-

- 12 **Agree** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 13 **Agree** that the expenses incurred above be charged against the Broadcasting Initiatives Tagged Operating Contingency described in recommendation 3.1;
- 14 **Agree** that any underspend for this initiative be rolled over into the next financial year, with any underspend remaining at the end of the 2022/23 financial year returned to the centre;
- 15 **Note** the proposed eligibility criteria and implementation for the initiative outlined in this paper will be further refined through targeted consultation with the media sector, including Māori media experts;
- 16 **Authorise** the Minister for Broadcasting and Media to take further decisions on detailed design and delivery settings (including timeframes) and other minor and technical matters to support the implementation of the initiative in recommendation 6 and 9 in line with decisions agreed by Cabinet.

Authorised for lodgement

Hon Kris Faafoi

Minister for Broadcasting and Media