

Children's Content Funding

Draft strategy discussion paper

NZ On Air

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Irirangi Te Motu



TABLE OF CONTENTS

Introduction	3
Purpose	3
The consultation process.....	3
New draft strategy in summary	3
Section A	4
Overview of the status quo.....	4
Television content	4
Online-only content	5
Links to education	5
Funding.....	5
Conclusion	6
Other points made by submitters.....	6
General content principles.....	7
Section B	9
Potential operational changes	9
DRAFT strategic framework	10

INTRODUCTION

PURPOSE

This paper briefly reviews the information we have considered so far on children's content, and proposes a draft strategy as a starter for discussion at a November forum. The paper has two sections: Section A reviews information considered so far; Section B proposes a draft strategy.

THE CONSULTATION PROCESS

NZ On Air is reviewing its strategy and investments in children's content. We want to ensure funded local content is available to children in the main places where they access media. We know children's media use is changing rapidly. So we're thinking differently and we're inviting you to help us.

Our first piece of work was a research project assessing [children's media use](#), published in March 2015. In May 2015 we published a [discussion paper](#) and published [responses](#) to that paper in August 2015.

This has led to a new draft funding strategy, set out in Section B of this paper, developed after industry consultation and intended as a discussion point at an industry forum on 13 November 2015. This forum is an opportunity for further blue sky discussion.

After the forum, and having considered the feedback and discussion, NZ On Air will revise and finalise a strategy for funding children's content which will take effect from July 2016.

NEW DRAFT STRATEGY IN SUMMARY

1. NZ On Air is likely to create a single contestable children's multimedia fund, based on the principles discussed above, which will support eligible content intended for both linear and/or online platforms.
 - The type of funded content may gradually change, both to achieve new goals, such as a longer shelf life, and to reflect changing audience behaviour.
 - This means that there is may be less long-run magazine television content with a short shelf life, and more content with a direct online focus and which can be repurposed to add value.
2. In addition, an 'online home' for funded content will be scoped, funds permitting, to reflect changing audience behaviour and to provide improved longevity for funded content. As well as audiovisual content, other media options such as podcasting, games, and children's music could also feature.
3. In a constrained funding environment these approaches may reduce funded broadcast hours because more funding will be applied to additional online components of broadcast content, or to online or mobile content itself.
4. What will not change is the focus on diverse, culturally-relevant and child-focused local content that is widely available to all New Zealand children.

SECTION A

OVERVIEW OF THE STATUS QUO

1. To think about the future, it's helpful to understand the present. A snapshot follows, with some points contributed by submitters to our earlier discussion paper.
2. NZ On Air is the only entity in New Zealand required to provide for general child and youth audiences.¹ Alongside this cultural requirement, NZ On Air must also consider various business case issues, including the following:²
 - proposed co-investment
 - potential audience size
 - the likelihood the content will be broadcast or transmitted on demand
 - whether a proposal
 - meets more than one funding objective
 - and contributes to a balanced range of content.
3. The key environmental issues we outlined in our discussion paper were generally accepted by submitters. Many suggestions for change have been incorporated either here or in our revised strategy. We reiterate the environmental points below so our thinking behind the draft strategy is clear to the readers of this document.

TELEVISION CONTENT

4. Television content remains important, especially to serve less privileged and rural children, and television is still the prevalent platform. Local content is valued by children and parents.
5. Given exponentially increasing online use, a television outcome alone cannot be considered successful.
6. Local children's television production has good coverage in the schedules, with long-running daily and weekly programmes but –
 - genre and age group diversity is limited, mainly due to funding constraints (for example, comparatively low levels of animation and drama)
 - online access after broadcast is mainly on platforms not tailored to and rarely used by children
 - much funded content has relatively short shelf life and thus limited online appeal
 - children's audiences are quite distinct by age (and more fine grained than our broad pre-school, primary, secondary groups). It is difficult to make programmes that appeal to, say, both primary and intermediate children.
7. Even though NZ On Air fully or nearly-fully funds most children's content, licensing issues constrain widespread use on multiple platforms including YouTube. Sharing content can be complicated due to IP and rights issues.

¹ Broadcasting Act 1989 s36(1)(c)

² Broadcasting Act 1989 s39

8. Funded producers have carefully maintained and developed their online presence and are ramping up social media use, all within existing budgets.

ONLINE-ONLY CONTENT

9. To date, funded digital media (online-only) projects have been relatively small scale and most are yet to find audiences of any scale, even when very well executed.
10. There is a large amount of very good foreign children's content online (often series made for television) with new services launching weekly.
 - In some ways this is the same as the television market has always been, where unlimited foreign content is more easily available than commissioning costly local production.
 - In other ways the situation is quite different because children now select their own online content whenever and wherever they choose.
11. It is difficult to launch online content successfully outside an existing website or online aggregator of substance. This is because both discovery and repeat visits are very difficult to achieve.
12. YouTube is the main content discovery site accessed by NZ children.
13. While many children are using online and mobile platforms as a major content choice, this is less common for rural children and those from lower socio-economic backgrounds. Generally speaking, publicly-funded local content should be available to all irrespective of a child's socio-economic status or geographic location.

LINKS TO EDUCATION

14. There is no strategic connection to the provision of educational or curriculum content.
15. If such a connection could be established, this could help to extend audience reach from NZ On Air's perspective; and also provide potentially useful tailored NZ audio/visual material from a curriculum perspective.

FUNDING

16. NZ On Air is the sole entity with statutory responsibility to provide local cultural content for children.
17. Local broadcasters do not provide significant financial investment in children's production, but TV2 and FOUR (and Māori Television, focusing on Te Reo) continue support by creating and programming children's schedules. In a dynamic media environment, this support cannot be taken for granted.
18. NZ On Air funding of children's content has focused on television outputs due to funding constraints, television's large reach, and a desire to maximise funded television hours. Online-only content has been supported either as a specific call through a digital media RFP or, in a relatively limited way, by producers through existing television budgets. Offers by such platforms to co-invest financially are rare.

19. Funding is static. There are often ethical issues around possible co-investment or sponsorship from businesses selling some types of consumer products.
20. Since the discussion paper was published, children's drama has joined animation as being the two genres eligible for screen incentives cross-subsidy with NZ On Air funding. This should assist financing these comparatively expensive genres when the projects are also intended for foreign sale. However NZ On Air's ability to provide significant funding remains constrained.
21. The environment is changing rapidly and success is hard to predict. While public funding encourages creative risk taking, funding is too precious for significant projects to fail, or to fail to attract audiences of a size appropriate to the investment.

CONCLUSION

22. The speed of change in both content types and audience behaviour is unprecedented and increasing.
23. Screen cultural content made specifically for New Zealand children is a core public media principle, requiring market intervention because of clear market failure in a small economy.
24. Another core public media principle is universal access.
25. Given the rapidly changing environment, there is new uncertainty and risk about where public funding can be most usefully applied to benefit the most New Zealand children.
26. We acknowledge the wide range of educational and learning abilities in children and how these cross over age groupings. NZ On Air needs to consider children in broad groupings for funding strategy development. Therefore, for this purpose, NZ On Air defines children as *preschool and school age*, namely -

Early childhood 2-6 years Primary 6-12 years Secondary 12-17 years

OTHER POINTS MADE BY SUBMITTERS

27. There were other points made by submitters which NZ On Air has not included directly at this stage, or is proposing to address another way. Discussion about this at the forum is welcome.
 - a. Lightbox submitted that, given the low cost of its service, NZ On Air should consider SVOD services as potential platform partners. NZ On Air has no objection to its funded content being sold to an SVOD service after free to air rights expire, and we especially welcome this when such sales are non-exclusive. However, at this point, we intend to maintain our commitment to funding free access content as part of our public media mandate.
 - b. NZ On Air will watch this situation carefully. If at a point in the future NZ On Air accepts that it might be appropriate to fund content behind a paywall, we would also need to take into account s37(b)(ii) of the Broadcasting Act which requires us to: *promote, in its funding of the production of programmes and content, **a sustained commitment by—***
 - (i) *television and radio broadcasters to programming reflecting New Zealand identity and culture; and*

(ii) **persons who transmit on demand content reflecting New Zealand identity and culture**

- c. This means we would look at the self-funded local content plans or investment history of the SVOD platform before we considered investing.
28. The NZ Game Developers Association submitted that our summary *understates the popularity and potential of games and interactive apps* and also that our broad age brackets should include an intermediate age bracket of 11-12. NZ On Air acknowledges that some games and interactive apps can include cultural content. While this is not a primary content funding stream, mainly due to pressure on funds, we expect this kind of content might feature on a possible online hub as discussed below.
29. We also acknowledge that age bands can be broad and arbitrary. For funding purposes, a narrow band is impractical because we need content to appeal to as wide an age group as feasible. This is because narrow bands in a small national population means that potential audience size may be too small to offer value for money; also because a child target audience with different emotional development levels may range quite widely across stipulated age bands in any case.
30. The NZ Children’s Screen Trust, SPADA and producer Bevan Linkhorn reinforced the importance of children’s drama. The Trust also proposed the creation of a ‘Junior Platinum Fund’ which would prioritise drama. NZ On Air agrees that children’s drama is important and has been able to fund one or two series annually for most years. We acknowledge these have mostly been lower cost series.
31. We note that children’s drama has recently been included in the screen incentives scheme ([NZSPG](#)) administered by the NZFC as a genre eligible for both NZ On Air and NZSPG investment. This provides a new potential co-investment option.

GENERAL CONTENT PRINCIPLES

32. All NZ On Air’s content investments are guided by the three strategic objectives set out in our over-arching [Strategic Framework](#). These objectives are:
- Invest in diverse, relevant local content
 - Maximise available funding through skilful investment and collaboration opportunities
 - Explore and maximise digital opportunities
33. There are also some wider public-good principles that underpin the provision of content for children. NZ On Air acknowledges the Children’s Media Rights Declaration drafted by the [NZ Children’s Screen Trust](#). We have used this document as a base, adapted to acknowledge NZ On Air’s mandate.³ These principles underpin our own strategic objectives and goals.
- a. Children have a right to accessible and diverse local media which is made specifically for them and which doesn’t exploit them.
 - b. Children should have access to media which entertains, educates and stimulates them and which allows them to develop to their fullest potential.

³ Aspects such as children’s right to be safe fall outside NZ On Air’s mandate.

- c. Children should see themselves, their culture, their life experiences and hear their accents in a range of quality content which affirms their sense of self, community and place.
- d. Stories are vital for the development of identity and imagination. Stories relevant to their age and culture should be available to children of all ages.
- e. Children's media should be wide-ranging in genre and content, but should not include gratuitous scenes of violence and sex.
- f. Children's content should be regularly available at times and places useful to and used by children.
- g. Sufficient funds must be made available to make children's content to a high standard.
- h. Children of all backgrounds, ethnicities and abilities should see and hear themselves reflected positively in local content.
- i. Children must be enabled to exercise their creativity in making and interacting with content.

SECTION B

POTENTIAL OPERATIONAL CHANGES

1. Recognising the rapidly changing environment, and informed by the work above, it is clear NZ On Air needs to change the way it supports children's content.
2. NZ On Air mooted four options for operational change in its May 2015 discussion paper. Submitters generally preferred the two options below, or a combination of those two:
 - a. **Combine** children's television and some digital media funding and prioritise fully multiplatform and interactive content

Main strength: Converged content, more diverse content, higher interactivity

Main weakness: Lower output, fewer TV hours
 - b. **Look ahead** to online as the future and encourage or help create an 'online home' for New Zealand content for children

Main strength: A culturally specific and interactive online home where none exists

Main weakness: Where would it live? (e.g. stand alone, YouTube, On Demand?)
3. Submitters generally favoured the above options over two others: an 'enhanced status quo' approach, or simply adding to the children's budget by reducing the budget of another genre.
4. NZ On Air has considered this feedback and developed a revised and extended draft strategy for children's content investment. This revised draft strategy is set out for discussion. Goals are set for content, production and discovery. We have also added proposed actions and measures against the objectives.

DRAFT STRATEGIC FRAMEWORK



Goal 1: Content

Funded NZ content will inspire children and champion creativity and engagement

Objective	Actions	Measures	Outcome
Champion NZ culture and identity	Create a single, ring-fenced children's multimedia fund to support culturally enriching local content for three key age groupings	Include in annual Statement of Performance Expectations	Funded content enriches children's lives
Fund child-centered content	Prioritise applications that encourage imagination and engagement based on public media principles (children as citizens not consumers)	Assessment processes include these criteria	
Encourage diversity in funded content	Fund a range of content types and media formats for different child audiences	Plan to achieve diversity in children's content funding results	
Understand audience needs	Publish audience trends research to guide investment priorities and inform the production community	At least one report published every two years	
Fund content that delights target audiences	Use audience response data to inform both content creators and future funding decisions	Create a measuring system to assess and report target audience response to funded content	

Issues

- In practice, how will we assess and decide fairly between proposals for different platforms?
- How will we achieve diversity across genres in a constrained funding environment?
- How will we address different age bands most effectively?
- What will we stop funding to achieve this?
- How will we know we have succeeded?

Goal 2: Production

Strong partnerships will extend audience reach and improve output

Objective	Actions	Measures	Outcome
Extend output	Encourage producers to seek appropriate international and domestic partnerships	Assessment processes include these criteria	Skilful investment in viable children's content production
Extend reach	Work with partners outside the broadcast sector to help connect funded content with children in ways additional to broadcast e.g. teachers groups, other entities serving children with a cultural or non-commercial purpose	Include in communications strategy Extend NZOA sector networks	
Provide investment value	Prioritise content with good repurposing potential or a reasonable shelf life aimed at potential audiences of reasonable size	Assessment processes include these criteria	

Issues

- How will we help find new partners?
- Is a project without a third party investor necessarily of lesser interest?
- Should a project with a proposed screen incentive be prioritised? Even if it has less "New Zealandness" because of international investment?
- How will we know we have succeeded?

Goal 3: Discovery

NZ children will know where to find freely available NZ content

Objective	Actions	Measures	Outcome
Be readily available	Prioritise projects that are <ul style="list-style-type: none"> • accessible on at least two platforms • with extended online access • with strong interactivity and engagement options 	Assessment processes include these criteria	Children can find local content when and where they want it
Ensure universal access	Require free access in NZ for funded children's content	Assessment processes include these criteria	
Promote ongoing online availability	Investigate feasibility of a local hub for funded content: primary audience 6-12 years	Issue an RFP to test market interest	

Issues

- Given NZ On Air is the majority funder of most children's content, should extended online access, to whichever platforms want it, be required?
- What should be the main RFP criteria for a proposed hub? As well as television-like content options could also include podcasting, games, and children's music.
- Should we look for existing platform partnerships or prefer a stand-alone solution?
- What will we sacrifice to fund it? Or who else might invest with us?
- How will we know we have succeeded?