

Hon Willie Jackson

Minister for Broadcasting and Media

Minister for Māori Development

Associate Minister for ACC

Associate Minister of Housing (Māori Housing)

Associate Minister for Social Development and Employment (Māori Employment)



20 March 2023

Dr Ruth Harley CNZM
Chair
Broadcasting Commission
PO Box 9744
Wellington

Tēnā koe Ruth

LETTER OF EXPECTATIONS 2023/24

This letter sets out my expectations for the Broadcasting Commission (NZ On Air) in 2023/24. Its purpose is to assist the Board to develop its Statement of Performance Expectations (SPE), new Statement of Intent and other strategic planning documents. I expect you to ensure the Board is aware of the expectations contained in this letter. The expectations contained in the Post Budget Letter of Expectations also remain in effect.

Government priorities

The Government's overarching objectives for the remainder of this term are supporting New Zealand families and businesses through difficult economic conditions, accelerating our economic recovery and laying foundations for the future, and providing strong and responsible leadership as we rebuild from Cyclone Gabrielle. Ministers are looking to the Crown entities to increase their contribution to these overarching objectives.

I acknowledge that the current operating environment and economic outlook are challenging and uncertain. However, this environment makes your focus on delivering value even more important. I encourage you to be bold and demanding in your expectations that your entity will:

- Support strong public services that ensure our young people are engaged and thriving and support the physical and mental health of everyone
- Be financially prudent, increasing resilience and value by making use of commercial disciplines, and balance-sheet and cashflow management
- Strengthen its contribution to delivering value through effective use of resources
- Focus on the recovery, regeneration and revitalisation of the sector.

Investing in critical infrastructure and public services remains important to our economic recovery, along with fostering a more sustainable sector with opportunities to have a positive impact on climate change.

Enduring letter of expectations

The enduring letter of expectations¹ remains in effect, and I would like to emphasise three aspects of the enduring expectations in particular:

- Supporting a unified, value-based government for all New Zealanders including ensuring 'no surprises'
- Supporting future-focussed Māori Crown relations, including supporting the Maihi Karauna and pursuing further opportunities for partnership with Māori entities and businesses
- Taking active steps to reduce greenhouse gas emissions, improve energy efficiency, and reduce waste outputs.

I reiterate that 'no surprises' refers to the expectation that you will inform Manatū Taonga Ministry for Culture and Heritage in a timely manner about matters of significance within my portfolio, particularly where these matters may be controversial or become the subject of public debate.

Further details on the enduring letter of expectations are set out in **Annex 1**.

Sector specific expectations

An independent, well-functioning and resilient media is a critical component of an open, participative democracy and has a vital role in supporting our ways of life in Aotearoa New Zealand. The media plays a crucial role in the functioning of our democracy and civic society. It provides information to engage people, encourage debate, holds political and business players to account and contributes to social cohesion.

The media contributes to New Zealand's wider economy and is a driver of economic growth in New Zealand. The media sector directly employs approximately 14,000 people and annually contributes \$4.7 billion of total economic activity directly into the New Zealand economy.

The media landscape in New Zealand is changing rapidly and public media must adapt to increased competition, changing audience demands and ways of accessing media, falling revenue, and new and emerging digital platforms. I need NZ On Air to be responsive to these changes and flourish.

As set out in Manatū Taonga's Strategic Framework for a Sustainable Media System, the government is seeking:

- A thriving, vibrant and sustainable media system that is growing revenue, is a strong contributor to New Zealand's economic and social wellbeing and is resilient and adaptable to future trends.
- An independent trusted media system that reflects New Zealand's values and serves the public interest.
- A diverse media system that contains many different voices, creating a range of content, that supports social cohesion and accounts for the uniqueness of New Zealand communities.

¹ <https://www.publicservice.govt.nz/assets/DirectoryFile/Enduring-Letter-of-Expectations-to-Statutory-Crown-Entities.pdf>

NZ On Air can support the achievement of each of these goals by meeting its legislative obligations.

I would also like NZ On Air to engage on the work programme for the social cohesion strategy. This work acknowledges the important role the cultural sector (encompassing arts, media, sport and heritage) plays in strengthening social cohesion in Aotearoa New Zealand and includes guidance for the cultural sector alongside information for businesses, local government and communities. Further information on the social cohesion strategy can be found at [Te Korowai Whetū Social Cohesion tools and resources](#).

Manatū Taonga has now published its first Long-Term Insights Briefing². I also ask that you reflect on the five focus areas and consider how NZ On Air can capitalise on the identified trends, risks, and opportunities for the sector.

Entity direction

My specific expectations for NZ On Air in 2023/24 are that it will demonstrate strategic and organisational leadership by:

- Continuing to support the production of diverse local content and boost reach to under-served audiences, including Māori, Pacific, regional, children and young audiences
- Collaborating with the sector to maximise NZ On Air's contribution to public media outcomes
- Supporting officials to progress a review of the Broadcasting Act to modernise NZ On Air's mandate and settings
- Considering different delivery platforms to reach new and different audiences as well as supporting diversity of content and voices, and media plurality; and
- Maintaining investment frameworks to support high-quality decision-making

Information management practices

I expect NZ On Air to ensure it meets its legislative obligations for information management as set out in the Public Records Act 2005. I understand that there are areas for further work set out in the independent review of NZ On Air's public record keeping practices and would like Manatū Taonga staff to be kept informed on progress in this area.

Governance expectations

I expect the Board to continue to oversee the performance and long-term strategic direction of NZ On Air and provide best-practice governance. This includes monitoring NZ On Air's financial wellbeing and long-term viability and ensuring that NZ On Air has robust risk awareness and management processes in place.

I expect the Board to undertake a self-evaluation of its governance practices and provide Manatū Taonga with a report by 1 December 2023. This report should summarise the Board's governance performance and identify areas of improvement. To support future appointments for the NZ On Air I would like you to provide Manatū Taonga with a board matrix of skills on the Board. I would also appreciate receiving your views of the desirable skills for future appointments based on the future challenges to be addressed by the Board and its recent governance review. I also expect the Board to work with Manatū Taonga to review its

² Refer to: https://mch.govt.nz/sites/default/files/projects/long-term_insights_briefing_2023-01-19.pdf

governance manual to ensure policies comply with the Crown Entities Act 2004 and other relevant legislation.

While the Board has the most immediate and direct responsibility for monitoring NZ On Air's performance, I expect it to continue to provide Manatū Taonga, as my agent, with information on performance against planning documents and timely information on risks and opportunities.

I also refer to the recent letter from the Public Service Commissioner regarding political neutrality. It is imperative that Boards act in a politically impartial manner, irrespective of political interests. I understand Manatū Taonga has sought assurances that you discuss both the *Code of Conduct for Crown Entity Board Members* and *He Ārahitanga Pōtitanga Whānui General Election Guidance 2023*. It is my expectation that you and your board members have read and understood these documents.

Monitoring agreement

Following the release of the Office of the Auditor General's Report *Improving value through better Crown entity monitoring*³, I have asked Manatū Taonga to start working with you to develop a monitoring agreement. This will give clarity to your respective roles and responsibilities and the need to have an agreed approach to monitoring arrangements which indicates what efficient and effective monitoring means.

Next steps

I expect you to respond to this letter with a **Strategic Issues letter** outlining the key strategic challenges and opportunities facing NZ On Air and how you intend to respond to the specific expectations contained in this letter, by **28 April 2023**. Should you want to engage with me to seek clarification around my expectations, I would ask that you advise Manatū Taonga as early as possible of such intentions.

Nāku noa, nā



Hon Willie Jackson
Minister for Broadcasting and Media

cc: Cameron Harland, Chief Executive, NZ On Air
cc: Leauanae Laulu Mac Leauanae, Secretary for Culture and Heritage and Chief Executive,
Manatū Taonga Ministry for Culture and Heritage

³ <https://oag.parliament.nz/2022/crown-entity-monitoring>

Annex 1

Enduring expectations

Below are recently issued or amended Government statements, policies and plans that apply to Crown entities.

Support a unified, value-based government for all New Zealanders

- *Government Workforce Policy Statement*

On 5 May 2021, a [Government Workforce Policy Statement](#) was issued, which sets out the Government's expectations about public sector agencies' management of employment relations and emphasises the importance of pay restraint in the COVID-19 environment and the fiscal context of the Government. Crown entity companies are to have regard to this statement.

Within the overall context of public sector pay restraint, Ministers expect that boards will ensure senior management remuneration is appropriately linked to performance and set at a level sufficient to attract and retain the necessary skills within the executive to enable the Crown entity to operate successfully.

- *Public Service Pay Gap Action Plan*

Consistent with the Government's support for diversity, gender balance and wider ethnicity on boards, boards are encouraged to support diversity and inclusion in the workplace and in leadership teams. On 15 November 2021, the Government launched the [Public Service Pay Gap Action Plan](#), which aims to help close pay gaps and create fairer workplaces for all employees. Ministers look forward to seeing your progress as you implement the Action Plan.

Support future-focused Māori Crown relations

As NZ On Air has committed to having a Māori language plan in place by mid-2023, I would like NZ On Air to continue to demonstrate its commitment to supporting Māori Crown relations by strengthening te reo Māori capability of its staff.

Contribute to improving wellbeing

Consistent with the Government's support for diversity, gender balance and wider ethnicity on boards, boards are encouraged to support diversity and inclusion in the workplace and in leadership teams. On 15 November 2021, the Government launched the [Public Service Pay Gap Action Plan](#), which aims to help close pay gaps and create fairer workplaces for all employees.

Carbon Neutral Government Programme

In pursuit of our carbon reduction ambitions, the Carbon Neutral Government Programme (CNGP) has been set up to accelerate the reduction of emissions within the public sector. We encourage NZ On Air to support the Government by joining with businesses and communities already leading the way to reducing their emissions.