

10 May 2021

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Tēnā koe [REDACTED]

Official Information request and response

Thank you for your request under the Official Information Act ("OIA") dated 9 April 2021.

You have requested:

The full stakeholder consultation and recommendations report on the public interest journalism fund, prepared by Hal Crawford (Crawford Media Consulting) for New Zealand on Air: The Public Interest Journalism Fund: Industry Consultation and Recommendations.

Please find a redacted copy of the report attached. The following redactions in these documents have been made:

- section 9(2)(a) of the OIA to protect the privacy of natural persons
- section 9(2)(b) of the OIA to protect information where the making available of the information—
 - (i) would disclose a trade secret; or
 - (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
- section 9(2)(g)(i) the free and frank expression of opinions by or between members of an organisation or officers and employees of any public service agency or organisation in the course of their duty

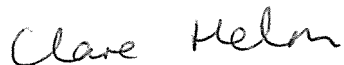
In regards to Section 9(2)(g)(i), in the collation of information for this request we have consulted the guidance from the ombudsman [here](#). As such we have removed Appendix 1, which included a summary and key quotes from each interviewee. All quotes within the report are not attributed to individuals or organisations, or able to be identified as attributable. Our reasoning for this is that disclosure of opinion material would cause advisors from the industry to become unduly cautious and conservative in their advice, which would be detrimental to the effectiveness of such advice. We believe that the document still provides detail and context to illustrate the industry's response to the development of the fund.

For your information, funding provided by NZ On Air for all successful projects is searchable on our website. You can also sign up to receive our bi-monthly industry newsletter via our website.

You have the right to refer this response to the Ombudsman if you are dissatisfied with it. More information on how to do this is [here](#). NZ On Air proactively releases information in accordance with the Government's commitment to the Open Government Partnership National Action Plan. This includes publishing responses to requests for information under the OIA. Please note that this response (with your name removed) will be published on the NZ On Air website shortly and will remain on our website for 12 months.

Thank you for your interest in our work.

Yours sincerely

A handwritten signature in black ink that reads "Clare Helm". The signature is written in a cursive, flowing style.

Clare Helm

HEAD OF CORPORATE SERVICES

The Public Interest Journalism Fund

Industry Consultation and Recommendations

Prepared for NZ On Air
and The Ministry for Culture and Heritage

March 2021

Hal Crawford
Crawford Media Consulting

About Crawford Media Consulting

Crawford Media Consulting's philosophy is to measure, analyse and encourage growth. We work with organisations faced with tough media industry problems: companies, government agencies, and NGOs.

Hal Crawford is an Asia-Pacific-based media consultant and former executive with experience in online, radio, television, and print media. Crawford has worked as Chief News Officer at Mediaworks in Auckland, Editor-in-chief at ninemsn in Sydney, and has been a member of the Australian Press Council. He co-founded the Sharewars project, which collected and analysed the sharing data of news on social networks, and is the co-author of *All Your Friends Like This: How Social Networks Took Over News*, 2015.



crawfordmediaconsulting.com

s9(2)(a)

Contents

INTRODUCTION	6
EXECUTIVE SUMMARY	7
SECTION 1: CONTEXT OF THE PIJF	10
CONTEXT SUMMARY	14
SECTION 2: PRECEDENTS	16
LOCAL NEWS PARTNERSHIPS: A BRITISH INVENTION	16
THE CANADIAN LJ	18
THE NZ LOCAL DEMOCRACY REPORTING PROGRAMME	19
SECTION 3: INDUSTRY FEEDBACK	22
IDENTITY AND SELECTION OF THE INTERVIEWEES	22
OVERALL CHARACTER OF THE INTERVIEWS	24
THE PRIMARY AIM OF THE PIJF	25
DEFINITION OF PIJ	26
MĀORI AND PACIFIC PERSPECTIVES ON PIJ	27
PRESSURE POINTS: “AT RISK” CONTENT AND THE TALENT CRISIS	28
THE BROKEN TALENT PIPELINE	29
ROLE-BASED FUNDING	31
PROBLEMS WITH THE NZ LDR AS A MODEL	33
DISTRIBUTION AND OWNERSHIP OF CONTENT	35
WINDOWS OF EXCLUSIVITY	36
FREE CONTENT AND PAYWALLS	36
PUBLISHER ELIGIBILITY	37
ESTABLISHED BUSINESSES ONLY	37
THE STATUS OF THE PUBLIC BROADCASTER(S)	38
MEDIA TYPES FUNDED	39
TRAINING AND DEVELOPMENT	41
THE INCREMENTAL QUESTION	43
PERFORMANCE ASSESSMENT	44
ADMINISTRATION OF THE PIJF	45
RISKS	47
A NOTE ON NZMF NEWS FUNDING	48
SECTION 4: CONCLUSIONS AND RECOMMENDATIONS	50
SUMMARY OF RECOMMENDATIONS WITH EXPLANATIONS	51
ESTABLISH A PROJECT-BASED STREAM	51

ESTABLISH A ROLE-BASED STREAM	51
THE RAUTAKI MĀORI PIJF	52
ESTABLISH GENERAL AND MĀORI MEDIA CADETSHIP PROGRAMMES	52
THE SDU AND OTHER TRAINING UNITS	53
OTHER UNRESOLVED MATTERS	54
ON THE LDR	54
ON THE INCREMENTAL QUESTION	54
ON TRACK RECORDS IN PIJ	55
ON PAYWALLS AND CONTENT DISTRIBUTION	55
ON FUNDING INFRASTRUCTURE	56
ON PERFORMANCE ASSESSMENT	57
A FINAL WORD	58

APPENDIX 1: INTERVIEW SUMMARIES AND QUOTES **59**

LYNLEY BELTON	59
OVERVIEW	59
QUOTES	60
JANA RANGOONI	60
OVERVIEW	60
QUOTES	61
MARK JENNINGS	62
OVERVIEW	62
TOPICS THAT NEWSROOM WOULD COVER AS PIJ WITH FUNDING (FROM EMAIL)	63
QUOTES	63
DANIEL NIELSEN	64
OVERVIEW	64
QUOTES	65
PATRICK SMELLIE	66
OVERVIEW	66
QUOTES	67
JAMES FRANKHAM	67
OVERVIEW	68
QUOTES	69
DAVID MACKENZIE	69
OVERVIEW	69
QUOTES	70
TONY SIMONS	71
OVERVIEW	71
QUOTES	72
GAVIN ELLIS	73
OVERVIEW	73
QUOTES	74
MERJA MYLLYLÄHTI	75
OVERVIEW	75
QUOTES	76
DUNCAN GREIVE	77
OVERVIEW	77
QUOTES	77
PETER-LUCAS JONES	78
OVERVIEW	79

QUOTES	79
PETER NEWPORT	80
OVERVIEW	80
QUOTES	81
BROOK CAMERON	83
OVERVIEW	83
QUOTES	83
PAUL YURISICH PIJF INTERVIEW	84
OVERVIEW	84
QUOTES	85
SINEAD BOUCHER	85
OVERVIEW	85
QUOTES	87
SARAH BRISTOW	88
OVERVIEW	88
QUOTES	88
PAUL THOMPSON	89
OVERVIEW	89
QUOTES	90
BARRY STEWART	91
OVERVIEW	91
QUOTES	92
ATAKOHU MIDDLETON	93
OVERVIEW	93
QUOTES	93
SHAYNE CURRIE	95
OVERVIEW	95
QUOTES	96
SHANE TAURIMA	97
OVERVIEW	97
QUOTES	98
SARAH HENRY	98
OVERVIEW	99
QUOTES	99
TAPU MISA	100
OVERVIEW	100
QUOTES	101
APPENDIX 2: PEAK TELEVISION USERS IN NEW ZEALAND 2005-2020	103

Figures

FIGURE 1: 70 YEARS OF US NEWSPAPERS	10
FIGURE 2: CENSUS DATA ON EMPLOYED JOURNALISTS	11
s9(2)(b)(i)	12
s9(2)(b)(i)	14
FIGURE 5: EXAMPLE OUTPUT FROM THE BBC'S SDU	17
FIGURE 6: SCREENSHOT OF LJI NEWS CENTRE INTERFACE	19
FIGURE 7: NEWSPAPER FRONT PAGES FEATURING LDR CONTENT	20
FIGURE 8: SEPARATION OF GOVERNMENT FROM EDITORIAL UNDER THE PIJF	47
FIGURE 9: RECOMMENDED PIJF STRUCTURE	50
FIGURE 10: MOBILE SCREENSHOTS OF GOOGLE SHOWCASE	56

Tables

s9(2)(b)(i)	13
TABLE 2: ASPECTS OF CURRENT ROLE-BASED FUNDING SCHEMES	16
TABLE 3: REPORT INTERVIEWEES	23
TABLE 4: INTERVIEWEES BY PLATFORM	24
TABLE 5: ROLE-BASED VERSUS PROJECT-BASED FUNDING	32
TABLE 6: PIJ FUNDING WITHIN THE NZMF, 2019/20	49

Introduction

“Signalling from the beginning that you may change tack is good.”

This quote from s9(2)(g)(i) strikes us as a piece of wisdom: one among many encountered in interviews conducted in the course of compiling this report. The report’s purpose is to summarise industry opinions and insights regarding the three-year, \$55m Public Interest Journalism Fund (PIJF) and to provide recommendations on some of the most pressing issues facing NZ On Air (NZOA) in structuring and administering this fund.

Resisting a directive approach and being flexible in setting up the fund is a matter of necessity as well as wisdom. There is so little time to get the fund rolling that a great deal of the work must be left to applicants. It is appropriate that the industry itself define what exactly should be done in the best interests of Public Interest Journalism (hereafter referred to as PIJ). What NZOA must do is set the broad constraints, translating the intentions of Cabinet into a workable set of requirements and clear guidance.

One certain thing is that this will be mostly different from the way NZOA currently funds content. The contrast between high-frequency news (the bedrock of PIJ) and the usual projects funded by the NZ Media Fund (NZMF) is stark.

When you hold a hammer, everything looks like a nail: and when a consultant is employed to find solutions, problems are thick on the ground. There are several ways the PIJF could underdeliver on its promise, but there is a far greater likelihood it will benefit both the New Zealand public and the media industry considerably. Through it all we should bear in mind that this is a wonderful opportunity – perhaps unprecedented globally – of testing ways to support PIJ. As s9(2)(g)(i) remarked with a typical emphasis on scientific method:

“I think the beauty of the scheme will come from its diversity: a few big things, a few industry-wide things, a few beautiful medium-sized things and a few small things would be really great. So that we get a lot of data at the end of the two years.”¹

I thank the interviewees for the considerable time and data they shared for this report, including the BBC’s Matthew Barraclough, the CP’s Gerry Arnold and RNZ’s Nina Fowler, who do not appear as official interviewees.

Hal Crawford
March 2021

¹ s9(2)(g)(i) was referring to the fact that the fund has well under three years left to run, given the fact that is starting in the fourth quarter of its first year. See Appendix 1 for a summary of the conversation with s9(2)(g)(i) and all other interviewees.

Executive summary

- The decline in the provision of PIJ to New Zealand audiences is real and widespread. Confidential staffing and output data from NZ media companies dovetails with global trends to suggest a halving of PIJ output capacity over the past decade. Industry interviewees generally agreed with the broad conclusion of great PIJ reduction, with the caveat that many pointed out the high quality of recent “prestige” projects. These PIJ highpoints have been tightly focussed and limited in volume.
- At the same time PIJ output has reduced, the attractiveness of journalism as a career has collapsed. This collapse is seen in the closure of journalism schools and the declining applications ^{s9(2)(g)(i)} [REDACTED]
- The PIJF has useful precedents in the UK’s Local News Partnerships (LNP), Canada’s Local Journalism Initiative (LJI) and NZ’s Local Democracy Reporting (LDR) programme. However, because these programmes are largely based on funding roles and tightly focussed on local governance and news, they cannot form complete blueprints for the PIJF.
- 24 industry and academic figures were interviewed on a range of topics relating to the PIJF. The interviewees represented national, broadcast, online, magazine, community media and representative bodies, and four of those interviewed had deep Māori and Pacific Island media knowledge. Each interviewee consented to being identified with their comments for the purpose of this report. Additional industry engagement is now underway, conducted by NZOA.
- The representatives of big NZ media companies were unhappy that the PIJF had “shifted focus” from their first discussions with Government during the COVID crisis. They claimed the emphasis had moved from industry relief to the provision of PIJ.
- Māori and Pacific Island media interviewees had a fundamentally different view of PIJ and the fund than other interviewees, and asked for ring-fenced funding and appropriate consultation.
- There was a consensus that the pipeline of talent into NZ journalism is broken. Newsrooms cannot find experienced journalists to fill vacancies and many in the industry believe the tertiary sector is not supplying sufficiently skilled graduates. For this reason, interviewees were enthusiastic about the possibility of a funded cadetship programme and other training initiatives.
- Role-based funding was regarded as a necessary part of the PIJF and welcomed by the majority of industry, provided it was not constrained in the same ways as the

NZ LDR programme. Pre-publication sharing of funded content would be a “deal breaker” for most national and regional news organisations.

- PIJF funding for public broadcaster RNZ and the Crown-owned TVNZ was contentious and largely rejected by industry interviewees, who saw RNZ’s involvement in particular as “double dipping”.
- While there are risks for NZOA and the Government regarding the PIJF on account of the subject matter, the most likely problems will be practical, such as the difficulty in filling roles and the need to balance the interests of different and opposed groups in allocating funding.
- There is a reputational risk around PIJ projects already funded under the NZMF shifting to the PIJF without a corresponding increase in total fund budget. Some in the industry are aware of this possibility and see it as a “short-changing” of news.
- It is a conclusion of the report that the single most significant challenge facing the PIJF in attempting to help industry is the shortage of reporters. Because this problem works against sustainability, it should be a major focus.
- The report’s main recommendations are:
 - Establish a project-based pillar
 - Tightly defined projects delivered to a deadline
 - Modelled on the Factual stream of the NZMF
 - Establish a role-based pillar
 - Multi-year contracts with publishers for the employment of reporters, with output minimum requirements and agreed coverage guidelines
 - Roles incremental to existing staffing
 - Ring-fenced funding for Māori journalists
 - Establish a training pillar
 - Cadet programme in consultation with industry
 - Rautaki Māori cadetship programme in consultation with Māori media
 - Shared Data Unit for sabbatical training of existing practitioners
 - Further training units over time, such as an Investigative Journalism Unit for existing practitioners
- Additional recommendations:
 - Pillars should be administered by NZOA with the assistance of an industry advisory group and separately, a Rautaki Māori advisory group
 - Consult further with Māori media to ensure aspects of the PIJF pertaining to Māori media/audience are reflective and effective

- Retain the LDR as a programme within the PIJF, with potential expansion of the existing 14 roles in response to identified coverage gaps
- Do not require sharing of funded content within the broader PIJF (beyond the LDR)
- Allow paywalled funded content if content simultaneously and freely available elsewhere
- Require applicants to demonstrate a track record of PIJ
- Do not fund infrastructure projects
- Establish a simple (not perfect) performance assessment system
 - Require adoption of a common metrics suite
 - Audience and output minimum targets set by agreement
 - Before and after public sentiment surveys
- Require the publishing of funded content in HTML environments (rather than allowing uploaded PDFs to stand in for digital publication)
- Do not shift existing news projects within the NZMF to the PIJF without a corresponding increase in the funding budget of the PIJF
- Separate Government from any actual or perceived involvement in decision-making and administration of the working fund
- Where possible adopt an iterative approach to the implementation of the fund, testing funding against desired outcomes

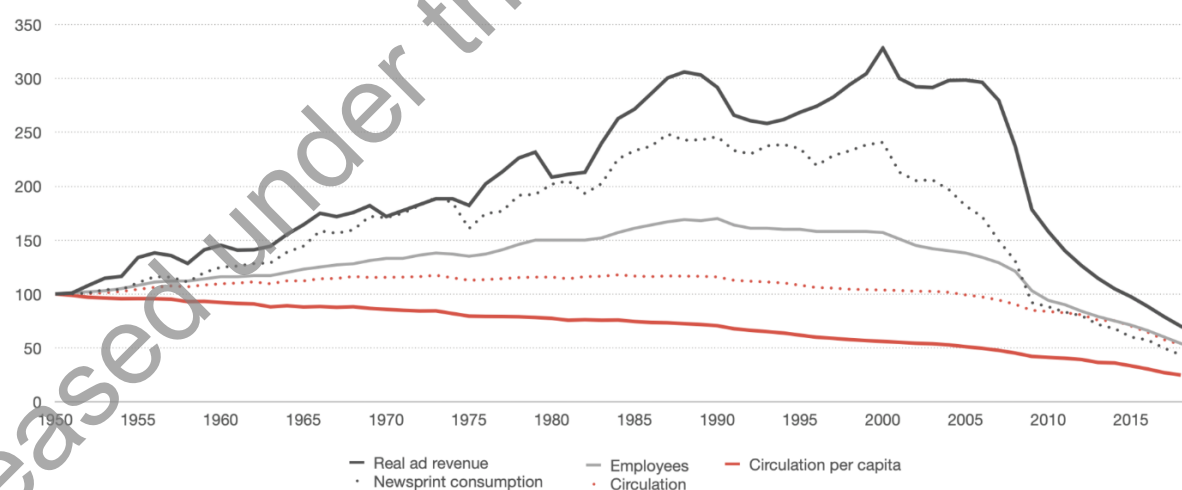
Section 1: Context of the PIJF

The creation of the PIJF is predicated on a decline in the provision of public interest journalism in New Zealand. Most, but not all, industry and expert interviewees consulted as part of this report agreed that PIJ was on the wane. Many felt the volume of news reporting had gone down, while the quality in some areas had gone up. Others were so fixed on certain areas of long-standing omission they would not consider the issue on the report's terms. We will look at these thoughts and opinions in Section 3. In this section, we will briefly consider the data we have on the decline of PIJ in order to contextualise the fund.

In global terms, the trend of declining employment for journalists and the closure of local, regional and national news publications is well-established. There is no mystery as to the cause for these trends: declining print readership leading to declining revenue in turn giving rise to cost-cutting. Free-to-air TV has been more recently hit with the same forces as peak audiences consistently decline year-on-year². The root cause of both is behavioural change in audiences as digital technologies allow the development of more potent ways of garnering attention. Coupled with this audience-side revolution, digital platform companies have offered businesses of all sizes convenient, highly targeted and accountable advertising.

A snapshot of the US decline with a precision and longevity currently unavailable in NZ is provided in a graphic generated by analyst Benedict Evans.

Figure 1: 70 years of US newspapers



Source: McCann, Zenith, US Census, FAO, BLS ©BenedictEvans 2021

The benefit of Evans' long look at relative growth (1950 = 100) is to show how advertising revenue continued to grow despite declining circulation until the edifice collapsed around

² Although peak TV audiences stabilised in NZ with the COVID crisis in 2020. See Appendix 2 for 15-year trend graph.

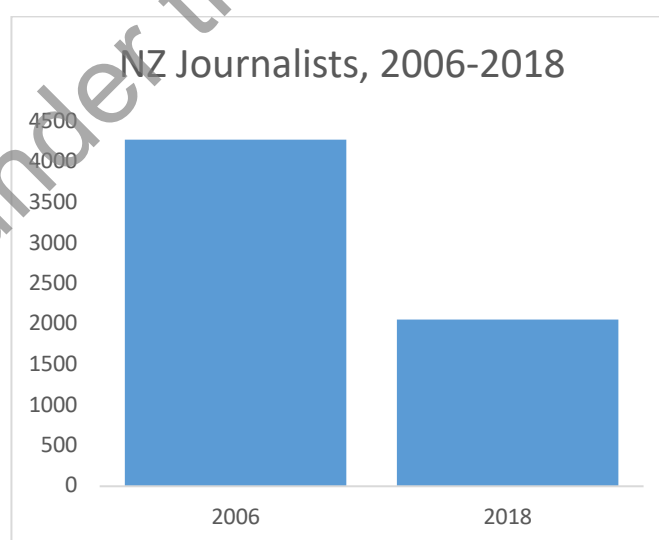
the time of the global financial crisis in 2008. This lag followed by sharp decline indicates advertisers were looking for better value and perhaps found it with the advent of Google, Facebook and other forms of online display advertising. Print publishers transitioning to digital have found audiences – in many cases larger than their offline counterparts – but their digital ad products provide only a fraction of the revenue of offline ads. Subscription revenues are only now being rebuilt to replace cover prices.

New Zealand has felt all the forces demonstrated in the above chart, albeit with insulation in areas. It was notable in discussions with s9(2)(b)(i), for example, that that paper has followed a “print first” strategy in terms of content. This seems to have mitigated circulation loss and maintained the viability of the newspaper for many years. This is presumably possible because s9(2)(b)(i) inhabits a geographical niche, and the behaviour and expectations of its audience and advertisers are such that the product remained compelling regardless of global trends.

We are concerned with the production of PIJ, and therefore the employment of journalists. It is important to note that reporters are only part of a media company’s workforce, and that most of the business is in one way or another involved in the provision of content. In the US chart above, we see that newspaper employees (including digital staff) are half of what they were in 1950 and less than a third of the 1990 peak. There is no reason to believe that reporters have been disproportionately targeted within this downsizing.

In his 2019 NZOA discussion paper on NZ journalism, Pattrick Smellie includes journalist numbers sourced from the 2006 and 2018 censuses.

Figure 2: Census data on employed journalists



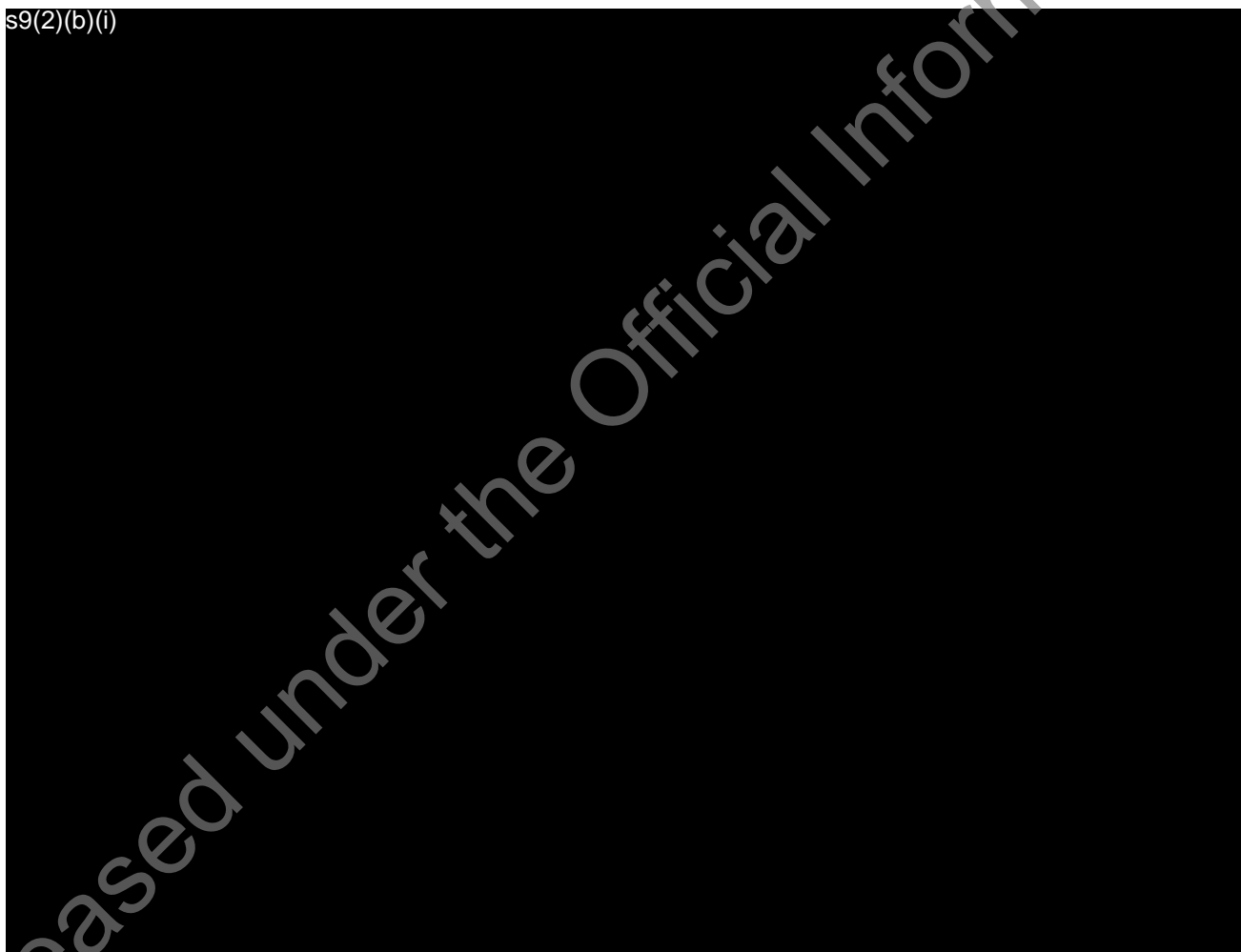
Source: P. Smellie, from Stats NZ. Note the 2006 and 2018 censuses contain different occupation names and totals are aggregated from these in Smellie’s analysis.

In researching this report, we asked industry to provide corroborating data for the above decline. In most cases, commercial operators were reluctant to disclose numbers with any

precision. One major news operation said that “numbers of editorial staff have dropped by about 30% since 2013”. A third of these lost roles were in regional areas. In terms of regional journalism, a report prepared before the introduction of the NZ LDR (see next section) found that regional reporting staff had declined by 152, or 28%, in the space of the previous 3-5 years.³ Such is the sensitivity around reporter numbers that industry body NPA aggregated publishers with different employment data time frames, as can be seen in the curious imprecision of “3-5 years”.

s9(2)(b)(i) and provided detail to this report on the proviso that the numbers were commercially confidential and be redacted should the report be made public. The follow chart is fascinating and disturbing for anyone concerned with the health of PIJ in NZ because it contains both editorial staff numbers and article volume data.

s9(2)(b)(i)



³ “Proposal for a Local Democracy Reporting Service for New Zealand”, May 2019, RNZ/NPA/NZOA

s9(2)(b)(i)

The staff numbers above are FTE equivalents and include everyone in the “newsroom”: reporters, editorial management, and production staff such as sub-editors. s9(2)(b)(i)

From this perspective we see that the anonymous major newsroom suffering a 30% headcount reduction is the odd man out. Such is the scale of decline that the loss of a third looks moderate.

The fact s9(2)(b)(i) have had an impact on the amount of news being produced is shown by article output. The disappearance of s9(2)(b)(i) articles a year between 2013 and 2020 s9(2)(b)(i) is probably the best proof point we have that PIJ is indeed facing a crisis in New Zealand. It should be noted also that article output per editorial staff member has increased by s9(2)(b)(i) over that period, which may or may not be a good thing, depending on your perspective on the default work ethic of journalists.

An irony of the regular job cuts at newsrooms – s9(2)(b)(i) - is that it has become harder to find journalists to fill roles.⁴ This was agreed by the report’s industry interviewees, and is backed up by a loss of demand for journalism education.

Confidential figures from s9(2)(b)(i) show declining interest in its journalism course in the form of applications for enrolment. While the trend has been apparent from the late 1990s, s9(2)(b)(i) was only comfortable to supply figures for the past decade.

⁴ The same brutal and regular reductions have not yet been seen in broadcast newsrooms in NZ. s9(2)(b)(i)

s9(2)(b)(i)

These figures are much more informative than actual enrolments s9(2)(b)(i)

this steady decline in applicant numbers probably paints a more optimistic picture than is realistic because the closure of several journalism schools around the country has surely concentrated interested students on the handful of tertiary institutions remaining.⁵ The numbers above show a 58% reduction in applications and the real demand decline is almost certainly worse than that. In short, demand for journalism education has collapsed to a greater extent than actual employment in the industry, a situation that has serious consequences. These are explored in Section 3.

Context summary

Data from official sources, commercial media and journalism education providers shows that anecdotal beliefs around big reductions in PIJ and its professional desirability are well-founded. Causes are well-understood and documented globally. There is no indication that digital news start-ups, despite creating high quality content, substantially offset the loss of

⁵ Sam Brett, writing in The Spinoff, says journalism schools went from 10 “in the early 2000s” to 5 in 2019. This number is backed up by online course surveys, which list NZBS (Ara), AUT, Canterbury, Massey and Wintec as journalism education providers. <https://thespinoff.co.nz/media/27-02-2019/why-would-anyone-train-to-be-a-journalist-in-nz-in-2019/>

news volume seen in the big news organisations. Any government intervention that aims to increase the supply of PIJ should take into account the reputational harm suffered by journalism, and work with industry to bring talent supply and demand into balance.




Released under the Official Information Act

Section 2: Precedents

In setting up the PIJF, we are fortunate to have a number of precedent schemes that can provide guidance in some areas. The three most relevant schemes to the provision of PIJ in New Zealand are the UK's Local News Partnerships (LNP), Canada's Local Journalism Initiative (LJI) and New Zealand's own Local Democracy Reporting programme (LDR). The purpose of this section is to briefly describe each scheme and highlight some strengths and weaknesses in relation to the PIJF.

Before we begin, it is important to note that these schemes cannot provide for every requirement of the PIJF. They are all specialised for the provision of local news, and they are all primarily based on the employment of reporters. As readers will be aware from the Executive Summary, in the best case they could therefore only provide part of our answer.

Table 2: Aspects of current role-based funding schemes

	 LNP	 LJI	 LDR
Funding pa	\$13.7m	\$10.8m	\$1.5m
Reporters*	165	200+	14
Contract length	2 years	2-3 years	1 year
Article output/head	33/month	20/month	20/month
Allowed subjects	Local authorities	Civic reporting	Local authorities
Content sharing	Compulsory pre-pub	Compulsory	Compulsory pre-pub
Administration	Public broadcaster	Industry groups	Public broadcaster

Source: BBC, The Canadian Press, RNZ, NZOA. All funds converted to NZD. * Total approved heads

Local News Partnerships: A British invention

The UK LNP is nominally a joint venture between the BBC and the News Media Association (the NMA is the UK newspaper industry body). We say "nominally" because the BBC administers and funds the LNP. The programme began in 2017 and is responsible for the LDRS, a role-based programme for local governance reporting, as well as a training unit and a central content distribution system.

- The cost of the entire LNP including overheads was \$13.7m NZD (£7.15m) in 2019/20, and the BBC has budgeted up to \$15.3m NZD (£8m) pa for its operation. In this we see it as comparable if smaller than the PIJF.
- The LDRS that sits under the LNP currently funds the employment of 149 reporters (165 roles are budgeted in 2021 but full employment has not been achieved at any time in the service's almost three years of operation).
- The BBC contracts with a partner news organisation to employ a reporter to produce certain content. There are content guidelines and output requirements.

- LDRS stories are shared prior to publication on the central CMS so that any partner organisation, including associate partners with no funded reporters, can publish the content at the same time as the originating newsroom.

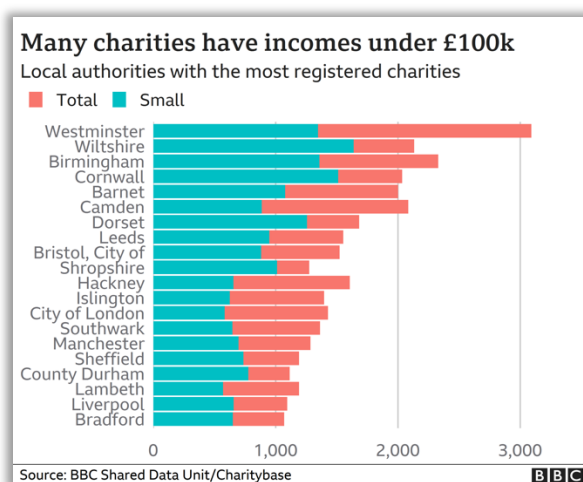
The LDRS contract structure is interesting in that the BBC fixes the contract value: the flat rate has only two tiers, one for London and one for the rest of the nation. Total contract value is 50% more than the designated minimum reporter wage. If the host newsroom wishes to pay the reporter more than the minimum, they may, but there is less money for their newsroom overheads. All stories are incremental to the existing output of their newsrooms, with proof of backfill required in the case of internal appointments.

LNP chief Matthew Barraclough says the reach of stories within the LDRS is effectively tripled by requiring the sharing of stories. He is unapologetic that LDR reporters are forbidden from covering stories outside their local government beat and says that he only grants permission for LDRs to cover breaking news in extraordinary circumstances.

*What we've said is it has to be exceptional and we set a fairly high bar on that. There was a fire in South Wales. I mean, a serious fire. I did not object to that because ... the [LDR] reporter was working out of hours, the reporter actually called in the story ... and this huge fire was actually in the neighbourhood where they happened to live. No real journalist would ... wave the red card on that one. **Matthew Barraclough, BBC***

Barraclough is particularly proud of the Shared Data Unit (SDU), a training programme for data journalism. The SDU has four dedicated trainers (including trainers on rotation from general BBC reporting work) who train four students at any one time. Students are reporters on paid sabbatical for 12 weeks from partner news organisations. While students learn data journalism and visualisation from their teachers, they are also creating shared data resources which are available to news partners to publish.

Figure 5: Example output from the BBC's SDU



One of the biggest raw materials is trust [in the quality of story] ... one of the ways that you ensure that trust is high is that you set quite a high bar for the people who are going to be doing that newsgathering for you.

Matthew Barraclough, BBC

Administration is entirely up to Barraclough and his team. An industry panel of 10 members meets twice yearly to provide advice only. A full review of the LNP was conducted in 2020 and is available online.⁶

The Canadian LJI

The Local Journalism Initiative varies from the LNP in its sole focus on role-based funding and the method of its administration.

- \$54m NZD (\$50m CAD) over 5 years, or just under \$11m NZD pa.
- Currently over 200 reporter “grants” in operation, although not all are full-time roles.
- The scheme is run without government or public broadcaster involvement by a group of seven organisations: the bulk of the administration falls to newspaper industry group News Media Canada, while the tech platform for story distribution is run by national wire service The Canadian Press.
- A Judging Panel “reviews applications, selects recipients, and decides funding allocations”. There are six members, mostly from big news organisations, with an indigenous media representative.
- Output averages 4000 stories/month.

Canadian Press executive Gerry Arnold, who sits on the Judging Panel and was a key figure in setting up the LJI, says over 70% of the scheme’s funding goes to members of News Media Canada. There are clear requirements for funding to go to “underserved communities”, with these defined as “news deserts” or areas of “news poverty”. Each of these phrases has a fuller explanation.⁷

Where the UK LDRS is firmly focussed on reporting council meetings and tightly defined issues of local governance, the LJI has a somewhat broader remit to focus on “civic journalism”. A look at the LJI “News Centre” interface from March 2, 2021 (see below) shows articles ranging from local business to crime and feature news. All of these articles may be used by anyone in the scheme, similar to the LDRS and LDR.

⁶ “A Review of the BBC Local News Partnership”, Peter Johnston, BBC, 2020.

<https://downloads.bbc.co.uk/aboutthebbc/reports/reports/lnp-review-2020.pdf>

⁷ News deserts: “Areas where citizens do not have access to journalistic information about community issues and institutions because there are no daily or community newspapers and other media”.

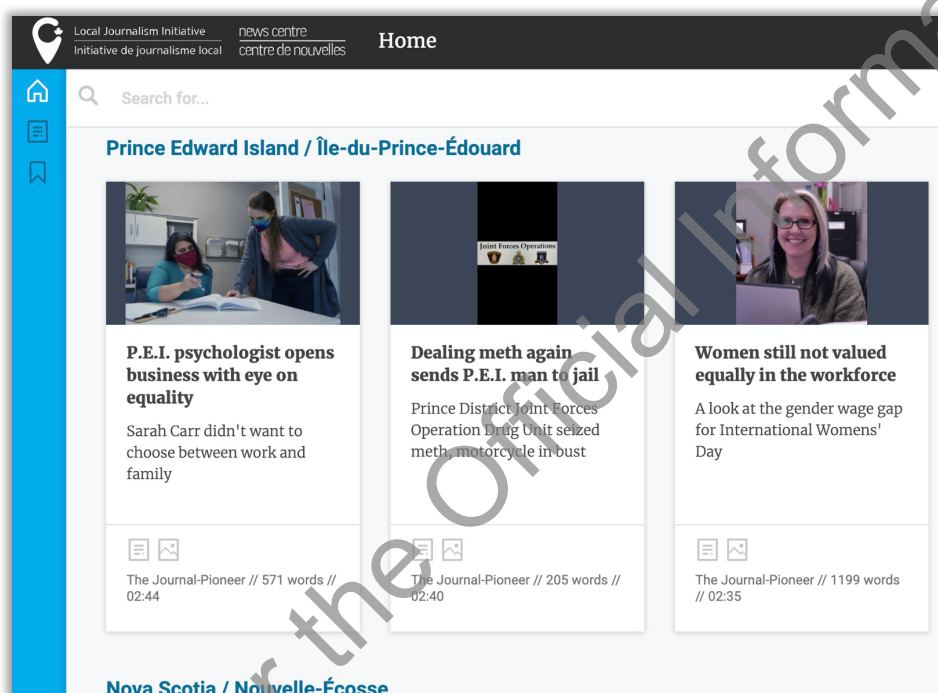
News poverty: “Communities where there is limited access to journalistic content about community issues and institutions through existing news media, like a daily newspaper or public or private broadcaster.”

<https://nmc-mic.ca/lji/about-lji/how-it-works/>

Arnold says that because of this content sharing requirement, the scheme has worked to expose small community issues to a broader audience.

*That's one of the things I'm actually pretty proud of in the programme, the amount of indigenous coverage it's generated ... The access it gives mainstream media to coverage of indigenous news across the country. I would think the LJI is probably the best source of that type of content now anywhere in the country. **Gerry Arnold, The Canadian Press***

Figure 6: Screenshot of LJI News Centre interface



The NZ Local Democracy Reporting programme

Like the UK LNP, the New Zealand programme has been the subject of analysis. Gavin Ellis produced his excellent “Local Democracy Reporting Review” in October 2020 and there is no need to go over the ground already covered.⁸ The difference between this LDR and the other schemes is primarily one of scale: it is now approved to fund 14 roles at a total cost of \$1.5m for 2021.

It seems that in terms of subject matter covered by the LDR reporters, the NZ programme sits closer to the strict orthodoxy of the BBC system than the laissez faire Canadian approach. While the emphasis is on local authorities and rūnanga, some allowance is made for other stories of importance to the community. Other relevant aspects of the programme:

⁸ <https://www.nzonair.govt.nz/research/review-local-democracy-reporting-2020>

- All articles must be uploaded to the central CMS prior to publication. “A newspaper publisher may not hold stories to suit a print distribution time”.⁹
- All content is effectively Creative Commons and can be republished with appropriate accreditation by any organisation that agrees to Media Council principles and has a complaints process. Approved organisations are vetted by RNZ.
- Reporter costs are higher per head in NZ than in other jurisdictions.¹⁰ The talent supply problem already discussed in Section 1 may offer some explanation for this discrepancy. Living costs, tax and industry standards could also play a role.

LDR General Manager Nina Fowler has represented the achievements of the programme well in discussions conducted during the course of compiling this report. This composite graphic of community newspaper front pages featuring LDR stories demonstrates the importance of the initiative: without reporters in council meetings, there is no doubt many of these stories would not have been written.

Figure 7: Newspaper front pages featuring LDR content



⁹ “Local Democracy Reporting Host Newsroom Applications Guidelines”, RNZ, 2020.

¹⁰ See Gavin Ellis’ LDR report, page 17.

https://d3r9t6niqlb7tz.cloudfront.net/media/documents/LDR_YEAR_1_REVIEW.pdf

The views of the industry on the NZ LDR are highly informative in considering a role-based component of the PIJF, and these are explored in the next section and in the conclusions. The primary obstacles to expanding the LDR are the requirement to share content, and the limited scope of topic and medium.

Released under the Official Information Act

Section 3: Industry feedback

The primary purpose of the report was to solicit industry opinion on a range of matters relating to the structure, administration and operations of the PIJF fund. These opinions were sought with two goals in mind: the first, to gather information that could inform decision-makers, the second, to listen and understand concerns of the industry and other stakeholders in relation to the investment of these public funds. The latter, the important issue of “having been heard” requires a summary and excerpts from each conversation, which has been provided in the appendices. For the remainder of this section, we will concern ourselves with generalisations and specific issues arising from the conversations that are pertinent to decision-makers.

Identity and selection of the interviewees

A list of 25 interviewees was drawn up between the Ministry for Culture and Heritage (MCH) and NZOA, with input from Crawford Media Consulting. The number of interviewees was determined by the time available to undertake the consultation and the requirement to speak to representatives of major stakeholder groups. In determining representatives from publishers, consideration was given to seniority and editorial experience: ideally an interviewee would possess both. A mark of the significance accorded to this funding proposal is seen in acceptance rates, with only a single interview declined.¹¹

Outside these 24 interviews, discussions have taken place with PIJ fund administrators outside New Zealand, and further engagement with stakeholders not on the initial list is being undertaken by NZOA in order to continue canvassing opinion.

The intent of the list was to cover all major news publishers and broadcasters; to include a useful selection of academic thinkers; to connect with and understand the perspectives of Māori and Pacific Island publishers; and to engage with representative regional, local, specialist and emerging news media. With such broad ambitions, there will always be omissions. The key, given the homogeneity of opinion actually revealed within sectors, is that no key stakeholder group has been missed.

¹¹s9(2)(a)

Table 3: Report interviewees

Interviewee	Company/Platform	Job title
Lynley Belton	Lifestyle Magazine Group	Commercial Director
Jana Rangooni	RBA	Chief Executive
Mark Jennings	Newsroom	Co-founder
Daniel Nielsen	NZ Broadcasting School	Senior Lecturer
Patrick Smellie	BusinessDesk	Director
James Frankham	NZ Geographic	Publisher
David MacKenzie	Community Newspapers Assoc.	President
Tony Simons	NZ Broadcasting School	Head
Gavin Ellis	Gavin Ellis Media	Consultant
Merja Myllylahti	AUT	Co-Director
Duncan Grieve	The Spinoff	Founder and Editor
Peter-Lucas Jones	Te Hiku Media/ Te Whakaruruhau o Ngā Reo Irirangi Māori	CEO/Chair
Peter Newport	Crux Media Trust	Managing Editor
Brook Cameron	News Publishers Assoc.	General Manager
Paul Yurisch	TVNZ	Head of News & Current Affairs
Sinead Boucher	Stuff	CEO
Sarah Bristow	Discovery/Newshub	News Director
Paul Thompson	RNZ	Chief Executive
Barry Stewart	Otago Daily Times	Editor
Atakohu Middleton	AUT	Lecturer
Shayne Currie	NZME	Managing Editor
Shane Taurima	Māori TV	CEO
Sarah Henry	Are Media	Editorial Director
Tapu Misa	E-Tangata	Co-editor

The interviews are given above in the order in which they were conducted. Breaking them down into platform groupings, we can see in Table 2 that the biggest single group are those in the category of the small/medium digital publishers. These publishers are diverse, ranging from financial sites to Māori and Pacific online magazine distribution, and demonstrated the biggest range of opinions within a platform. As distinct to the below classification by platform, four of the interviewees (16.7%) represented or were concerned with Māori and Pacific Island journalism.

Table 4: Interviewees by platform

Platform	Number
Small/medium digital	6
Education	4
TV-centric	3
Regional/local newspapers	3
Magazines	3
Radio-centric	2
Big national news	2
Consultancy	1

The interviews were conducted remotely, for the most part as audio-only conferences, and varied in length from 46 minutes to 1:27:00, with the average just over an hour.

Overall character of the interviews

As could be expected, for the most part interviewees saw the administration, structure and allocation of the PIJF in terms which favoured their particular platform and business. For example, the newspaper people wanted exclusivity of content; the daily news publishers imagined that PIJ was primarily about daily news; and commercial operators were against RNZ receiving funding. Despite this there was a remarkable degree of consistency around some of the major questions facing the fund. An area of true divergence, a major schism in worldview, was between those involved with Māori and Pacific media and everyone else. In some cases the Māori and Pacific stakeholders engaged with all aspects of the PIJF and in others they remained more or less focussed on their primary areas of concern, but the emphasis in their interviews was quite distinct from the other stakeholders, as will become apparent in the discussion below.

Interviewees, who had been required to sign non-disclosure agreements, were highly engaged and all appeared to be familiar with the pre-reading. Across the board the discussions were carried on with enthusiasm and insight.

Having covered off the general conduct of the interviews, it is time to turn to the substantive issues raised. In structuring the feedback, matters of the highest importance and greatest consensus are presented first. For example, capability development and the need to restart the “talent pipeline” into journalism were universally agreed on by interviewees as matters of the highest importance. They therefore appear at the head of the queue, right after we have dealt with the aim of the entire enterprise.

The primary aim of the PIJF

*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 and regional levels. **PIJF Cabinet briefing***

The aim of the fund has been set by Cabinet, but this did not prevent the interviewees from taking issue with its expression. It must be conceded also that there is some tension in the officially stated aims of both “protecting jobs” and “producing public interest journalism” when it comes to determining the actual operations of the PIJF. The tension may not be apparent while discussion is kept general, but appears as soon as you go into detail. For example, should the fund encourage applications for general news coverage tied neither to specific new jobs nor specific content outputs? Or should it require evidence that any content produced is incremental to existing output? If the primary aim is assistance to industry, it seems clear that the first type of application, which amounts to little more than a handout, would be appropriate. However, if our first aim is to encourage the production of valuable PIJ, it would be better to require evidence that something new has come into the world, on top of whatever the publisher was already producing.

The government’s clear favouring of the production of PIJ as the primary aim of the fund met with dismay and opposition from the s9(2)(g)(i)

s9(2)(g)(i) claimed that the original stated intention of the money put aside for this fund was to support industry, and that the briefing materials they read before the interview made it clear that this had changed. s9(2)(g)(i) “my heart sank” and “this is so far from what was originally envisioned.”

The message [when the fund was first discussed in 2020] very strongly that came through from ministers was that [the fund] was designed to help support the industry carry on ... the commercial side of the industry, not the state-funded side of the industry, [to] produce this kind of work. And it seems to, you know, some of the core things that have come through ... seem designed to fight against that. s9(2)(g)(i)

s9(2)(g)(i)

I do think the goalposts have changed from what the government had been talking about earlier last year ... I would like to have it recorded that I do believe it's important that that there needs to still be a focus on industry relief ... it's actually about keeping in operation some of what we're doing: the courts that we are covering at the moment or the councils that we are covering at the moment ... there's at least a dozen courts in Auckland, we would be lucky to get to one or two of them each day.

s9(2)(g)(i)

In s9(2)(g)(i) words above you can see the protest is not so much the requirement that PIJ be involved, but that it has become the key idea and has pushed industry assistance to background to some degree.

While these sentiments are understandable for companies under the intense pressure of a pandemic-induced dip in revenue on top of a sustained decline – a pothole downhill – they are not convincing when viewed from the perspective of the national benefit. The most efficient way to assist industry on the terms outlined by s9(2)(g)(i) would be to hand over funding in proportion to existing operations and trust that news companies would do their utmost to create news with it. Cabinet has expressly considered and rejected this possibility: “The fund’s purpose is not to subsidise the general operations of media organisations or to help individual companies survive this crisis.”¹²

It is clear from the government documentation that the primary aim of funding is to produce PIJ, being the endangered output of endangered news media companies, and to do so in a way that serves New Zealand audiences and helps the industry get where it should be going.

Definition of PIJ

It’s [PIJ] not always wrongdoings of course. It can be beautiful stories. Like the story Stuff had about the girl who went to Russia to see if she can find her mother. s9(2)(g)(i)

By and large the interviewees were happy to accept the definition of public interest journalism provided in the reading materials. This is almost identical to the version found in the Cabinet papers and is defined as content that:

- seeks to inform and engage the public about important issues of the day
- investigates, reports on and explains public policy or matters of public significance, engages citizens in public debate, or informs democratic decision-making
- holds power (in its various forms) to account, or
- covers matters of interest to a range of New Zealanders.

The interviews sought to flesh out what this general definition could mean for publishers when it came to deciding what news should be funded and what should not. Because the range of potential subjects for real-world PIJ is vast and changeable, responding as necessary to events and cultural shifts, it became clear that pinning this down to a list of “green lit” subjects was not advisable. The prescribed subject approach taken in the LDR programme, where only news relating to local area governance may be covered, is not possible when working with the definition of PIJ above. Several interviewees suggested leaving it to applicants to work this out, and this seems not only prudent but necessary.

¹² Section 28, Cabinet Business Committee briefing “Investing In Sustainable Journalism”, 2021

I think that in trying to define what is, and isn't, in the public interest, I think that this needs to be left up to the media company. s9(2)(g)(i)

Some “channel markers” indicating unacceptable topics to the PIJF could be provided by NZOA to potential applicants. Examples of potentially out-of-bounds content:

- match reports of national sporting codes
- national political coverage
- reporting on international entertainment content
- opinion
- high-profile crime

These areas were suggested by interviewees as clearly not meeting the definition of “at risk” PIJ.

Areas like crime and politics in this country are almost over-covered. Whereas areas like health, education, and conservation, as opposed to environment and climate change [are lacking] ... we think primary industry, given its importance of this country, is really under-reported. s9(2)(g)(i)

While it may be possible for NZOA to provide a briefing document of desirable subjects as guidance for applicants, it would be inadvisable as an unnecessary constraint on the potential of the PIJF. It would also expose NZOA and the scheme to criticism from those who read motives into a necessarily incomplete list of priorities.

Māori and Pacific perspectives on PIJ

Of the four interviewees consulted with Māori and Pacific perspective and expertise, three explicitly took issue with the definition of PIJ. In each case, objections were not with the wording, but around the assumptions, context and stated purpose of the fund.

The definitions of public interest journalism, I find that they don't take into account the Māori and Pacific perspective. s9(2)(g)(i)

What's interesting is that [PIJ] is now perceived as an issue because it's a mainstream issue. s9(2)(g)(i)

I think [PIJ] is even discussed from a very Pākehā point of view, a very white-dominated point of view, and while public interest journalism has changed, that theme of “white-ism” has not. s9(2)(g)(i)

s9(2)(g)(i), stated the position most clearly and went so far as to reject the entire premise of the fund. Effectively s9(2)(g)(i) seemed to be saying that while concerns about lack of traditional PIJ coverage exist, they pale in comparison to the radical inequity perpetuated by mainstream New Zealand media. Such a profound criticism of the

underpinning of the PIJF is difficult to accommodate within the scheme and must be recorded and referred to the Government for consideration.

It is interesting to contemplate the positions of s9(2)(g)(i) in relation to those of s9(2)(g)(i). We refer to the publications rather than the people in order to obtain a useful distance from the propositions. Both groups reject the purpose and funding constraints of the PIJF, to the extent that to fully honour either viewpoint would require a wholesale reset of the initiative.

For the moment it is enough to consider these opinions and to press on regardless. It is possible to take on valid points within the feedback without necessarily accepting such worldviews entirely.

Pressure points: “At risk” content and the talent crisis

The Government has stated that “The fund will target public interest content at risk of not being produced without intervention.”¹³ We have discussed the definition of PIJ above, and now turn to how the interviewees interpreted the threats to and omissions in PIJ output.

Not all interviewees agreed that PIJ was in decline, and many pointed out the current production of investigative reporting of high quality. This referred to national publications, and those who mentioned this work – examples include Stuff Circuit and Newsroom’s investigative reporting¹⁴ – said that while excellent, it could not functionally replace missing regional and local news coverage.

THE PARADOX OF SUSTAINABLE FUNDING

When faced with declining revenues most publishers will cut “low yield” content first. Yield in this sense is a function of cost and audience engagement: the highest-cost, lowest engagement content must go regardless of perceived importance. It is an unfortunate natural consequence that for publishers with national networks, local content with no appeal outside a small geographic range will fit this low-yield definition. News coverage contractions therefore tend to happen first in provincial and specialist news, shifting to national and general coverage last. Any attempt to correct this with public money will be by definition supporting unsustainable content destined to vanish in the absence of funding. One way out of this paradox is to put more emphasis on training and development, building assets that remain when funding disappears.

¹³ Cabinet Business Committee briefing “Investing In Sustainable Journalism”, 2021

¹⁴ Both of these teams have received funding from NZOA.

Interviewees had different access to information about the decline in PIJ capacity: most took it for granted that local and regional reporting had greatly contracted, many offered anecdotal evidence of the decline, and only some had numbers to share in regard to reductions in staff or coverage. We saw in Section 1 that while industry data is not comprehensive, it is likely that the number of people employed to produce news in New Zealand has halved in the past decade. The impact may have been hidden to some extent because high-end national journalism is still excellent, and because missing stories do not draw attention to themselves.

When I see ... that proliferation of project journalism and all the really great podcasts that have come out, I don't think public interest journalism is in decline. I think that the journalism is as good as it's ever been, if not better. But there are fewer people doing it ... this certainly is an issue at the local level ... when newsrooms are continuously cut, you create news deserts and that's where the fake news rises and so forth. s9(2)(g)(i)

Public interest journalism can mean different things to different people. If the concern is that there's a lot less coverage of the day-to-day doings of parliament or local government or the courts yeah, definitely all of those things have hollowed right out. s9(2)(g)(i)

I think [the decline] is in the deep specialties. For example, I could only think of two or three specialist education reporters in New Zealand covering effectively more than a million people in education or training ... And then there's of course the news deserts, whether it's suburbs or towns, that just don't have experienced reporters working in them. s9(2)(g)(i)

The broken talent pipeline

Probably the biggest point of agreement through the interview process was the dire state of the “pipeline” of new talent coming into journalism, combined with a lack of experienced reporters to fill more senior roles. Most interviewees mentioned unprompted that it was difficult to fill reporting vacancies at all levels of experience. All agreed that they had noticed a decline in volume of people either seeking to get into the profession or looking for work at a more senior level.

It is important to note that this lack of talent seemed to preoccupy industry stakeholders more than concerns over missing or at risk PIJ content. While many felt under pressure in terms of what their publications could cover – see the quote from s9(2)(g)(i) above about only being able to attend one or two courts in Auckland every day – this is a normal state of affairs for a daily news operation. With the activities of 58 district courts, well over 100 specialist courts and tribunals, 20 DHBs, 78 councils, and the national parliament all falling

within the strictest definition of PIJ, demand for reporting capacity always outstripped supply. The ability to effectively triage and assign reporting resource where it will deliver the most important news most efficiently is a key newsroom competency. To managers working inside a newsroom, being low on reporters has felt normal for at least 15 years. What is less normal, and to our interviewees more alarming, is the increasing reluctance of energetic and engaged people to enter this threadbare world.

Several contributing factors to the pipeline problem were mentioned in the interviews:

- Loss of status

Journalism is not the prestigious occupation it was when I applied to study ... It was a noble thing to do, become a journalist. "You will be helping to inform and educate people, it will be a wonderful job, you'll be really important." I don't think that's what teachers are telling their students these days. s9(2)(g)(i)

- Alleged poor performance of tertiary education institutions

In an ideal world, I wouldn't put any money into training. Where the problem lies is with our tertiary institutions. They are not producing journalists. They are producing people who know a lot about, and are highly critical of, media. s9(2)(g)(i)

- Media coverage of the decline of journalism

There are less good people going into journalism schools. A lot of that's got to do with the well-publicised uncertainty of the future of the industry, pay and there are so many other kinds of jobs and good careers available to the kinds of people who might formerly have been drawn into journalism. s9(2)(g)(i)

- Institutional recommendations against the profession

Any kind of sustainable change to the sector will not come from dealing with industry alone ... it needs to start at the industry training institutes ... We had a whole bunch of high school teachers come and visit us ... our career is even getting a bad rap at high school level. s9(2)(g)(i)

- Lack of smaller newsroom environments to train reporters

When we're talking about public interest journalism: where do you learn the job best? A good local or community outlet, that's where you learn. s9(2)(g)(i)

- Poor remuneration and conditions

If you've got journalism skills, why would you go into journalism? When those same skills would get you a PR job that pays 10 times better. I mean the low wage is not helpful. The lack of training once you're in the business

is not helpful. And plus the pressures tend to spit out a lot of good people. Journalism has never been great at supporting its people. But I think the internet age has exacerbated that somewhat. s9(2)(g)(i)

In the case of Māori and Pacific Island journalism, interviewees said the pipeline had been broken for longer and the need for a remedy even more acute. s9(2)(g)(i)
quote below indicates he believes that entry into the profession is a zero-sum game.

There's a shortage of Māori and Pacific journalists because it's a space dominated by Pākehā. And the thing about creating some equitable representation is that someone's got to give up space to make space for somebody else. s9(2)(g)(i)

We will see that this talent crisis in journalism, in both mainstream and targeted areas, is set to collide with the requirements of the PIJF for reasons that will soon become apparent. It is a conclusion of this report that substantial improvements in the provision of PIJ cannot be successful without addressing the broken pipeline.

Role-based funding

Most interviewees were familiar with the standard method of NZOA funding through the Factual and Scripted streams of the NZMF. In general this is funding allocated to successful applicants for the delivery of specific pieces of content by certain dates, with agreements in place for a platform or platforms to distribute the content. The arrangement has been described as a “three-legged stool” because the funder (NZOA), the producer and the platform form three clear parties to the agreement. This type of funding is perfect for medium to large TV productions that run to annual tempos, whether in seasons or as limited-episode dramas and documentaries.

This “project-based” funding is not well-suited to most types of news content. The highest-output news organisations in New Zealand have newspaper heritages, are text-based and run to daily tempos. Organisations such as NZME and Stuff have received project-based funding from the NZMF and the trend is on the increase¹⁵, but in large part these projects represent activities outside the publishers’ normal sphere and there is a measure of bending the organisation to suit the funding, rather than finding a natural fit. Even within broadcasters, the NZMF is most effective at supporting discrete shows such as Discovery’s Newshub Nation or TVNZ’s Q+A rather than funding the main work of a broadcast newsroom, which similar to print-heritage newsrooms concerns the high frequency output of many small pieces of content.

¹⁵ See page 27, *NZ Media Fund Review*, Hal Crawford, NZOA, 2020.

Most industry interviewees, with some exceptions, were supporters of a different model being introduced: role-based funding. Those who disagreed seemed to believe that any role-based system would be bound by the terms and processes of the NZ LDR.

Role-based funding is indeed based on the same basic idea as the NZ LDR - and its UK and Canadian big sisters, the LDRS and the LJL - but could be substantially different in its implementation, including expanding the type of content covered and doing away with a Creative Commons-type sharing of content through the network. The key differences between the project-based funding of the NZMF and role-based funding as envisaged by the interviewees are summarised in the table below.

Table 5: Role-based versus project-based funding

Project-based	Role-based
Based on production of content	Based on employment of reporter
Output specified	Output minimum requirements
Low/medium output volume	Medium/high output volume
Three-party agreement	Two-party agreement
Single year	Multi-year
Low-touch for funding agency	Medium-touch for funding agency

Based on discussions with the interviewees, it seems clear that several aspects of the NZ LDR are unsuited to a wider PIJ fund. We will cover these off one-by-one, but first it is necessary to expand on why exactly project-based funding has not worked in the past in supporting general daily and weekly PIJ content for most publishers.

One obvious but important point about newsrooms and the content they produce is that generally, stories are not planned well ahead of time. Exceptions exist in “specials” and deep investigative pieces, but even these often spring up unexpected. It is the nature of news to be unpredictable. The beauty of working in a newsroom environment – for the type of people who become journalists¹⁶ – is that anything may happen at any moment. This arises from the nature of the content which in turn arises from the demands of the audience: news in pure form concerns “what happened” and must contain new information about the world. The more unexpected the new information, the better.

As a result, senior reporters are arranged operationally not by planned outputs but by topics they have experience in covering: “rounds” or “beats”. They produce stories as the stories arise and will often be pulled from ongoing investigations to deal with something completely new. The unpredictable nature of news is as true for PIJ as for any other kind of

¹⁶ See “The importance of being honest” (link below) for a discussion of the character traits of journalists and their relationship to editorial culture and management.
<https://crawfordmediaconsulting.com/the-importance-of-being-honest/>

journalism, and were it not so, we would be condemning it: predictable news is unsustainable news.

Great public interest journalism will always draw a large, engaged audience, whether that's a local body story at a regional or community level, through to COVID 19 developments that affect national global-scale audiences. s9(2)(g)(i)

Coupled with unpredictability is the need for timeliness in the publication of news. Generally the right time to publish is as soon as possible, in order to maximise relevance for an audience and to prevent competitors relaying new information first and reducing the value of your content.

Against this consider the character of projects usually funded under the Factual stream of the NZMF:

- Pitched in five funding rounds a year, two designated "General Audiences"
- Stipulated output at a given time¹⁷
- Requires detailed summary of nature of content
- Requires estimated audience engagement

These requirements are only compatible with the longest forms of news journalism, and it is no coincidence that most news projects funded by NZOA to date have been, or tended to resemble, TV shows and documentaries.

Twenty-two of the 24 interviewees have direct editorial experience. Maybe because of this experience, role-based funding was generally regarded as necessary. In some cases the factors above were made explicit – for example, the need to respond to breaking news or the uncertainty surrounding exact timings and content - but in many cases interviewees accepted the possibility of role-based funding as a natural solution for PIJ.

It's difficult in journalism to entirely plan what staff do, particularly investigative staff. Projects that are planned may not come out as well as hoped and other better stories that require investigation could come along at any time. s9(2)(g)(i)

Problems with the NZ LDR as a model

s9(2)(g)(i)

Opinion varied among the interviewees as to the success of the NZ LDR, with several not sufficiently aware of the programme's output to pass judgement. Most thought that it had probably worked, and some were enthusiastic about what it had accomplished. There may

¹⁷ There are some projects recently funded under the NZMF, such as Stuff's KEA Kids News, that have moved away from strictly stipulated outputs. Nevertheless the NZMF has overwhelmingly not funded daily general news, and funded outputs have been new and differentiated products.

have been reluctant to praise the scheme too wholeheartedly for fear it would be taken as the basis for the distribution of all \$55m of the PIJF. Only one interviewee suggested this, s9(2)(g)(i) had admitted earlier he was not familiar with the NZ LDR in terms of output or impact.

It seems to me that a really fair way to distribute that funding would be just to expand the Local Democracy Reporters 50-fold, and say, all the stories that these reporters produce are available to all the news outlets.
s9(2)(g)(i)

The fears around using the NZ LDR as a model for all PIJF funding revolved around these points:

- The limited scope of content covered (only local authority and rūnanga reporting)
- The associated inability of NZ LDR reporters to “muck in”, help cover breaking news, cover for other reporters, or follow natural expansions of stories
- RNZ having administrative control of the programme
- Yearly employment contracts
- The requirement to instantly share content with scheme participants and others

Where interviewees saw these requirements as fixed elements of role-based funding, rather than just aspects of the NZ LDR specifically, they tended to oppose role-based funding. But where variations and changes were explored, and objections answered, they generally saw merit in having an aspect of the PIJF dedicated to funding roles rather than projects. s9(2)(g)(i) was a notable exception, continuing to make the case that the primary aim of the fund should be to support industry.

s9(2)(g)(i)

In the above quote s9(2)(g)(i) paints a picture of funding that is neither role- nor project-based. On the surface the proposition may sound reasonable, but on reflection it seems that however well it suits the publisher, the outcomes for the audience and the funding body would be compromised. There are at least three objections to such a general scheme:

- The public would have no more PIJ than they did before public money was used to support a commercial entity;
- General funding reduces the ability of the funding body to set content guidelines, and makes auditing and assessing harder;

- The scenario described (a regional newsroom under threat of closure) is specific to the publisher and probably serves as a poor model for most news media who may wish to be involved with the PIJF.

Further to s9(2)(g)(i) scenario, there is no reason why a role or roles funded by the PIJF could not operate in the bureau if the region were suffering from a dearth of PIJ. If the content specificity of the NZ LDR has been abandoned and the role funded to produce general PIJ, there is every reason to believe that this could successfully serve the audience and relieve pressure on the publisher to some degree. In such a scenario it would be up to the publisher to demonstrate to NZOA auditors that content output and quality requirements of the funded roles had been met.

Distribution and ownership of content

One of the main objections to an expansion of the NZ LDR was the scheme's requirements that content be uploaded to a central Content Management System and from there be instantly available to all registered publishers. It is mandated that content be branded with the LDR graphic as in the example below but there is no requirement to acknowledge the originating publication:

Local Democracy Reporting is a public interest news service supported by RNZ, the News Publishers' Association and NZ On Air.



Screengrab from an article by LDR reporter Lois Williams at the Greymouth Star, published at rnz.co.nz

While the sharing requirement seemed to meet with the approval of the interviewees in regard to the LDR content, which is solely concerned with local authority and rūnanga reporting, those from the industry quickly saw that it would create problems for any expanded role-based scheme. The NZ LDR shares its requirement of content sharing with the LDRS (UK) and LJL (Canada) and in common with those jurisdictions, content sharing is seen as both an ethical necessity of the distribution of public funds to commercial entities, and a practical mitigation of inequities in funding allocation. It is harder to complain about not receiving funding if you have instant access to all the content the scheme produces in any case.

On shifting away from the LDR to the PIJF, new considerations come into play. Where funding is allowed for non-local reporting, for non-text-based output, and for publishers with different periodicities, the requirement to share all content synchronously with publication becomes not only impractical but potentially destructive. Let us consider the arguments for universal content sharing:

- Maximum possible content distribution
- Ethical use of public money
- Mitigates resentment from unsuccessful applicants

Against these good reasons, we see strong arguments why content sharing should not be required for the PIJF:

- For publications with overlapping target audiences, sharing content with competitors may completely disincentivise take-up of funding
- Publications with longer periodicity (weekly and monthly deadlines) are at a relative disadvantage, being less able to make use of real-time content and more prone to damage from real-time publishers taking funded content
- It is practically very difficult to create a CMS to effectively share content from the range of publishers and newsrooms envisaged to be part of the PIJF

Windows of exclusivity

One idea proposed by several interviewees in answer to the conflicts above was to grant the original publisher of funded news content a “window of exclusivity”. This period would allow the publisher to reasonably maximise value before passing the content over to the commons.

There needs to be some sort of exclusive window for the original generator of the content. Doesn't have to be necessarily long ... I think it probably has to be around four hours. s9(2)(g)(i)

I think some sort of a window would be vital for ... success and also vital for the energy within the newsroom. To write for your publication and produce content that you're excited about and proud of and to say, “we got this up first”, I think it's a key driver in any newsroom. s9(2)(g)(i)

While this idea has merit on first pass, deeper reflection seems to undermine it. It does not answer the questions raised by different publishing schedules – quotes above are from publishers on real-time and daily timetables – and it ignores implementation. It may be costly and difficult to set up a “delayed access” CMS, and it certainly would be difficult to police. Granting clear exclusivity to the original publisher is probably a better practical solution provided content is freely available.

Free content and paywalls

It is a principle of NZOA funding that funded content be freely available to the New Zealand public early in its lifecycle. In the majority of cases, this has meant that broadcast content has been free-to-air and digital content has not sat behind paywalls. In relation to

the PIJF, the Minister's intention is clear through the Cabinet paper that funded content must also reside "in front" of any paywall.

This was regarded as appropriate by the majority of interviewees. Others accepted it while not agreeing entirely. There was some discussion about the possibility of publishing content behind a paywall and simultaneously providing it free of charge through another channel, for example, a distribution partner. The reason for this arrangement would be to prevent the fragmentation of a publisher's content and commercial model and to maintain the integrity of audience experience. The report has some sympathy with this point of view. One of s9(2)(g)(i) three main objections was to point out that paywalls are an integral part of the future of news publishing in New Zealand and excluding them completely from funding would work against the sustainability of the industry.

I think it's very hard to justify the public paying for something that sits behind a pay wall. You could argue that it could debut there and have a short window of exclusivity. s9(2)(g)(i)

I would encourage decision-makers - and this is aimed even within our own industry - the paywall is not an ugly thing. It helps sustain our newsrooms. We've only just really started out on that journey, but longer term, the paywall is a vital part of our business model and I suspect for many others that it's on the horizon. s9(2)(g)(i)

Publisher eligibility

The Government has mandated membership of either the Media Council or oversight by the Broadcasting Standards Authority (BSA) as requisite for publishers to receive funding under the PIJF. This requirement was universally approved by interviewees. It is worth noting that the Media Council is industry-funded while the BSA is part industry-funded and part government-funded. Media Council fees range from \$200,000 pa for all the main metros (paid through the News Publishers Association) to \$100 pa for small blogs and community newspapers. Industry fees for the BSA totalled just under \$800,000 for 2020, with five organisations paying the majority.¹⁸

Established businesses only

It is a requirement of the NZMF that an applying commissioning platform be "an established, viable business" and show evidence of "a sustained commitment to local

¹⁸ These are Sky, TVNZ, Mediaworks, NZME, and Discovery. The fee is calculated as total revenue x 0.00051 and is only applicable to organisations whose total revenue exceeds \$500,000. TVNZ paid a fee of s9(2)(b)(i) in 2020, according to management. The Crown supplied \$609,000 to the BSA in 2020.

content for New Zealand audiences”¹⁹. As a guideline, NZOA has in the past considered that 12 months of operation is sufficient to be considered “established”²⁰.

Whether this requirement be extended to funding under the PIJF was a source of difficulty for some of the interviewees, many of whom could see the wisdom of excluding those without PIJ experience but were loath to cut off opportunities for innovation.

A compromise position was suggested whereby a small amount could be set aside from the main fund as “seed money”.

Start-ups ... maybe there could be some small amount of funding annexed off for start-ups ... I think one of the things that happened in this country was that for quite a while the media became almost moribund. It was The Herald, Stuff, Mediaworks and TVNZ and then along came The Spinoff and it was a really good thing. s9(2)(g)(i)

I think it would be arrogant for legacy publishers to count that out [seed funding for start-ups] because the reality is that there are new media players storytelling in different mediums ... and that is going to continue to develop. [But] I would hate to see something that was two minutes old with no audience and no audience insights receive a whole lot of money because they wrote a great pitch. That would be gutting. s9(2)(g)(i)

For the most part the industry agreed that a demonstration of commitment to PIJ in the form of a portfolio of published work would be necessary, and that in its absence the fund was at risk of luring newcomers to news. This was regarded as entirely counterproductive to the fund’s secondary aim of assisting industry.

The status of the public broadcasters

The Cabinet paper is clear that there are three requirements for “Crown-owned and funded public media organisations” to be considered for funding. These are detailed in 39.1-39.3, with the inclusion of the word “and” at the end of 39.2 indicating clearly that each must be satisfied, rather than one or two. This is fortunate, because satisfying just one would be a very low bar. Here are the requirements, paraphrased:

- That content be incremental to publisher’s existing output
- No duplication with other funding in the scheme
- Only when acting in partnership with an external producer

On the face of it, the third requirement probably disqualifies RNZ, TVNZ and Māori TV for funded roles and allows them to apply only for project funding with external producers. Given that we are contemplating training as an important part of the scheme along with both project- and role-based funding, it may be necessary for the Minister to make an

¹⁹ Page 7, NZ On Air Funding Strategy, 2017

²⁰ This has been described to the report as a “rule of thumb” and is undocumented.

explicit ruling on it. It would seem to be a missed opportunity to disqualify such important newsrooms from training opportunities, especially considering they may have a role to play in hosting or facilitating such training.

Before we move on to the interviewees comments on how funding should apply to public media, it is worth noting that TVNZ currently operates on a different basis to RNZ, and that as a commercial entity it is not in a position to apply for baseline funding increases in the same way as RNZ, despite being owned by the Crown. The wording of the paper indicates that Cabinet has decided that this is immaterial to its position under the PIJF.

Industry opinion was generally against RNZ receiving funding and either against or indifferent to funding of TVNZ.

That public media entities will be allowed to apply for it on the basis they are doing something new well ... RNZ is already very well-funded already and in part the things that it needs to do that are new are just hard decisions it has avoided making. s9(2)(g)(i)

I just want to say no. If they are already funded, wouldn't they be allocating their funds to be already delivering the types of things that they see as important? s9(2)(g)(i)

RNZ is already funded to fulfill all the content needs of its 24 hours of broadcasting over however many stations. If they are able to access new funding for a new piece of content, it just replaces something else that they already had funding for. There's nothing stopping them already trying to do new things. s9(2)(g)(i)

It is important to note that s9(2)(g)(i)

Media types funded

Separate to the idea of eligibility is the question of what type of content should be funded under the PIJF. In accordance with legislative requirements governing the operations of NZ On Air²¹, Cabinet has stipulated that print-based organisations wishing to take part in the PIJF must as a bare minimum make PDFs of articles available online. Interviewees were not specifically asked about this requirement, but the issue of what type of content – out of text, audio, still imagery and video – and the ratio of funding between them was discussed.

While this may seem anachronistic in a world of multiplatform capabilities, where every publisher with a WordPress site and an iPhone is capable of producing content in any

²¹ Section 36 of the Broadcasting Act 1989, covers the functions of NZOA (as “The Broadcasting Commission”) and does not mention digital technologies beyond permitting the Commission to fund on-demand services. Print is not within NZOA’s scope.

medium, it remains a relevant question. Video PIJ with high production value costs at least an order of magnitude more to create than text-based PIJ, and it is inaccurate to suggest any newsroom can produce any content equally well. In practice, text-based newsrooms output more stories with higher frequency than video-based newsrooms and therefore probably offer greater value for money in a PIJ sense. The often neglected but important cousin, audio news (i.e. radio), is the master of low-cost and high-frequency output.

On top of this natural bias toward text and audio in any PIJ scheme focussed on coverage gaps, it was pointed out by some interviewees that broadcast output is already supported through the NZMF.

Video is not eligible ... Sorry, but video has already got its own \$80-million fund, which journalism has been a part of for a long period of time. And you know, if you want it, that's the place to get it. This is about public interest journalism that has not been funded and is not being done.

s9(2)(g)(i)

I think if we're talking about public service journalism, we probably need to be looking at daily news more than anything else. We've already got quite good funding structures for documentaries.

s9(2)(g)(i)

One interviewee, s9(2)(g)(i), mentioned still imagery as an important news medium on the wane and worthy of consideration as PIJ.

One of the other aspects that is a grave concern to me at the moment is the future of photojournalism. We're seeing that winnowing away to nothing. The newspapers are increasingly relying on stock [imagery] or having tiny images. They've jettisoned 80% of their photojournalism staff over the past five years, and among them the best.

s9(2)(g)(i)

THE PROBLEM WITH PDF

While requiring print-only publishers to upload PDFs of funded articles may seem like a good solution to the legislative restrictions on NZOA, it is a poor result for audiences, publishers and funding body alike. The utility of news as a PDF is reduced on many fronts: content is fixed, meta-data is limited, and viewability on mobile is severely degraded. NZOA will find it more difficult to monitor and assess output. Any publisher resorting to uploading PDFs is either unable to provide a website or actively working against the digital distribution of content. The end result is that news provided in this format is a “fig leaf” to ensure legislative compliance without audience benefit. This may have a tendency to bring the fund into disrepute. Requiring legacy print publishers to provide content as HTML (i.e. a standard website) may be beneficial in that it forces the development of a digital presence.



Training and development

We saw in Section 1 that the number of editorial staff employed in New Zealand has greatly reduced over the past decade and that demand for journalism education has also declined. In the first part of this section we heard about the concerns of industry over the “broken pipeline” of talent into the sector. Separately we have seen that role-based funding is demanded by most interviewees as part of the structure of the PIJF. Participants in the LDR scheme have described their difficulties in filling one or two reporting roles. When you take these facts in combination with the prospective scope of a role-based component of the PIJF, we can see a significant challenge ahead. How are we going to find the people to do this work?

We suggest, as a guideline, that any role-based scheme would have at least 100 roles as its peak scope. This minimum is based on comparison with global schemes that employ more reporters on less generous funding schemes,²² and is indicative only. Based on current average remuneration and reasonable overheads, there would be considerable funding remaining for both training and project-based funding after the employment of 100 reporters.

The LDR is currently working slowly up to 14 roles. It seems clear that both short- and medium-term strategies to foster and increase talent will have to be employed if the

²² See Section 2 for detail on the costs and scope of Canada’s LJ and the UK’s LNP schemes.

scheme is to have a positive impact. There could be unintended negative consequences if rollout is not handled carefully. It is possible, for example, that the sudden influx of reporting roles could spark a “talent war” – in the words of one interviewee – that would be to the detriment of everyone but individual reporters. Simply shifting existing working reporters into the PIJF without replacement would destroy most audience value and reduce the scheme to the status of “industry handout” (see below for a discussion of the “incremental output” requirement). One interviewee identified expatriate New Zealand journalists as a potential source of incremental talent gain. Others mentioned that reporters who had changed career course, ending up in communications, could possibly be lured back into news were remuneration and job stability attractive enough.

Interviewees agreed that training and development were also vital to the question of short and medium-term talent gain. There was widespread acceptance of a funded cadetship programme under the PIJF, which would go some way to developing and injecting new talent into journalism.

[Ring-fenced cadetship funding] would be fantastic. How you cut that, whether it's the best ideas for the best entities get the running or whether some of the entities want to work together ... I don't think it's either/or ... but I like the idea s9(2)(g)(i) *would fully support that type of ring fencing.* s9(2)(g)(i)

We'd be proud to participate [in a cadetship programme], but we would be very competitive looking for the absolute top 5% from the postgraduate courses. We've noticed, and I'm sure this is perhaps true in Australia, too, that when people come out of journalism [courses] one of the paths is that they get recruited on very low pay by the TV stations because they want to be famous. Ninety percent of them crash and burn and are never seen again, presumably quite disillusioned about journalism. s9(2)(g)(i)

I think cadetships are great. s9(2)(g)(i)

An PIJF cadetship programme would require further consultation with industry: or rather, the cadetship itself should be the product of an industry process, with extensive collaboration between organisations in order to attract and develop the best candidates.

Many interviewees mentioned the advantages of employing trainees who had come to journalism from other professions: the vaunted “life experience” that can make a reporter a better observer, listener and communicator. It is possible that an industry group working together to design the cadetship programme in conjunction with NZOA could take this advantage of maturity into consideration in efforts to attract the right applicants.

Given the similar but greater challenge facing organisations seeking to develop Māori and Pacific Island reporting talent, it would be advisable to set up a parallel cadetship

programme to that end. Interviewees stressed that were this to happen, specific attention would need to be paid to the training and pastoral support of the cadets. Among our interviewees' organisations, the editorial headcount of s9(2)(g)(i)

23

For Māori journalists, capability to be developed and trained and built up [is important]. Now at the end of the day, where that happens yes it will be important. But my primary goal is actually having funding to support Māori journalism, regardless of where that Māori journalist is going to go, we need more money ... TVNZ, RNZ, everyone else, actually, their existence doesn't depend on this fund and doesn't depend on a training program being put in place for Māori journalists. Ours does. s9(2)(g)(i)

The incremental question

It is well-established in the UK LDRS that partners can only apply for roles that are additional to their existing reporting capacity, and the scheme takes this as one of its key principles. Accordingly, if an internal candidate is appointed to an LDRS role, evidence must be presented to the scheme administrators that the role has been backfilled. To not have this requirement would be to invite publishers to make use of the LDRS as a subsidy, which was not its intent.

It is clear that the LDRS therefore involves the incremental output of content. An extra head is writing stories that would not have been written previously. We believe, and most interviewees agreed, that this should also be the intent of the PIJF. Although most interviewees had to be prompted to consider the question, they quickly saw the potential for abuse without this "incremental output" requirement.

The exceptions to this came when interviewees considered bureaus or newsrooms facing imminent job cuts. Because Cabinet has described the PIJF as support for "at risk" journalism, it seemed logical to most interviewees that the use of PIJF funds to prevent reporter job losses was appropriate.

Here we have a direct conflict between the primary and secondary aims of the fund, as discussed in the first part of this section. The interviewees recognised the conflict, and according to their commercial situation came down either in favour of service to audience or funding to the industry. Most recognised the validity of both camps.

For example, s9(2)(g)(i) said that it would be fair that no roles be cut as a result of funding, unless a case could be made that the role was going to be imminently lost. s9(2)(g)(i) thought that roles should be "mostly incremental" with some exceptions, as decided by the administrator. On

²³ s9(2)(g)(i)

the other hand, s9(2)(g)(i) believed that it was “essential” that funding money go toward the creation of content that would not have otherwise been made.

In summary, there was no clear recommendation from the industry and experts. The recommendation of this report is contained in the following section and is in keeping with the overriding principles of service to audience, ease of implementation and clarity.

Performance assessment

How should the work of the PIJF be judged? This question, similar to the issue of incremental output, was met with the recognition of its difficulty. There were some commonalities in response: all interviewees agreed that audience engagement metrics should form part of assessment; most thought other measures of impact, such as public surveys and expert assessment, should also be used; and a few fiscally minded people believed that the financial health of the industry or companies was relevant. There was broad agreement that number of stories created by reporters should represent only a minimum requirement and not be used as measures of success. Given the targeted and constrained nature of the PIJ intended to be funded under the scheme, it was also agreed that regarding “more is better” in terms of audience reach would be out of place. It seems that the interviewees favoured a balance of factors, with some representing minimums or thresholds, and others representing values that went further to the heart of the scheme’s intention.

There were few very clear or detailed answers.

[On performance assessment] I'm a really big believer in very broad scorecards ... Obviously the audience perspective is crucial [as well as] something around quantity of stories and number of jobs, the health of the sector. s9(2)(g)(i)

s9(2)(g)(i), believed that the success of the PIJF in terms of Māori outcomes should be measured by increases in Te Reo Māori.

I would definitely say regional Te Reo Māori use [should be a success metric]. And the reason I say that is because the government has a very bold ambition of 1 million speakers of Te Reo by 2040, and broadcasting has a very important role in normalising the language. s9(2)(g)(i)

Most interviewees agreed that implementing a common digital analytics suite as a prerequisite of receiving PIJF funds would be acceptable, and a few were enthusiastic about this idea. There was broad agreement that Google Analytics, which is free and the most widely used web analytics tool, would be acceptable as the common suite. Different

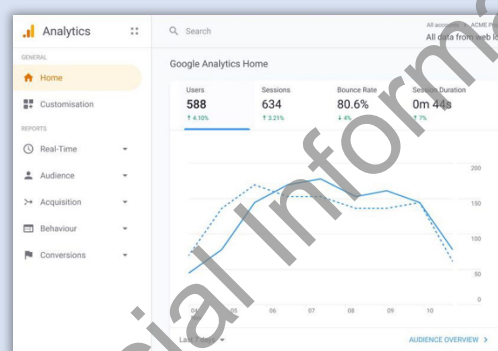
methods would have to be used for different media – for example, NZOA already has Nielsen Ratings for broadcast TV content – and for print there may be a degree of imprecision in circulation numbers.

It is inevitable that no perfect and universal assessment regime will be implemented, but that should not prevent certain easily measurable numbers being gathered on funded projects, and, for example, from agreed public perception targets being adopted for the scheme in its entirety.

GOOGLE ANALYTICS

Google Analytics is a free and almost ubiquitous tool for measuring website performance. It is installed by the owner of a site and can be used to, for example, measure visitors, page views, and dwell time on pages. Versions of the suite can be installed on iOS and

Android apps. Many commercial news operations use GA along with a paid tool because GA is not regarded as accurate in absolute terms. Where it comes into its own for the PIJF, however, is as a common standard that will allow fair comparison between digital publishers.



Administration of the PIJF

What I was going to suggest ... is the appointment of fund trustees, governors or call them what you will. A small group, I would think three be plenty, just to have oversight ... [However] If we're talking about funding individual projects, then there is absolutely no need for anybody other than NZOA to be involved. s9(2)(g)(i)

I have a serious concern [around] Māori representation and the decision making about the administration of this fund. Māori participation and contribution in the development of a funding allocation model for them will not be represented in a way that actually reflects the fact that Māori have a significant interest in public journalism. s9(2)(g)(i)

There has to be industry ... consensus about some of the directions this fund should head in, and things like the cadetship and laying out the terms

of reference. But ultimately I would suggest that it has to be done by NZOA. s9(2)(g)(i)

I actually think it would be great if a cross industry group could decide [how to administer role funding] because I don't think it should be MCH deciding it, and I don't actually think it should be NZOA. s9(2)(g)(i)

Interviewees suggested that further industry involvement would be necessary in some of the initiatives likely to occur under the PIJF: for example, with the cadetships (general and Māori programmes requiring separate working groups), and in the formation of an advisory board in relation to the role-based element of the PIJF. The LDR currently is administered by two staff working within RNZ, and operates under the supervision of a working group comprised of News Publishers Association, NZOA, RNZ, Stuff, NZME, Community Newspapers Association and Māori media representatives.

As several interviewees pointed out, the PIJF represents a significant departure for NZOA in terms of the requirement for more regular and sustained oversight of content output, and also because it involves the often controversial and difficult work of publishing news. These are not trivial differences to the existing functions of NZOA in overseeing the NZMF.

The first requirement arises because there will be a great many more separate pieces of content produced under the PIJF, and it is necessary that these pieces of content fall within the agreed PIJ scope of the employed reporter. It is not necessarily in the interests of the reporter's employer to ensure this, so responsibility for oversight falls to the administrator. While individual article vetting and approval is unfeasible and unnecessary, there will have to be regular check-ups. In the LDR, this job falls to the LDR Manager employed by RNZ (Nina Fowler). Only one interviewee believed that administration of a role-based component of the PIJF should fall to RNZ.²⁴ The scheme was seen as too broad and differentiated from RNZ's expertise to warrant the public broadcaster's oversight. There was also a feeling from some interviewees that allowing RNZ oversight of such a large programme would be giving the public broadcaster too much sway over PIJ in New Zealand. It was mentioned that RNZ content already forms a kind of national wire service for many small organisations who take the broadcaster's content free of charge.

The second novel aspect of the fund for NZOA is the necessarily contentious nature of PIJ content. It has been noted in the Cabinet paper that the function of funded PIJ is "to hold power to account".²⁵ What appears a noble sentiment in the abstract can quickly sour in the face of opinion – both popular and elite – after unpleasant facts and allegations are published. While NZOA is no stranger to conflict and competing interests, at present it does not possess the kind of culture that makes a virtue of editorial resistance, and in fact is

²⁴ This was s9(2)(g)(i) who was not averse to RNZ involvement in some form in PIJF administration.

²⁵ Cabinet paper, 32.3

legislatively prevented from exercising any editorial role in the projects it funds.²⁶ It follows that under the PIJF it must have no direct role in the editorial processes of funded newsrooms. One risk under the PIJF is that complainants, having met with no luck with the publisher, attempt to take their issues to NZOA directly.

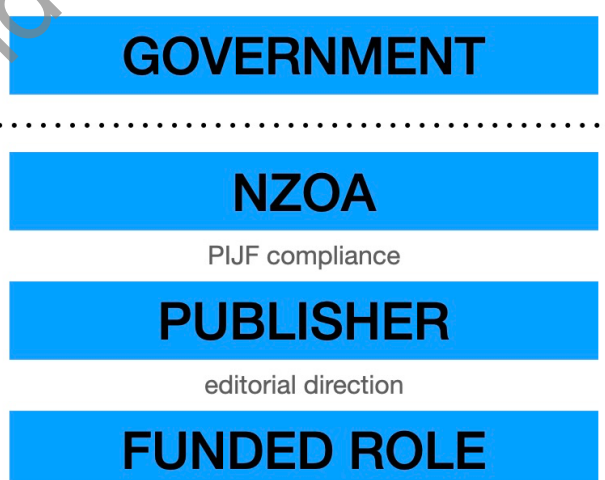
Concern about the capability of NZOA to administer the PIJF surfaced in interviews primarily as an emphasis on the identity of the individual chosen for the Head of Journalism role. The role was advertised in the course of interviews, so some interviewees were explicitly aware of the job description and some were not. s9(2)(g)(i) were among the interviewees who believed it was vital the successful applicant have deep editorial news experience and credibility within the industry.

Risks

The report queried all interviewees on the risks facing NZOA and the Government in relation to the PIJF. Most answered that the biggest potential problem was one of perception, that is, of the Government becoming too closely associated with a scheme that dealt with political news reporting. None was so impolite as to suggest the Government would attempt to interfere with reporting, but the perception alone of influence was noted as a potential source of damage.

When it comes to the distribution of public money, nothing should “go without saying”. It is vital for both the Government and the scheme that there be no ministerial or departmental involvement in its administration once operational. This can be conceived of as layers of distance from decision-making in regard to PIJF content.

Figure 8: Separation of Government from editorial under the PIJF



²⁶ Section 42, Broadcasting Act 1989

This distance is more important with the PIJF than the LDR, as it is highly likely that the scheme will not be administered by RNZ, with its strong tradition of independence, and the content may often be of national significance.

Despite the concerns, it would be surprising if the biggest challenge to the PIJF came about through either actual or perceived interference. New Zealand has a history of public funding for news content — whether with RNZ, TVNZ, or through NZMF-supported projects — and there are few indications of the funding source affecting coverage.

Instead, it seems likely that the real trouble could arise around the distribution of funding and the delicate balance required between interest groups. s9(2)(g)(i) nicely captured several risks associated in his monologue quoted below.

NZOA ... really care about this stuff, I'm sure that they'll work well. But they are walking into an area they don't know as much about as they do screen production ... it's a different animal. If they make one or two crucial errors ... it also could become like a massive shit fight for the government ... it's very delicate, you've got to fund enough Māori/Pacifica, ethnic voices, community voices that are in different languages, but the risk is ... \$20 million [will] disappear quickly if they serve all those things. And then a TVNZ or a Herald kicks up a massive stink and Mike Hosking makes it a football. And ... the National Party seizes onto it ... you really have to get this stuff right. It's totally got political dangers as well as public money being misused dangers. s9(2)(g)(i)

It is also worth flagging again the risk that the practical requirements of the scheme pose:

- Finding the right person to be NZOA Head of Journalism
- Fairly and clearly defining funding criteria and funding streams
- Filling scores of reporting roles
- Corraling industry to collaborate on training and governance

While there is no need to exaggerate these difficulties, it seems more likely that the scheme would founder on one of these pedestrian requirements than on egregious political interference or the even the perception of it.

[A note on NZMF news funding](#)

Given that several projects currently funded under the NZMF fall into the category of PIJ, it has been suggested that their funding and administration be transferred into the PIJF. It was of interest to a few interviewees what would become of the associated funds: whether they would be taken out of the PIJF allocation, thereby effectively reducing available funds for new projects, or whether funding would “travel with them” and nominally increase the PIJF pot. A look at content potentially defined as PIJ and already funded within the NZMF for 2019/20 shows a total of \$8.7m (see table 5 below).

Two interviewees s9(2)(g)(i) flagged the former option as a risk for the Government, NZOA and the PIJF. In transferring expensive shows such as Newshub Nation and Q+A into the PIJF and then removing their cost from the \$55m available, the principles of incremental output and service to audience would have been abused, and could give rise to accusations of disingenuousness. Having promised a certain amount, it would be unwise to short-change the PIJF.

If [existing news funding] is inside the [PIJF] that's fine because that would then be added to that particular pot. But if it, if the [PIJF] has to pay that from within its allocation, then that's going to be quite distorting. That's something you need to be really careful about. s9(2)(g)(i)

Table 6: PIJ funding within the NZMF, 2019/20

Tagata Pasifika 2020	\$1.8m
Local Democracy Reporting	\$1.5m
KEA Kids News 2020/21	\$1.0m
Newshub Nation 2020	\$0.9m
Q + A with Jack Tame 2020	\$0.8m
The Hui 2020	\$0.6m
The Detail 2020	\$0.5m
The South Today 2019/2020	\$0.4m
Local Focus 2019/20	\$0.4m
Circuit 2	\$0.4m
Newsroom Investigates 2	\$0.3m
Total	\$8.7m

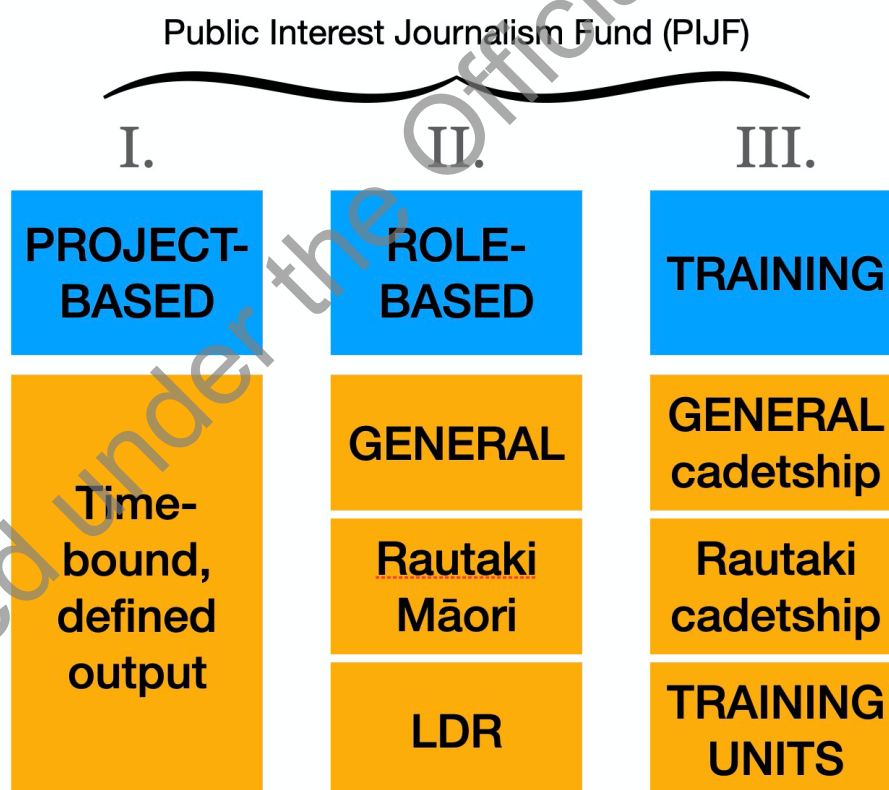
Source: NZOA funding data

Section 4: Conclusions and Recommendations

We have not held back on expressing opinions in the body of the report – to do so would make the material of so many reported conversations too dense – and therefore many of the report’s conclusions will come as no surprise.

In the course of the conversations summarised in the above section, and in considering the core aims of the fund, it emerged that a three-part structure would be appropriate. It is a recommendation of this report that the PIJF be divided into role-based, project-based and training streams. We take on s9(2)(g)(i) advice that the scheme should be flexible and provisional until enough data has been gathered to understand the best ways to support the production of great PIJ. It would not be wise to attempt to set up complicated structures in the short time available before applications open, but an overview of what the PIJF could look like in full flight may be useful.

Figure 9: Recommended PIJF structure



Summary of recommendations with explanations

Establish a project-based stream

While we have focussed on the question of role-based funding, there is an important job for project-based funding to play in the PIJF. It is essential that NZOA have the flexibility to consider projects that fall outside the scope of employing reporters to cover PIJ. This was uncontroversial in the industry consultation, and indeed project-based funding was seen by many interviewees as the default funding type despite its obvious limitations as concerns PIJ. We recommend the project-based stream be allocated funds in an elastic manner depending on the funding requirements of the other two streams. Kinds of projects that could be funded under the project stream:

- Agreements to output content as per the existing news projects in the NZMF: TV shows, documentaries, podcasts, web series etc
- Agreements to develop infrastructure and capability (should this be judged to be eligible for funding – this is not recommended by this report - see discussion below)

Establish a role-based stream

A large part of the PIJF should be given over to the employment of reporters to cover PIJ. This is the best way of meeting the aims of rectifying holes in important news coverage and assisting industry to improve quality of content. A role-based system funds newsrooms to employ reporters with a clearly defined coverage agreement. Output is conspicuous, in that it is tied to a reporter's by-line, and can be branded to increase awareness of the scheme and thereby assist support for the use of this public money. The cost of a role-based scheme is increased administration overhead for the funding body, because unspecified funded content will have higher risk of wandering "off piste". The risk of controversy around high-volume PIJ content is also probably greater than with general entertainment and factual content.

Despite the need for flexibility in other parts of the PIJF, we consider it essential that clear constraints are put around this role-based funding in order to guide newsrooms and protect NZOA. These should include:

- Accepted methods of "course-correction" where NZOA considers funded roles to be in breach of output volume and topic agreements
 - Communication must be with partner organisations rather than reporters, to avoid editorial interference
 - Ability for NZOA to enforce agreement including early termination
- Clear crediting of content to the scheme (whether NZOA, PIJF or some other brand)

- Adoption of common digital metrics tool and regular reporting (again with clear consequences for breach)

It is essential for the success of the programme that employment contracts stretch over multiple years. Two-year contracts would be appropriate given the limited time remaining for the operation of the PIJF. Without this deviation from standard NZOA procedure, good candidates for roles will not be found, particularly in regional areas. Performance assessment becomes critical in this context (see below).

The Rautaki Māori PIJF

We believe the case put forward by the representatives of Māori news media was strong, in several regards. They emphasised the need for a Treaty-based conception of the PIJF, and they highlighted the difficulties involved in current funding structures. In the case of Te Māngai Pāho, Te Reo requirements prevent a significant proportion of the Māori population from receiving the benefit of funded content, and most funding goes to broadcast platforms. Given that the purpose of the PIJF funding is to correct PJ deficits and reach currently underserved audiences, it seems justifiable to commit part of both role-based and training funding to Māori-owned and operated media organisations and Māori journalists.

It was notable that most interviewees combined Māori and Pacific Island audiences together in this regard. This is not supported by a reading of NZOA's responsibilities as defined by the Broadcasting Act. The Act specifically calls out the agency's duty to "reflect and develop New Zealand identity and culture by promoting Māori language and Māori culture." While the need to ensure content for "ethnic minorities" is also contained in the Act, it is not as prominent. It may be correct to interpret Pacific Island and Māori cultures as part of a continuum that should not be differentiated, but it seems appropriate that if this is the case, it is decided by Parliament rather than custom.

Establish general and Māori media cadetship programmes

A PIJF cadetship programme was warmly welcomed by interviewees. The basis of this cadetship should be determined in consultation with industry, but it seems beneficial to include training partnerships, where cadets gain experience in the newsrooms of diverse businesses, as part of this programme. There may also be a role for the existing tertiary education sector here, although this may be controversial given the negative opinions of journalism education offered by several interviewees. The legal structure of the cadetship will need to be explored with industry. Possibly a contracting system similar to that used with the role-based pillar would work, although it is unclear how the rotations to other organisations would be handled in this case.

Similar to the discussion of the Rautaki Māori above, there is a strong case for separating out a Māori media cadetship programme. For both the general cadetship and the Māori

media cadetship we may find that the size of the programme is restricted not by budget but capacity within the industry. Costs here will have to include a programme manager and overheads for training and pastoral care within organisations.

The SDU and other training units

The UK LNP's Shared Data Unit is highly successful according to programme managers and participants, and many of our interviewees were enthusiastic about establishing an NZ SDU. We believe this initiative would not only provide valuable data journalism skills to the NZ news media industry at large, but could have a range of other benefits, such as bringing industry colleagues together and injecting a much-needed sense of progress into what has become in places a moribund environment.

In the UK, the BBC provides the natural home for the SDU. Matthew Barraclough and his band have the resources of a very big newsroom to draw on, and have crafted a programme that provides 1:1 training and even houses trainees for the duration of the course in shared accommodation. The costs are high - around £1m a year for the SDU alone – but so are the rewards for industry. Reporters with new skills and contacts are sent back into the field invigorated.

Where is the natural home of the NZ SDU? Barraclough's equivalent is the new NZOA Head of Journalism (HOJ). There is no equivalent newsroom surrounding the funding agency, so a training partnership with either RNZ, Stuff, NZME or a tertiary institution would have to be struck. It feels essential that the relationship between the HOJ and this training unit be a close and proprietorial one, rather than the arm's length relationship typical of a funded project. Again, the emphasis must be on collaboration, partnership and collegiality in order to maximise benefit to industry. In this way, the report sees the PIJF as a valuable tool for industry regeneration and growth in cultural as well as commercial terms.

The NZ SDU has a blue-print in the BBC version, which is welcome, and following its implementation other training units could be set up. There is a great need and desire for a general investigative reporting unit (IRU) in New Zealand journalism. Some practitioners – for example, RNZ's Lisa Owen and NZME's Matt Nippert – are masters of investigative reporting but their knowledge is isolated and necessarily the transmission of their skills haphazard and restricted to immediate colleagues. An IRU would have to employ the best journalists as contractors to teach a new generation of reporters. In this, we regard it as essential that training units be open only to working reporters with some track record. The training units, as opposed to the cadetships, should be no place for inexperienced university students or graduates.

Other unresolved matters

On the LDR

The question of what happens to the LDR under the PIJF is currently an open one. There are three points to make here. The first is that it would be inefficient and inappropriate to continue the LDR as a programme independent of the PIJF. It bears such close resemblance to the proposed PIJF as described in this report that it is clear it must be incorporated in some manner with the new role-based funding system.

The second point is equally important: that the aims and operations of the LDR remain as relevant under the PIJF as they were before the new fund's creation. The commitment of a small proportion of funding to the reporting of local governance alone is valid.

Finally, continuity and the credibility that comes with it are vital to the success of the entire endeavour of supporting PIJ in New Zealand. To abandon the LDR in favour of a scheme with a new acronym would be damaging on many fronts. First among these is a perception of a "change of direction" where in fact there is no change, but a strengthened commitment and an expansion of support.

For this reason we recommend the LDR remain as a distinct programme within the PIJF. The administration of the LDR should shift to fall under the NZOA HOJ as the current contracts expire (most end December 2021, with some stretching to early 2022). The term and brand "LDR reporter" can thus continue, and potentially continue to have sway and relevance beyond the life of the PIJF. The importance of continuity cannot be overemphasised when it comes to both news cultures and the building of trust with audiences.

On the incremental question

It is the opinion of this report that newsrooms receiving role-based funding who employ internal candidates for those funded roles must be required to back-fill vacated roles. This is in line with existing practice in role-based funding systems.

This requirement is to ensure as simply as possible that funding delivers incremental PIJ content for audiences. To not require proof of back-fill is to invite news organisations to simply use the PIJF as a subsidy. Remember, the PIJF has a much wider content remit than the LDR, and therefore a PIJF role is of much greater general utility to a newsroom. This in itself should assist news organisations commercially.

There is no feasible way to ensure the system is entirely free of abuse. News organisations must be free to cut reporting roles as circumstances dictate. By requiring that new reporters be hired, the most obvious misuse of the system will be avoided because news executives are humans, and dislike making their reporters redundant.

There are good reasons why news organisations should be able to apply for funding for roles that are "at risk". Many of our interviewees believed that if an organisation could

show that cuts were imminent, they should be able to apply for funded roles under the PIJF. Many saw the dangers in non-incremental funding, but argued for exceptions in extreme circumstances. Although superficially compelling, we do not believe these opinions carry the day. There is no newsroom in New Zealand that could not make a strong argument that it needed to cut roles. Once admitted, there would be no evicting the exception of “imminent loss”. To return to first principles: the aim of the fund is to ensure the provision of PIJ to audiences and to help industry as a result. Commercial companies should benefit from this public money only to the extent that they improve and increase public interest journalism.

On track records in PIJ

If there is a ministerial desire to fund start-ups through the PIJF, it would be advisable, as some interviewees suggested, to set aside a relatively small amount for the purpose. In all other cases (project-based and role-based), organisations should be able to demonstrate a clear record of PIJ prior to funding application. This record should show commitment to PIJ and sufficient organisational experience to make proper use of public funds. We believe the required minimum period would be between 6 months and a year of publishing, with evidence of audience engagement.

Were the PIJF fund’s rules to allow publishers with no PIJ experience to apply for funding, the fund could act as a lure for entrants into the market. This works against the interests of the industry and the secondary purpose of the fund.

For the record, despite the attraction of encouraging innovation and growth, we believe it would be more effective to forgo start-up funding within the PIJF.

On paywalls and content distribution

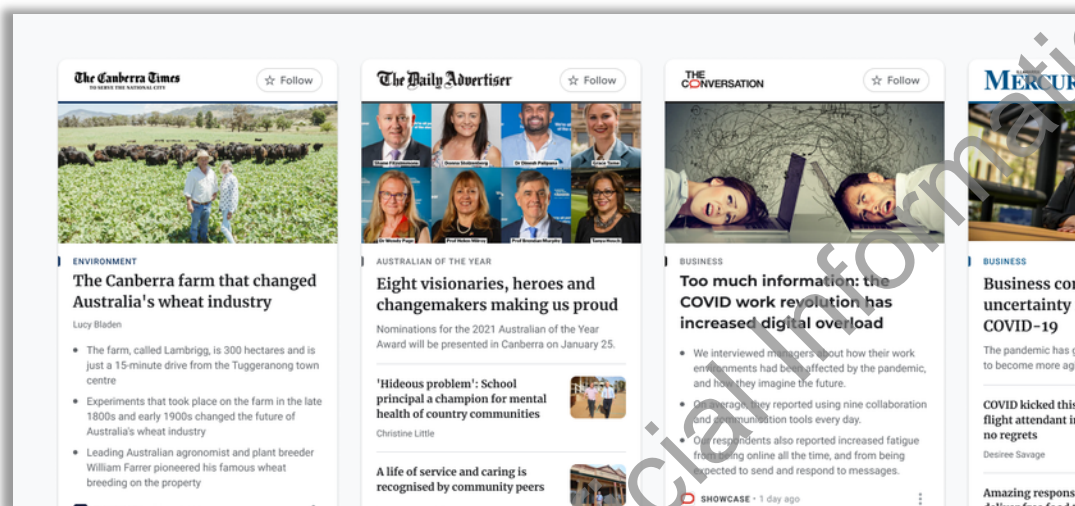
We have great sympathy with the arguments of media companies trying to accustom audiences to paying for news content, and believe the fund should avoid requirements that damage these efforts. Funded content must be made freely available, but where content is made freely available somewhere, we believe that allowing publishers to use funded content behind paywalls should be allowed.

This may sound confusing, so let’s consider a live example. In conversation with s9(2)(g)(i) said it was technically possible to create an exception for funded content so that it sat “outside” the paywall. However, this creates an exception to his general customer experience and expectation, and renders the funding less useful to him as a general proposition. The overhead associated with the funding is increased and the value to the long-term sustainability of the business is decreased. Again we have an argument that pits assistance to industry against benefit to audience.

In this case, we believe audience benefit can be maximised by requiring funded content be published in some location freely accessible at the same time it is placed behind the s9(2)(g)(i). For example, s9(2)(g) could do a distribution deal with MSN that sees the

content displayed on that platform (which is free and ad-supported). Facebook is developing its “News tab” and Google its “Showcase” product, each of which license content for free publication to audiences within proprietary interfaces. Paywalled news providers have done deals with these services in other markets, and are directly compensated for content by the platforms.

Figure 10: Mobile screenshots of Google Showcase



Source: Google

As indicated in Section 3, it is a conclusion of this report that the LDR’s requirement to share content with competitors would not be workable in the context of the wider PIJF – with its diversity of publishers and broadcasters - and therefore should be abandoned outside the LDR.

On funding infrastructure

Some interviewees believed that funding money should be made available for investment in infrastructure such as Content Management Systems. Others went further and believed that money should be able to be used for platform marketing, office equipment or physical newsrooms themselves.

There are at least two big drawbacks here for what may seem to be sensible and justified ideas. The first is practical, and concerns the amounts of money that can be spent on publishing infrastructure in particular. Anyone who has been around a big CMS or CRM (Customer Relationship Management) project knows that these can consume hundreds of hours and millions of dollars in resource. Often they run well over budget, and can take years to implement. Funding such projects “may end in tears”, as one interviewee

remarked.²⁷ Even for simpler systems, implementation can have unintended bad consequences and complications, with audiences completely unaware of any change for the better.

The second drawback concerns considerations and perceptions of equity. If one commercial business is funded for the implementation of a CMS, for example, the competitor who missed out on this opportunity may be substantially more aggravated in the absence of any demonstrable audience benefit in terms of PIJ. If the funded infrastructure is something physical such as a newsroom, these complaints are only going to be louder and the inequity more obvious.

Given that the PIJF as currently described –project-based content, role-based, cadetship and training units – will already stretch total allocated funds, we see it is a matter of practicality to disallow infrastructure funding under the scheme. Should it be decided, against this recommendation, that infrastructure applications are permitted, they should sit under the project-based PIJF and be required to produce clearly incremental PIJ.

On performance assessment

In the review of the NZMF conducted in 2020, we found a degree of apprehension around the use of audience engagement metrics. Digital metrics, in particular, were seen as:

- Difficult to standardise
- Open to manipulation
- Poor indicators of quality

Each one of these objections has some validity when metrics are used incorrectly, but none are good arguments against using audience engagement as one element of assessment. We recommend simple and clear metrics obtained through a common platform (probably Google Analytics), and ensuring that publishers and the programme as a whole are not judged on traffic volume. Given that one of the core aims of the PIJF is to reach audiences currently underserved by PIJ, it is essential that reach is quantified without becoming an uncapped target.

We recommend audience engagement minimum requirements be set by agreement between NZOA and the publisher prior to the commencement of a funded role or project. Output minimums should also be set. Performance above the agreed thresholds should be seen as a positive, but not assessed as “better” in absolute terms. Underperformance should be called out.

In addition to engagement and output, general public awareness and sentiment towards PIJ and the PIJF should be surveyed at regular intervals, including before the fund begins operation.

²⁷ s9(2)(g)(i) . See Appendix 1 for a summary of the conversation.

Other elements of the “very broad scorecard” (to quote the s9(2)(g)(i)) should include a percentage of filled PIJF roles as a rolling average (to expect all roles to be filled is not realistic) and an appropriate throughput of cadets and training unit alumni. A survey of stakeholders may also be considered, with the caveat that when public money is involved, impartial judges are hard to find.

A final word

Interviewees were perhaps not as taken with the offer of \$55m in news funding as we had at first expected. Most agreed it was a good thing. Some were sceptical, others anxious, a few verging on irritable at the provisional requirements already sketched out. The background to this reaction really only became clear to us on receiving the staffing data s9(2)(g)(i) . Being of the news industry, we have experienced the process of revenue retraction and its inevitable and painful partner, cost reduction, first-hand. But there was something in the sheer regularity of the cuts s9(2)(g)(i) , each year a newsroom smaller than the last, that gave the report an insight often denied in abstraction. The numbers contain the implication of both previous cuts, undetailed for lack of data or commercial modesty, and future cuts, unknown but all the same inevitable. There is great human cost in this history and this future. It is difficult to maintain the enthusiasm necessary to reinvent businesses when a large part of your energy is given over to managing decline. s9(2)(g)(i) Every big newsroom in New Zealand, with the exception of RNZ, is in this situation.

The reservations of the Māori media representatives were of a different kind, but no less passionately felt. They surveyed a scene which had avoided the needs of their community for longer and more thoroughly than those of mainstream organisations. In this there was an element of contempt for what was seen as a powerful oppressor reduced to poverty. It is impossible to reconcile this view of the world with that of the mainstream media, regardless of either party's intention. We detected great anger and anxiety in these discussions concerning the “division of the spoils”. This focus on funding as treasure was no more endearing than the apparent entitlement of the big media companies. Both attitudes probably stem from desperation.

It is easy to come away from such conversations with nothing but a host of problems in mind. What has not been fully appreciated is the scope of this fund, and the possibilities it contains. The PIJF will invest more per year than either the UK or the Canadian PIJ schemes, in a country a fraction the size. The potential impact is big, and the scheme has an opportunity to set the global standard in terms of PIJ reinvention. It is not an exaggeration to say that for anyone convinced of the value of news, the initiative represents a crucial test. We hope that the information and recommendations in this report will assist New Zealand in building a world-leading public interest journalism fund.

APPENDIX 1: Interview summaries and quotes

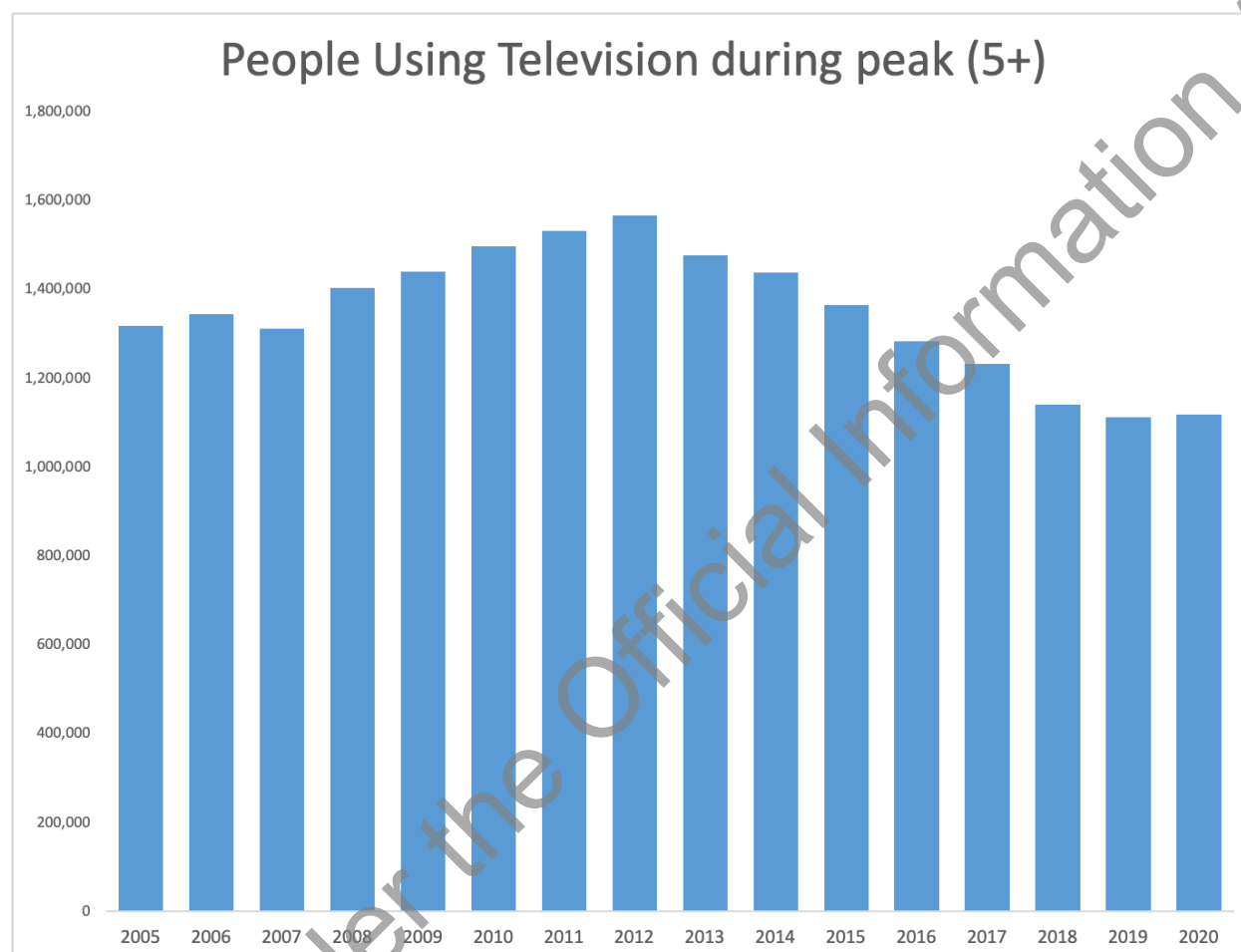
The following summaries contain the notes made on the completion of the interviews by the interviewer, intended as a rough personal record rather than for publication. The quotes following the summaries contain many snippets already used in the body of the report, and may contain transcription errors.

s9(2)(g)(i)

PG 59 - 102 Redacted



Appendix 2: Peak television users in New Zealand 2005-2020



Source: Nielsen TV Ratings