



BRIEFING TO THE INCOMING MINISTERS

OF

MĀORI AFFAIRS

AND

FINANCE

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1.0 INTRODUCTION

New Zealand's national indigenous broadcaster, Māori Television, has experienced rapid growth and development in the almost eight years since the channel launched on 28 March 2004. The aim of the organisation is to make a significant contribution to the revitalisation and normalisation of the Māori language and culture for the benefit of all New Zealanders.

Māori Television provides inclusive television for all New Zealanders. The channel's schedule comprises at least 90 percent locally made programming, in both the Māori and English languages, covering a range of genre including arts, culture, film, sports, music, New Zealand's environment and history, and issues of relevance to New Zealanders.

We also operate a second channel, Te Reo, which broadcasts in 100% te reo Māori and focuses on the core Māori audiences.

The aim of this document is to provide the Ministers with an overview of Māori Television, its strategic direction and results being achieved. This document also notifies the Ministers of six current key issues for the organisation, those being:

- UHF Management Right and spectrum allocation
- Current Funding
- Funding framework
- Potential public broadcasting role
- Finalisation of the review of the Māori Television Service Act 2003
- The role and direction of Te Pūtahi Pāoho

2.0 INDUSTRY OVERVIEW

The New Zealand television industry continues to undergo rapid change and growth, much of this due to technology developments and the pending digital switch-over (DSO) due to commence in September 2012 and be concluded by November 2013.

These developments are having a significant impact on traditional methods of television broadcasting. The proliferation of digital television channels, internet broadcasting developments, social media and other new technologies are giving consumers more information and entertainment options to choose from, which in turn is leading to increased fragmentation of television audiences. New Zealanders now have well in excess of 100 public and privately-owned national and regional free-to-air and pay channels available to choose from.

Māori Television fully supports the view that for broadcasters to counter the impact of fragmenting audiences they must embrace these new technologies. Equally, we are strongly supportive of utilising new technologies to deliver our programmes to as wide an audience as possible. Māori Television has commenced implementation of its own digital pathway strategy which is based on augmenting our traditional broadcast foundations with improved online, mobile and social media access to our content.

Māori Television is clearly operating within a crowded and highly competitive marketplace. However, as an indigenous broadcaster that is required to broadcast in te reo Māori and English to a broad audience and to enrich society, culture and heritage, Māori Television does not aim to compete directly with other networks. At 92% local content and with 73% Māori language across the broadcast schedules of both channels we have a unique point of difference as a broadcaster reflecting life in Aotearoa New Zealand.

3.0 MĀORI TELEVISION

The Māori Television Service Act

Māori Television was founded under the Māori Television Service Act 2003 (Te Aratuku Whakaata Irirangi Māori). Passed in May 2003, the Act establishes the channel as a statutory corporation. It sets out that Māori Television's principal function is to promote Māori language and culture by:

- Providing a high quality, cost effective television service in both languages that informs, educates and entertains a broad audience;
- Broadcasting a substantial proportion of its programmes in the Māori language;
- Having regard to the needs of children participating in immersion education and all people learning Māori;

Māori Television is responsible to two reporting stakeholders, those being:

- The Crown – through the Minister of Māori Affairs and the Minister of Finance; and

- Te Pūtahi Pāoho (the Māori Television Electoral College).
Te Pūtahi Pāoho is led by Chairman Tuwhakairiora Williams. Te Pūtahi Paoho representation includes Te Kōhanga Reo National Trust, Te Ataarangi Incorporated, Te Rūnanga o Ngā Kura Kaupapa Māori, Te Tauihu o Ngā Wānanga, Ngā Kaiwhakapūmau i Te Reo Māori, National Māori Council, Māori Women's Welfare League, Māori Congress, Te Whakaruruhau o Ngā Reo Irirangi Māori, Kawea Te Rongo and Ngā Aho Whakaari.

As a public broadcaster, the channel is accountable through a Statement of Intent provided annually to the House of Representatives; an annual Output Plan that is agreed between Māori Television and the Crown, and quarterly progress reports provided to both stakeholders; an Annual Report; regular audits via the Office of the Auditor General; and compliance with the Official Information Act.

The Māori Television Service Act 2003 (Te Aratuku Whakaata Irirangi Māori) has been comprehensively reviewed and is presently awaiting ratification and finalisation.

Ministers' Responsibilities

The Māori Television Service Act 2003 (Te Aratuku Whakaata Irirangi Māori) sets out in full the responsibilities of the Minister of Māori Affairs, together with the Minister of Finance.

Key responsibilities of the Minister of Māori Affairs and the Minister of Finance, acting jointly with the Chairperson of Te Pūtahi Paoho are:

1. Appointing the Board of directors – 3 directors to be appointed by the responsible Ministers and 4 directors to be appointed by Te Pūtahi Paoho.
2. Appointing one director to be the chairperson of the Board of Māori Television;
3. Appointing another director to the deputy chairperson of the Board of Māori Television;
4. Determining the remuneration and other benefits for the Board of Māori Television.
5. Approving the annual Statement of Intent of Māori Television;

Board and Executive

The Board of Māori Television is led by Chairman Garry Muriwai (Ngāpuhi).

Garry is the Director of the Bahrain Institute of Banking and Finance. He was formerly the Chief Executive of the New Zealand Institute of Chartered Accountants and the Chair of the Global Accounting Alliance. Prior to this, Garry was the Head of the School of Business at Auckland University of Technology. Garry was appointed to the Board of Māori Television by Te Pūtahi Paoho in 2004 and became Chairman in 2007.

The other Directors of the Board are:

- Cathy Dewes (Te Arawa, Ngāti Porou) - Te Pūtahi Paoho appointment
- Te Kou Rikirangi Gage (Te Whānau-a-Apanui, Ngāti Porou, Te Whakatōhea, Ngāti Maniapoto) - Te Pūtahi Paoho appointment
- Tahu Potiki (Ngāi Tahu) - Te Pūtahi Paoho appointment
- Donna Ngaronoa Gardiner (Ngaiterangi, Ngāti Ranginui, Ngāti Pūkenga) – Crown appointment
- Ian Taylor (Ngāti Kahungunu) – Crown appointment

The Crown is to still appoint a director to replace Wayne Walden who resigned in February 2011.

Jim Mather (Ngāti Awa) is Chief Executive of Māori Television.

Jim was appointed in February 2005 and has more than 20 years of business management experience. He holds a Master of Business Administration from the Henley Management College in England and a Bachelor of Business Studies.

The executive management team comprises:

- Alan Withrington – General Manager Finance & Administration
- Te Anga Nathan (Te Aupōuri, Ngāti Porou, Waikato) – General Manager News & Current Affairs
- Barry Russ (Ngāti Kahu) – General Manager Operations
- Haunui Royal (Ngāti Raukawa, Parehauraki, Ngāpuhi) – General Manager Programming
- Carol Hirschfeld (Ngāti Porou) – General Manager Production
- Stephen Smith (Ngāti Porou) – General Manager Digital

Funding

Māori Television receives the following funding:

- Direct Funding from Vote Māori Affairs (to fund broadcasting operations) - \$16.6m plus gst

- From Te Māngai Pāho (to fund in-house programme production) - \$16.1m plus gst
- Indirect Funding

To fill a significant part of its schedules, Māori Television commissions programmes from the independent producers for broadcast on Māori Television which are funded by Te Māngai Pāho and occasionally NZ on Air. This funding is made available on a contestable basis and is paid to the production companies, not to Māori Television. There is no guarantee as to the level of funding or the quantum of programming that may be achieved from this process however Māori Television has tended to receive the benefit of programming to the value of approximately \$20m per annum.

Key Deliverables

Māori language content and broadcast hours are key outputs for Māori Television. The targets we have set are as follows:

Māori Language

- During prime time (6pm-10.30pm) the Māori Television channel will broadcast a minimum of 50 percent Māori language programming.
- The Māori Television channel will broadcast a minimum of 60 percent Māori language across the schedule.
- The Te Reo channel will endeavour to broadcast 100 percent Māori language across the schedule.
- The combined Māori language content during prime time for both channels will be 70 percent.

Broadcast Hours

- Māori Television will achieve a minimum of 3,000 hours of broadcast for the 2011-12 financial year.
- Te Reo will achieve a minimum of 1,400 hours of broadcast for the 2011-12 financial year.
- Both channels will achieve a minimum total broadcast hours of 4,400.
- The majority (80%) of programmes broadcast on Māori Television will be locally produced.

4.0 STRATEGY AND RESULTS

Māori Television Strategy

Māori Television has developed a strategy that is based on inclusivity. Our tagline – mā rātou, mā mātou, mā koutou, mā tātou (for them, for us, for you, for everyone) – effectively summarises our intent that Māori Television be the 'face of New Zealand' and a television organisation which offers something for all New Zealanders.

Vision

Whakaata Māori, hē pourewa pāpāho taketake kei ngā taumata o te ao.

Māori Television is a world-class indigenous broadcaster.

Mission

Ki te whakapau kaha ki te whakaroa i te reo Māori me ngā tikanga, ma te tū motuhake, toitū momoho o Whakaata Māori hei pourewa pāpāho whakaaturanga.

To make a significant contribution to the revitalisation of tikanga Māori and reo Māori by being an independent, secure and successful Māori Television broadcaster.

Long-term Objectives

- Significantly contribute to te reo and tikanga Māori being increasingly valued, embraced and spoken.
- Be an independent national Māori television broadcaster that is successful with an assured future.

These objectives acknowledge that the overriding purpose of Māori Television to promote Māori language and culture.

Strategic Direction

To contribute to achievement of the long-term objectives, the Board has endorsed the following key strategic priorities:

1. Implementation of the digital pathway strategy.
2. Development and promotion of the Te Reo channel and an integrated two-channel programming strategy.
3. Exploration of options to increase commercial revenue (which reflects the static Government funding situation).

Key Milestones and Achievements

The on-going credible progress of the organisation has been highlighted by a range of key milestones and achievements since its launch, such as:

- Annual special public broadcasts including ANZAC Day and Waitangi Day commemorations.
- The launch of a second 100% Māori language channel on 28 March 2008. *Te Reo* channel is targeted specifically at fluent speakers and second language learners. *Te Reo* is currently on air for 4 hours per day during primetime, with plans to increase daily broadcasts to 6.5 hours per day in 2012.
- Special public broadcasts such as the 12-hour *'Rise Up Christchurch – Te Kotahitanga'* telethon which raised \$2.7 million for the Prime Minister's Christchurch Earthquake Relief Fund.
- The Lead Free-to-Air Broadcaster role for Rugby World Cup 2011 tournament which included coverage of all 48 games, including 16 key games live. Record audiences watched RWC 2011 coverage on both the Māori Television and Te Reo channels, which attracted over 560,000 new viewers.
- Establishment of the World Indigenous Television Broadcasters Network (WITBN) which includes 13 indigenous television organisations from the United Kingdom, Ireland, Europe, Asia, Pacific, South Africa, Canada and the United States. The vision of WITBN is to *'unify indigenous broadcasters worldwide to retain and grow our indigenous languages and cultures'*.
- Independent research conducted by Te Puni Kōkiri in 2011 that examined the impact of Māori Television on the Māori language. The survey results concluded that there is a *'consistent relationship between greater viewing of Māori Television and increasing language usage, greater language learning, and proficiency increases and maintenance'*. Furthermore, *'The*

availability of the Service also made 66% of the respondents want to improve their language skills’.

- On-going ‘value for money’ based on a comparison of production costs against national and international benchmarks. Māori Television remains a fiscally-prudent organisation which has achieved all budgeted financial targets and statutory obligations in its 8-year history.

5.0 ISSUES AND MATTERS REQUIRING MINISTERIAL ATTENTION

UHF Management Right and spectrum allocation

Having long term access to transmission spectrum is an essential element of any broadcaster, and Māori Television has a statutory obligation to “*provide broadcast services that are technically available throughout New Zealand and practically accessible to as many people as is reasonably possible*”. (Part 1, s8 (2)(d)).

It has been indicated through the process associated with the review of the Māori Television Service Act 2003 that Māori Television is to retain 16 Mhz of the previously allocated 32 Mhz with a 20 year renewal period to be overseen by Te Pūtahi Paoho. However the timing and the specific details and final confirmation of this arrangement are still to be completed.

With Digital Switch Over (DSO) now imminent, Māori Television needs to be able to implement its plans for further development and enhancements in the new multi-channel digital world and cannot do so until this spectrum is confirmed.

Current Level of Government Funding

Other than an increase to assist with the introduction of the second channel in 2008, Māori Television has had no other increases in funding since we launched in 2004, and given the current economic environment we do not expect there to be much prospect of any additional funding at this time.

However, each year the cumulative impact of inflation on our cost structure makes it increasingly difficult to sustain the current levels of delivery, continue to enhance the service and keep pace with the new technological developments in the television industry.

Maintaining tight control over the cost structure and identifying other sources of income that do not compromise our statutory objectives, are actions within our control and which we will continue to employ to mitigate this problem in the short-term, but ultimately longer term solutions will need to be identified

While not an immediate requirement, indexing of funding to inflation is one option that we would ask the Ministers to consider at some point in the future.

Funding Framework

Māori Television has a statutory obligation *to promote te reo Māori me ngā tikanga Māori through the provision of a high quality, cost effective Māori television service, in both Māori and English, that informs, educates and entertains a broad viewing audience”* (Part 1, s8 (1)).

Although the Government provides direct funding to Māori Television from Vote Maori Affairs for its operational (i.e. non-programming) costs, Māori Television receives minimal direct funding for its programming needs.

Of its total annual programme funding requirement of approximately \$40 million, only \$4 million (10%) is paid directly to Māori Television to apply in achieving its statutory programming objectives.

Of the balance:

- Approximately \$16 million p.a. is paid by Te Māngai Pāho to Māori Television for In-house productions, but this is subject to an annual or bi-annual contract negotiation, programme proposal and approval process, which passes the ultimate control on how this funding is applied to Te Māngai Pāho, not Māori Television.
- The benefit of another \$20 million p.a. (on average) is expected to be received indirectly by the funding Te Māngai Pāho makes available to the independent production sector to produce programmes for Māori Television. However, this funding is only available via a contestable funding process (of which there are between 3 and 5 per annum) and which Te Māngai Pāho oversees and operates. This funding is paid to the independent producers, not Māori Television, and there is no guarantee as to the type, quantum or value of programmes that may be made available for Māori Television in any given year or funding round, as each individual programme proposal must compete with those from other broadcasters.

The key issues with this funding model are:

- Although Māori Television has these statutory obligations with regard to its programme content, it has control over **just 10%** of the funding that Government has made available for it to meet these obligations. The balance is controlled by Te Māngai Pāho.
- Māori Television is required to provide a high quality, cost effective television service, however 90% of its programme funding is only available on a short-term basis. This limits Māori Television's ability to undertake and implement longer-term strategic planning and subsequent achievement of efficiencies and development.
- It requires double-handling of the funding with the associated duplication of many administrative and management functions.

We believe there is the potential for more efficient and effective application of this funding and have previously provided a proposal to this effect.

Potential Public Broadcasting Role

In response to on-going public debate about Māori Television being the 'default public broadcaster' and potentially having its mandate broadened to include responsibility for delivery of a public service broadcast channel, the position of Māori Television is:

- It is viable that with further development the Māori Television infrastructure could host and broadcast a public service television channel.
- The Māori Television business model / structure is the type that Government should consider for a future public broadcaster.
- We believe that Māori Television could provide this service more cost effectively than a stand-alone operation.
- The broad audience appeal of the Māori Television brand was emphasised during RWC 2011. This indicates that a public service broadcast channel would be accessible to all New Zealanders if hosted by Māori Television.
- Māori Television has proven itself as a public broadcaster.
- It would be possible to deliver such a service by re-allocating existing funding associated with public broadcasting to Māori Television.

However, an overriding concern of the Board and Management is that the underlying Māori language and cultural focus of the organisation could potentially be diminished should wider public broadcasting responsibilities be assumed by Māori Television.

Review of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003

Although the review process was completed in 2010, final ratification is still to occur.

It should be noted that the final arrangements pertaining to the UHF spectrum and the composition of Te Pūtahi Paoho remain outstanding issues from the review of the Act.

The Role of Te Pūtahi Pāoho

Te Pūtahi Paoho was created by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 and its functions are determined by the Act. These are specific to Māori Television, and include:

- Appoint 4 of the 7 directors.
- Receive the accountability documents of Māori Television.
- Safeguard the UHF Management Right.

Te Pūtahi Paoho has recently signaled that it intends to *‘over the next three years take a leading role in securing sufficient spectrum and the resources to protect and promote te reo me ona tikanga Māori through communications technology, particularly Māori television broadcasting’*.

This suggests that Te Pūtahi Paoho intends to undertake activities beyond its role with Māori Television and involving not just television but the wider telecommunications industry.

This aspiration conflicts with its legislated role and how it might carry out these new functions is not addressed by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 or its subsequent review. This therefore creates some constitutional concerns.

Furthermore, there is also the potential for conflict of interest issues if Te Pūtahi Paoho is to continue fulfilling its governance role in regard to Māori Television, while at the same time facilitating and assisting the introduction of other television operators who may be competing with Māori Television for spectrum, funding, programming, personnel, and other essential resources.

Finally, there is also some uncertainty as to whether a number of the member organisations of Te Pūtahi Paoho still actually exist or operate to the same capacity as they did when this Māori Television Electoral College was established.

Garry Muriwai
Chairman of Board of Directors
Māori Television

Jim Mather
Chief Executive
Māori Television