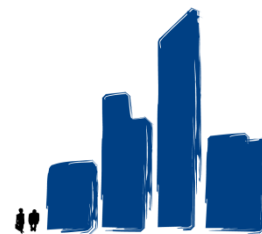


November 2013

NZ On Air stakeholder audit: Topline summary



This topline report summarises the main findings from the 2013 NZ On Air stakeholder survey. Some quotes are provided to illustrate the summary points.

Approach

This is NZ On Air's sixth survey since 2002. The approach for the survey was consistent with the approach for previous surveys (2002, 2004, 2007, 2009, and 2011).

NZ On Air provided SenateSHJ with a long list of about 100 stakeholders to select from, with a target of 25 completed interviews. We conducted 26 interviews in total, from a range of stakeholders.

Industry	Target	Achieved
TV producers (mix of senior / leaders / other)	6	6
Broadcasters (mix of senior / leaders / others)	4	4
Music industry representatives	3	3
Television industry representatives	1	1
Radio producers and broadcasters	4	3
Public radio management	1	1
Record company representatives	2	2
Government sector peers	2	2
Digital	2	4
Total	25	26

Interviews were conducted by phone and followed an agreed question line. Each took between 20-50 minutes to complete, depending on the level of detail in the respondents' answers.

Summary

An enduring appreciation for NZ On Air

As in previous years, responses from stakeholders were overwhelmingly positive. Stakeholders hold a deep love of the NZ On Air model, its staff, and the way it fulfils its role.

There is a good understanding about what it does and stakeholders also continue to express appreciation for NZ On Air's ability to negotiate the challenging environment that it operates in.

There will always be criticism around the funding and process and how it's administered. The team do a great job of constantly managing this. - Music industry

However, this year there were also some new and emerging positives and concerns. These included:

- appreciation for NZ On Air's commitment to evolving and improving, but ongoing worries that the existing model is becoming outmoded – a desire for audits, to demonstrate where audiences are
- desire for clarity around NZ On Air's direction and for more communications, especially with the Board
- appreciation of efforts into digital, desire for more certainty and some concerns around online IP
- concern about resilience of industry, particularly about small players in the television industry – speculation and concerns about NZ On Air / Film Commission amalgamation
- concern about the organisation's ongoing independence.

Core questions

NZ On Air's role seen as critically important

As in previous years, stakeholders have a clear understanding of NZ On Air's core role. They use words like 'vital' and 'critical' to describe the model.

In a country like New Zealand, I don't think we'd have an industry the way we have without NZ On Air. - TV producer

There were some interesting differences in the language used by each sector, reflecting their different engagement and relationships with NZ On Air:

- Broadcasters used words like 'power' and 'gatekeepers'.
- Producers used words like 'guardian' and 'treasury'.
- Radio representatives used words like 'enabler' and 'protection'.
- Music industry used words like 'advocate', 'facilitating' and 'promote'.

Stakeholders reported a belief that NZ On Air fulfilled its role well, especially considering the constrained environment it operates in. They understood the changing environment and appreciated NZ On Air's even-handedness, the breadth of content funded and what it achieved with its limited funds.

What they do for music is phenomenal in terms of the amount of money they hand out every year. Phenomenal, they do a great job. Talking with international colleagues, they're all very jealous of the system we have here. - Record company representative

We used to play it [NZ Music] just to keep our quota up, but now NZ music is brilliant and competes internationally. A large part of that is attributed to NZ On Air efforts. - Radio industry representative

As in previous years, any criticism for how NZ On Air fulfils its role stemmed from those wanting to see a different balance of genres or styles ('more things that I like / want / produce').

I think that the agency is under considerable commercial pressure. We are seeing a diminished variety and range of NZ stories being reflected back at us. - Broadcaster

Relationships and communications positive

Almost all stakeholders report that they have positive relationships with NZ On Air staff and appreciate the team's industry knowledge and experience. They also appreciate how difficult the role can be, especially in the environment NZ On Air is working in.

[Our relationship is] cordial, helpful, co-operative. Because they're easy to work with, they understand the business I'm involved with, so it's easy to build rapport and make progress on issues. - Radio industry representative

Stakeholders listed the reasons below (unprompted) for the good relationships. These were consistent with previous years:

1. Staff are supportive and knowledgeable.

They are able to talk to us and bring the high level stuff down for us, they help us to understand. - Public radio management

2. Staff listen, engage in dialogue and agree to disagree.

It's very good. We don't always agree but I think they're always open to discussion and to explain their decision. - TV producer

3. NZ On Air is open and transparent – its reasons for decisions are broadly understood.

What I'm impressed by are their annual reports. They are clearly able to show data and evidence. - Government representative

The main forms of communication that stakeholders mentioned in the survey were phone, email, face-to-face, newsletter and website. Consistent with previous years, most stakeholders reported they appreciate the personal touch of one-on-one communications with NZ On Air staff. Stakeholders reported consistently high level of satisfaction with NZ On Air communications.

I'd give them a top score 100% A+++ . - Digital representative

Ten out of ten. - TV producer

Perfect. Not too much, not too little. - Radio industry representative

We asked specifically about the following communication forms:

- The **newsletter** was widely read and greatly appreciated. A couple of stakeholders thought that the newsletter should be more industry specific, or more engaging, including clips of projects funded. Many stakeholders

reported they go online to read the newsletter, as they don't receive it directly.

- Similarly, most stakeholders use the **website** and are happy with it.
- Very few stakeholders knew of NZ On Air's **Facebook** and **Twitter** pages. Most said they don't use social media in this capacity. Those that do thought more could be done in these spaces, although a couple noted recent improvements.

However, there was a stronger theme this year than there has been in the past of a desire for *more* communications – this theme came especially from larger players, who would like more contact with the Board and more clarity about what senior managers and the Board are looking for.

I have less contact with Board members than I would like. - Broadcaster

I think they could perhaps communicate their strategy a bit more. We don't understand why they've changed their position. - Broadcaster

I'd really like the opportunity to learn more about their vision in my area... It would be great to be a fly on the wall in a Board meeting and meet with them to throw some ideas around. - Digital representative

I suspect at times (we all do) that [NZ On Air staff member] is given information from higher management and is then having to filter or choose how to impart it to us. For both parties, it would be useful to be confident that there's one message coming from us and one coming back from NZ On Air. We all need to be on the same page. - Broadcaster

Reported strengths outweigh perceived weaknesses

As with previous years, stakeholders' descriptions of NZ On Air's strengths greatly outweigh views about its weaknesses.

We can't say enough good things about them. We're very happy. - Radio industry representative

Strengths

When we asked stakeholders to name NZ On Air's strengths, the key themes were similar to previous years:

- **Staff, relationships** and industry understanding. Stakeholders used words like: 'responsive', 'open', 'knowledgeable', 'intelligent', 'listen'.

Their visions for things. When proposals come in they work with people to see how it can work. They listen, and they are good at understanding. - TV producer

I've never had an occasion when they don't respond. - TV producer

- **The existence of the model** and the fact the organisation is responsible, independent, and decisions are even handed and consistent.

I'm very grateful they exist. - Radio industry representative

To a large degree they have a particular measure of even-handedness and non-bias. - TV producer

They seem to have the right amount of impartiality. - TV producer

- **Great decisions** and proven wins.

I think [NZ On Air] makes excellent use of public funds... particularly in the music industry, which has, over the years, proved to be magnificent. Look at Lorde's number one: the record company that promoted her has worked with NZ On Air for years – they may not admit [NZ On Air's role in that], but you've got to plant a lot of plants to get a beautiful one. - TV producer

Our results on a national and international level are significant, especially considering [the levels of] funding. It's an essential part of the industry. - Broadcaster

- **Responsible** use of public funds, frugal.

They make good priority decisions. Rationing too – they have to make those calls and they do it very well. - Government representative

They're very frugal about their world. They are really good at that, they're careful with budgets. - TV producer

It diligently applies its limited funding to making sure that New Zealanders do get a wide range of worthwhile programming. - Broadcaster

This year, two new strengths emerged as clear themes:

- NZ On Air seeking ways to **evolve and improve**, including specific mention of appreciation for NZ On Air streamlining the application for digital funding following feedback from applicants.

The fact that they are prepared to constantly, continually improve on what they do. - Government representative

Every year there constantly seems to be review and revision which is very welcome. - Record company representative

They're always looking to seek ways to improve. They're always open to dialogue. And they're unique in that sense. - Digital representative

Historically, the only weakness that comes to mind is slowness to change, but my understanding and experience is that isn't an issue currently. - Music industry

They seem to me to be fairly proactive about technology changes. - Radio industry representative

However, while this ability to evolve came through as a clear strength, some stakeholders retained concerns, as expressed in previous years, about the organisation's ability to keep up with the pace of change. This is discussed below.

- General satisfaction with **Making Tracks**. A clear theme from the 2011 audit was a cautious 'wait and see' view of Making Tracks and a desire for a review within a year. This year, there was broad acceptance from those who mentioned it that it was a good move.

They've certainly improved a hell of a lot since they've changed from making albums to Making Tracks. There's more funding going into emerging artists. - Government representative

I personally think the change from removing the album funding was probably a good idea given where technology is and how we're moving forward these days. - Record company representative

The reviews recently from album funding to Making Tracks has been very well received, on the whole. - Music industry

Weaknesses

Over the years, stakeholders' concerns have shifted quite broadly, often reflecting the environment at the time. As with last year, there were fewer consistent themes with weaknesses than with the strengths.

- **Getting the balance right** – this related to quality versus quantity, commercial versus public sector, NZ On Air trying to be everything to everyone (which was also viewed as a strength).

I think they use a very scatter-gun approach to the support of New Zealand music, which means there are a lot of artists that they help but some of them are of perhaps dubious quality. - Radio industry representative

We are seeing diminished variety and range of NZ stories being reflected back at us. I do think [they need to take] braver editorial decisions.
- Broadcaster

There is too much emphasis on funding programmes which they know will get high ratings. They should be more interested in funding programmes which need to be made for the benefit of the soul of the country ... I do believe they've strayed a little away from their primary role, which is funding programmes that would not be made - TV producer

- **Power held by broadcasters** – as with previous years, there was concern held by some producers about the ongoing role of broadcasters as 'gatekeepers' to NZ On Air, and a desire to find alternatives.

I'm tempted to talk to them about how I get my shows made without going through TVNZ. TVNZ are our gateway. - TV producer

Their main weakness is they're bridled to the networks who have so much power. - Digital representative

Being captured by broadcasters sometimes. I feel that they feel constrained by the industry and the relationships. - Broadcaster

- **Adapting to change** – while some stakeholders expressed appreciation for NZ On Air's ability to evolve, concerns remained about the organisation's ability to keep up with change – a theme that has also appeared in previous surveys.

Weakness is their inability to make decisions based on the changing environment. - Radio industry representative

The technology hasn't changed in the [networks'] scheduling and rating system, but times are changing. – Digital representative

- **Political influence** – while many stakeholders regard NZ On Air’s impartiality and transparency as a key strength, a smaller number raised a new concern that this impartiality was at risk.

Politics. It’s all political. They have too much political influence. I understand that they have government funding, but they are just too close.
- Broadcaster

I think of late, unfortunately, [the Board] has been more political than it should have been in my view. NZOA is an arm’s length funding organisation and it should be clear of politics ... I don’t want to be getting money from NZ On Air for a really great project and then find that someone on the Board decides that it isn’t according to their political principles. It is a huge erosion of trust. That’s been a big bloody black thing. I think NZ On Air should guard its political ‘arm’s lengthness’ like the plague. - TV producer

Government circle is a bit of a weakness. They need more independence. I always wonder about the Board. The make-up has some political appointments... Are these people representative of the industry with sound knowledge? - Radio industry representative

Very strong imperative from government. The cultural agencies feeling like they have to adopt certain policies to meet their requirements from their Ministries. They need to push back more. – TV producer

Specific question areas

Knowledge of NZ On Air’s digital funding?

Stakeholders appreciated that NZ On Air has recently taken steps into the digital space, and they have said they understood that this was a new and evolving area for the organisation. Stakeholders also appreciated that NZ On Air has streamlined the application processes for digital projects, and there is a desire for this to go further.

But there’s a feeling now that it’s time for more certainty and clarity. There is speculation about the ongoing level of funding (both from those who could apply for funding and from broadcasters worried the funding for digital will be taken from them) and about what else might be funded. There is also desire for more research to be done in this area to guide the decisions.

I hope they change their submission systems. - Digital representative

The question has to be: is there a role for NZ On Air to support the smaller sports? I don't know the answer to that. - Digital representative

The audiences are very credible. Web is a great second tier. - Digital representative

The issue of IP rights (and a perceived lack of consultation around the online rights proposal) and NZ On Screen has concerned some stakeholders.

[The online rights paper] is a digital initiative that's been tacked on to free-to-air. - TV industry representative

It's about: 'give us your stuff because it's ours anyway'. NZ On Screen behaves as if it owns all of the content. And actually it doesn't. It might want to, it might wish it did, but it doesn't. - TV producer

Knowledge of special interest funding?

There was limited knowledge outside of the television space, but those who knew about Rautaki Maori, Disability and Platinum Fund were generally supportive of the priorities.

Do you understand NZ On Air's decisions?

The vast majority of stakeholders still report that they do, and that they can call NZ On Air to discuss if they don't. However, for the past two years, there has been a growing desire for more information in NZ On Air's funding letters.

Myself, like most production companies, would welcome more detailed feedback for reasons for rejecting proposals. I know it's difficult and time consuming... Everyone is always keen to know more than the brief note in the letter. - TV producer

Could they do more to assist industry?

Some stakeholders were adamant that it was not NZ On Air's role to support the industry. However, there is some desire (especially among the TV industry) to see NZ On Air supporting smaller players, apparently springing from a perception that Broadcasters are favouring a few larger producers.

They don't have any requirement to consider the industry itself – the people we hire, the camera people, any contractors. [NZ On Air] has nothing in

their charter that encourages keeping the industry going... It's a tricky balance. - TV producer

Unfortunately, the broadcasters decided that they would rather deal with large companies than a whole lot of little ones. [NZ On Air] has to make sure there are middle-range companies coming through, encourage the broadcasters to commission from middle-range people too. – TV producer

It would be good if NZ On Air had some sort of view that reflected the difference between funding a NZ-owned company versus funding an international company. – TV producer

There was also a desire for NZ On Air to encourage more collaboration.

I don't think we talk to each other as much as we should, constantly, all of us, not just NZ On Air. We don't work as collaboratively as we could on bigger projects. - Record company representative

Emerging themes

This year also uncovered some emerging concerns that we list here, because either they were new, or they are more prominent than in previous years.

Desire for more clarity about NZ On Air's direction and thinking

The comments outlined above show that stakeholders would like

- a) to meet with the Board
- b) more direction about NZ On Air's strategy
- c) more communications about funding decisions.

This feedback points to uncertainty within the industry (and may also be simply a reflection of a tighter funding environment). One stakeholder also expressed concern that the Government had plans to amalgamate the Film Commission with NZ On Air and what that might mean for the organisation's future.

Its weaknesses are that the film commission is trying to take it over... like they have in Australia. I think that would be a very bad move. – TV producer

Desire for audience research

As part of the above uncertainty, there was a desire to properly assess where audiences are accessing content, which was raised by four stakeholders across the audit.

I'm interested in talking to my audiences to see what's going on. NZ On Air and the networks should be doing the same thing, to see how we're inhaling everything - Digital representative

If I were in charge of NZ On Air I would tomorrow commission an insight into audience behaviour and trends. - Digital representative

There needs to be some research done into the amount of tracks funded. This is how we need to hold systems accountable. - Music industry

Desire for NZ On Air to promote its successes more

As with previous years, a few stakeholders expressed a desire for NZ On Air to promote and celebrate successes (while urging caution that they don't try to take too much credit).

If someone has received money, they should also champion the project's completion... At least have a release saying we gave 'X' funding in March, here's the link to the video – have a look. - Music industry

I think they can celebrate their successes more. - TV producer