



*New Zealand - our stories, our songs, our selves.*

## **NZ On Air Radio Funding Non-commercial Community Radio**

### **Allocation Categories and Criteria**

#### **Introduction**

The Government's 2005 Budget included an announcement that NZ On Air's community radio funding allocation would increase, beginning in the 2005/2006 financial year. It means there is an annual available allocation of \$222,000 exclusive of GST, in addition to the existing radio budget.

This paper details the criteria NZ On Air has developed for the allocation of the additional funding, which is contestable, and for which producers and broadcasters will be required to apply, presenting a strong case for an allocation.

#### **Funding Criteria**

Based on research into a variety of aspects of community radio conducted in the past two years, a number of criteria have been established, which applicants must demonstrate they meet, to be considered for funding.

Some of the categories under which funding will be allocated are enhancements of access funding categories already in existence. The additional funding enables NZ On Air to consider a wider scope in these areas.

There are also categories for the use of the additional funding that are new, and possible because of the additional allocation.

#### **Existing and Enhanced Funding Categories and Criteria**

##### *Capital Contributions*

NZ On Air is now in a better position, to assist stations with justifiable one-off expenses related to equipment upgrades, enforced relocation, or similar circumstances.

While the funding is finite, a modest portion of the budget will be allocated to assist stations demonstrating genuine need and imposed hardship that would seriously affect their ability to broadcast, through failing equipment or other circumstances requiring swift attention.

NZ On Air requires a full assessment of an applying station's financial situation, and also expects funding allocated under this category to be a portion of the costs involved, with a contribution towards the costs coming from the station concerned.

#### *A New Access Station*

From time to time, NZ On Air receives expressions of interest in setting up access stations in qualifying centres where none currently exists. A contingency fund has been reserved to enable such a station to be established.

#### *The Transition to FM*

For NZ On Air-funded stations currently broadcasting on the AM band, that wish to broadcast in FM, a budget has been set aside to assist with the costs of transmission conversion, if and when FM frequencies become available. Similar conditions will apply to this category as apply to those applied in the Capital Contributions section above.

### **New Funding Categories and Criteria**

#### *The Radio Station Funding Ceiling and Funding Ratio*

With CPI increases over time, some stations observe that it may be difficult to continue to operate their services on relatively static funding levels (although in recent years a few NZ On Air-funded stations have enjoyed modest funding increases).

Because of these difficulties, NZ On Air has increased the funding ceiling to \$220,000.

It must be emphasised that this does not mean an automatic increase in funding to any station. To qualify for consideration for any funding increase, a station will have to demonstrate that it is able to make improvements or enhancements to the service it provides, or that it has ongoing costs that cannot be sustained from annual profits and/or reserved funds.

#### *Programme Based Funding*

NZ On Air is always interested in ideas that result in enhanced Section 36(c) programming on stations. A portion of the budget has therefore been reserved for projects designed to attract and develop new programmes that meet with the requirements of Section 36(c).

Funding may also be applied to the production of radio programmes that reflect NZ On Air's strategic priorities, for broadcast on a variety of radio stations with combined, substantial audience reach.

### *Ethnic Community Programming*

New Zealand's growing cultural diversity is reflected on non-commercial community radio, so NZ On Air will explore opportunities to provide more support for ethnic minorities to produce and broadcast programmes to their communities via access and other broadcasters.

### **Conclusion**

The additional Government funding allocation administered by NZ On Air for non-commercial community radio (\$222,000 + GST) beginning in the 2005/2006 financial year will be allocated according to the following funding criteria:

- Funding is available to assist stations with costs associated with continued financial and operational viability, with any successfully applying station expected to make a financial contribution to the project
- A provision has been made for the establishment of a new access station in an area not currently served
- Funding is set aside to assist with the costs of transmission conversion from AM to FM for stations desiring this change, if and when FM frequencies become available
- The current funding ceiling for community radio of \$200,000 has increased to \$220,000, although annual funding increases for any station will not be automatic
- Funding is available for projects that result in programmes that enhance stations' ability to contribute to the achievement of NZ On Air's objectives under Section 36(c) of the Broadcasting Act. This includes, but is not limited to, programmes that may be broadcast on a number of radio outlets
- NZ On Air will explore opportunities to provide more support for ethnic minorities to produce and broadcast programmes to their communities via access and other broadcasters

### **Applications**

Applications for funding under these categories and criteria will be considered at NZ On Air Board meetings as, and when they arrive, while the existing budget permits. Meetings are held every two months, and application deadlines are published on NZ On Air's website.