BRIEFING TO THE INCOMING MINISTER FOR

MĀORI DEVELOPMENT

AND MINISTER OF

FINANCE

Prepared by Māori Television
25 October 2017
Our Effectiveness

In 2016 Māori Television and Te Māngai Pāho engaged in a joint research project to evaluate the impact of Māori Television on te reo Māori. The Māori Broadcasting Language Impact Evaluation revealed that Māori Television plays a vital role in the normalisation and revitalisation of the Māori language. The research also indicates that Māori Television has a positive impact on the intergenerational transmission of te reo Māori in the home.

We are also heartened to learn from the research that Māori Television is playing a key role in growing positive attitudes towards the language and culture – and assists in unlocking the challenges and removes the barriers to participate in language learning. Māori Television provides an accessible, safe environment to hear, see and immerse in the language and culture - for both Māori and non-Māori.

Key Findings of 2016 Language Effectiveness Research Project

- 11% of the increase in language ability among all Māori 15+ can be attributed to Māori Television (NB. the figure for iwi radio is 5%).
- 30% of the increase in understanding Māori culture and receptivity towards te reo among non-Māori can be attributed to Māori Television.
- Māori Television provides a sense of connection with and importance placed on Māori culture and language.
- Māori Television provides encouragement and a desire to engage. Māori Television brings Māori language and culture into the home, supporting intergenerational transmission of te reo in the home.
- Māori Television provides a sense of connection with and importance placed on Māori culture and language.
- Māori Television unlocks the challenges and removes the barriers to participate in language learning – it provides an accessible, safe environment
to hear, see and immerse in the language and culture for Māori and non Māori.

- Māori Television acts as a beacon and is seen to be the trusted source to go to for anything and everything to do with the Māori world.
- Māori Television provides a positive and contemporary portrayal of Māori culture, providing indirect support / motivation to connect with and to be exposed to Māori culture.
- Education, and participation in cultural activities, are each unique drivers of language acquisition, and a lack of confidence, relevance and time is a unique inhibitor.

**Establishment of Māori Television**

Māori Television is a statutory corporation and was formally established by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003. This Act defines Māori Television’s functions. It is now well established as part of New Zealand’s broadcast landscape. The Act has been amended to reflect changes including the Te Ture o Te Reo Māori 2016 (the Māori Language Act 2016) and recognition of the new entity, Te Mātāwai.

**Principal Statutory Functions**

The principal function of the Māori Television Service, Te Aratuku Whakaata Irirangi Māori, is to contribute to the protection and promotion of te reo Māori me ngā tikanga Māori through the provision, in te reo Māori and English, of a high-quality, cost-effective television service that informs, educates and entertains viewers, and enriches New Zealand’s society, culture and heritage.

Under Section 8 of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 Māori Television is required to:

- Broadcast mainly in te reo Māori during prime time and a substantial proportion at other times.
- Ensure that programme content has regard to the needs and preferences of young people; children participating in te reo Māori immersion education; people learning te reo Māori; people whose first language is te reo Māori; and people with a high level of proficiency in te reo Māori.
• Provide broadcast services that are technically available throughout New Zealand and practically accessible to as many people as is reasonably possible.
• Māori Television may also provide a range of content and services on a range of delivery platforms that contribute to the promotion and protection of te reo Māori.

**Reporting Stakeholders**

Māori Television has two distinct reporting stakeholders, Government and Māori, who exercise both independent and joint powers reflecting the partnership between the Crown and Māori.

• Government interests are represented by the responsible Ministers who are the Minister for Māori Development and the Minister of Finance.

• Māori interests in the revitalisation of language and culture are now represented by Te Mātāwai, an independent statutory entity recognized by Te Ture mō Te Reo Māori 2016 – the Māori Language Act 2016, to provide a partnership with the Crown.

**Governance**

Te Ture mō Te Reo Māori 2016 – the Māori Language Act 2016 - repealed the Māori Language Act 1987 and amended the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003. The functions and responsibilities of Te Pūtahi Paoho have now been transferred to the new entity that represents Māori interests, Te Mātāwai.

The Māori Television Board comprises seven directors who hold responsibility for governance. The board reports to the Minister for Māori Development, the Minister of Finance and Te Mātāwai.

**Management**

The Chief Executive has responsibility for Māori Television’s operations and reports to the board. Supporting the Chief Executive in managing operations are six head of departments with overall responsibility for designated work areas, which are Content, Commercial and Corporate Affairs, Finance and Administration, Multi-platform,
Operations and Technology, and People, Language and Culture. There are 170 fulltime employee and approximately 40 contractors depending on the production schedule.

Working with Te Mātāwai

Te Mātāwai has a key role in providing direction and oversight of Māori Television in conjunction with the Minister for Māori Development and the Minister of Finance. This includes confirming the Statement of Intent.

Over the next financial quarter the boards of Māori Television and Te Mātāwai will meet formally. Discussions will include the development of protocols that will guide the relationship. We recognize and acknowledge that the membership of Te Mātāwai represents the breadth and depth of Māori knowledge and expertise in Māori language revitalisation nationwide.

Our Context: Industry Trends, Challenges and Opportunities

The growth in technology and connected screen devices has given consumers a wider choice of media resulting in a more fragmented market. The traditional linear television broadcast market continues to decline, evidenced by further declines across total television in the first half of 2017 with fewer viewers and shorter viewing times compared to previous years. Three key reasons explain the decrease:

1. Growth of online content and mobile device distribution – especially by young (52% of Māori are under 25yrs).
2. Increased competition delivering a broad range of content.
3. Reduced appeal for content delivered through linear platform.

The decrease in traditional television viewing is even greater for the Māori population in which over half are younger than 25 years of age (2013 Census). This is reflected across the Māori Television Service as more of its consumers go online with a 16% growth in the number of Māori Television website users.1

The New Zealand Media Trends Report 2016 (The Nielsen Company) indicates that more people are signing up for specialist digital subscription services, and consume

1 Source: Nielsen Television Audience Measurement & Google Analytics as at 28 May 2017
content when it suits them. Nearly a quarter (24%) of New Zealanders subscribe to
digital content such as Netflix and Spotify.

The challenge for Māori Television is to retain our core viewers while growing new
audiences in this changing competitive environment. We can strengthen our ability to
grow our audiences through further engagement and collaboration with other
organisations including iwi and Māori communities and in particular iwi media who are
also tasked with revitalising the language and culture. The current climate has resulted
in many media organisations investigating the possibility of collaboration. We envisage
this pathway will provide us with better opportunities to ensure the Māori language
and culture reaches more New Zealanders.

Over the past 24 months, Māori Television has conducted the following to support its
strategic goals:

• Audience Segmentation Research
• Realignment of Content Strategy
• Investment in new technology
• Cultivation of new revenue streams with third parties
• Māori Language Effectiveness Research
• Implementation of an internal Māori language strategy.

ISSUES AND MATTERS REQUIRING MINISTERIAL CONSIDERATION

Funding Levels for Māori Television

Māori Television currently receives the following funding streams:

1. Direct Funding

• $19.3m plus GST per annum from Vote Māori Development. This funding is
  primarily to fund broadcasting (non-programming) operations.

• $16.1m plus GST per annum from Te Māngai Pāho. This funding is used to
  produce in-house programmes, which accounts for approximately 50% of its
  programme needs (Direct Production Funding).
2. Indirect Funding

Māori Television also relies on additional programming produced by the independent production sector to fill a significant part of its schedules.

- Contestable funding of approximately $25 million from Te Māngai Pāho. This funding pool is available to independent production companies to make television programmes for New Zealand broadcasters i.e. Māori Television, TVNZ, Mediaworks etc. Our level of indirect funding remains uncertain. Māori Television has historically received programming to the value of approximately $12 million per annum from this contestable funding process.

- Māori Television generates approximately $1.5m per annum in income from advertising sales and sponsorship partnerships.

Key Funding Issues

Of its total annual programme funding requirement of approximately $40 million, 90% of this is administered by Te Māngai Pāho, as follows:

- Approximately $16 million per annum has been provided by Te Māngai Pāho for in-house programme production, which is subject to an annual approval and contract negotiation process.

The key challenges with the current funding model are:

- Māori Television does not have ultimate control over the type of content it can broadcast, or indeed each individual programme that will be produced.
- 90 percent of Māori Television’s programme funding is under the control of a different organisation with, at times, different strategies and priorities, which are not always aligned.
- Māori Television is required to provide a high quality, cost effective television service. However 90% of its programme funding, or 70% of its total Government funding, is made available on a short-term basis. This inhibits...
Māori Television’s ability to undertake and implement longer-term strategic planning and subsequent achievement of efficiencies and development.

- It requires duplication of administrative and management functions.

- There is the potential for more efficient and effective application of this funding that better supports Māori Television’s independence and accountability for the achievement of its statutory functions.

An Industry Production Cost Based Increase in Direct Production Funding from Te Māngai Pāho

Māori Television receives minimal direct funding for its programming needs. Based on 2016 production funding figures, it can be shown how much lower Māori Television’s funding is than tax payer funding available through Te Māngai Pāho’s and NZ On Air’s contestable fund.

The size of its total direct production funding pool, compared to funding based on Te Māngai Pāho’s and NZ On Air’s hourly rate and the delivery of 900 hours, highlights that Māori Television is critically underfunded.

<table>
<thead>
<tr>
<th>Funder</th>
<th>Cost per Hour</th>
<th>Total Cost Based on 900 Hours</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori Television</td>
<td>$21,345</td>
<td>$19,210,388</td>
<td></td>
</tr>
<tr>
<td>Te Māngai Pāho (contestable fund)</td>
<td>$37,980</td>
<td>$34,182,273</td>
<td>$14,971,885</td>
</tr>
<tr>
<td>NZ On Air (contestable fund)</td>
<td>$90,833</td>
<td>$81,749,498</td>
<td>$62,539,110</td>
</tr>
</tbody>
</table>

International comparisons

An international comparison of similar-sized indigenous language broadcasters serves to reinforce the fact that Māori Television is underfunded.

- TG4 (Ireland) NZD $69m
- S4C (Wales) NZD $150m
- Māori Television NZD $37.6m
Funding from Budget 2016

It was pleasing to see our efforts to grow the Māori language supported by the Minister for Māori Development with a much-needed investment of $10.6 million from Budget 2016. Spread over four years, the funding has been used to upgrade the quality of our transmission to High Definition – providing viewers with clearer and crisper pictures – and will also enable us to increase our investment in multi-platform technology to support the delivery of content to audiences whenever they want it and wherever they live. The funding boost further supports the Government’s Māori language strategy by assisting Māori Television to reach, attract and grow its audience, particularly youth.

An Inflation Based Increase in Direct Production Funding from Te Māngai Pāho

Māori Television has had no increase in direct production funding from Te Māngai Pāho since 2008. Due to the impact of inflation, the purchasing power of direct production funding has been reduced by 16%. It is increasingly difficult to sustain the current delivery of in-house production hours and keep pace with developments in the broadcast industry, particularly creating online specific content targeted at youth.

Maintaining tight fiscal control over its cost structure has allowed Māori Television to manage this situation for a number of years but it is at a point now where this is becoming difficult to sustain. To proceed with the current level of funding will likely require Māori Television to reduce the quantity and/or quality of in-house production hours.

There is a strong case for an increase in our baseline funding of at least $3 million per annum to restore our funding to its previous inflation-adjusted level and that in future this funding should be inflation adjusted each year. This increase will allow Māori Television to manage the impact of inflation without having to compromise on the current delivery of in-house hours.
Long Term Direct Production Funding $16.1 million from Te Māngai Pāho

Te Māngai Pāho is responsible for distributing the Māori Television Broadcasting Appropriation under the Vote Māori Development on an annual basis. As such the Direct Production Funding agreement with Te Māngai Pāho is negotiated on an annual basis as well.

Rather than having to negotiate every year with Te Māngai Pāho, it is proposed that Māori Television negotiate a three year Direct Production Funding agreement. This will create increased certainty for Māori Television over a three year period to carry out its statutory duties and in particular create surety for the necessary production of in-house Māori Television owned content. A significant portion of this in-house content will be studio produced. Māori Television can still be held accountable for the delivery of hours on an annual basis as is the current practice.

Ideally, an alternative to the distribution of this funding is for it to be directly available to Māori Television from Vote Māori Development, with responsibility for this funding resting with Māori Television and not Te Māngai Pāho. Māori Television can then be held directly accountable for the application of this funding via its current accountability arrangements with the Crown (i.e. Annual Report, Statement of Intent and Output Plan).

Summary of ideal funding model

In order to continue to deliver high quality content, the level and security of investment in programme procurement needs to increase. To achieve this will require the following:

1. **Inflation adjusted**: Direct Production Funding from Te Māngai Pāho to increase in line with the rate of annual inflation.
2. **Multi-year funding security**: Secure Direct Production Funding from Te Māngai Pāho on a three year basis
Funding for receptive programming

We understand there is a possibility of the TMP board endorsing a proposal to further shift funding that Māori Television receives from TMP’s contestable funding pool for the production of receptive programming to other media organisations i.e. TVNZ, Mediaworks, Choice TV.

Working together with other Māori language agencies to revitalise the Māori language, Māori Television understands the importance of receptive programming to help model a positive and contemporary portrayal of Māori culture in a way that is accessible to a broad audience.

A material reduction in total funding and more particularly receptive programme funding represents a significant operational threat to Māori Television’s vision to have te reo Māori valued, embraced and spoken by all New Zealanders.

OTHER MATTERS TO NOTE

Chair and Deputy Chair second terms expire May 2018

Appointment of CEO pending
## Outcomes Framework

**Our vision is for te reo Māori to be valued, embraced and spoken by all New Zealanders**

**Our key outcome is to protect and promote the Māori language and culture**

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Key Objective</th>
<th>Measurements of Success</th>
<th>Contribution to Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnerships &amp; Alliances</td>
<td>Build and maintain strong relationships to support our sustainable revenue objectives and achievement of sector goals.</td>
<td>Increase in sustainable revenue from commercial and Crown sources</td>
<td>Additional revenue streams and funding applied to the production of engaging content and to multiplatform technology.</td>
</tr>
<tr>
<td>People &amp; Tangata</td>
<td>Create an enhanced performance based culture through staff recruitment, engagement and collaboration to deliver our vision.</td>
<td>Ability to attract and retain key talent Migration to Māori language speaking organisation by 2020</td>
<td>Staff better aligned and committed to the kaupapa in delivering organisation outcomes.</td>
</tr>
<tr>
<td>Communications &amp; Brand</td>
<td>Proactively influencing commercial, marketing and communications outcomes that supports the strategic direction of Māori Television.</td>
<td>Sustainable audience growth Enhanced corporate reputation Third party endorsement</td>
<td>Drives sustainable audience growth.</td>
</tr>
<tr>
<td>Multi Platform</td>
<td>Increase the size and engagement of MTS target audiences on multi-platforms, reaching them where they live and how they live</td>
<td>Year on year growth of key user/audience engagement metrics on digital platforms</td>
<td>Allow audiences to consume content where they are and when they want it. This is especially important for our rangatahi viewers.</td>
</tr>
<tr>
<td>Content</td>
<td>To showcase content that connects audiences with Māori language and culture</td>
<td>Increased audience viewership and regularly achieving a goal of 1 million viewers a week Longer audience engagement with our content</td>
<td>Drives sustainable audience growth and provides a pathway for taking all viewers through the various stages of their language learning journeys.</td>
</tr>
</tbody>
</table>
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 and the Minister of Finance.

Acting jointly with the Chairperson of Te Mātāwai the key responsibilities of the Minister of Māori Affairs and the Minister of Finance are:

1. Appointing the Board of Directors
   Three directors are appointed by reporting Ministers.
   Four directors are appointed by Te Mātāwai (was previously the role of Te Pūtahi Pāoho).

2. Appointing one director to be the chairperson of the Board of Māori Television;

3. Appointing another director to be 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.
<table>
<thead>
<tr>
<th>BOARD OF DIRECTORS</th>
<th>IWI AFFILIATIONS</th>
<th>Date appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair Crown appointment</td>
<td>Hon Georgina te Heuheu QSO</td>
<td>Ngāti Tūwharetoa, Ngāti Awa, Tūhoe, Te Arawa</td>
</tr>
<tr>
<td>Deputy Chair Te Pūtahi Pāoho appointment</td>
<td>Piripi Walker</td>
<td>Ngāti Raukawa te Au ki te Tonga</td>
</tr>
<tr>
<td>Te Pūtahi Pāoho appointment</td>
<td>John Tamihere</td>
<td>Ngāti Porou, Whakatohea and Tainui</td>
</tr>
<tr>
<td>Te Pūtahi Pāoho appointment</td>
<td>Whetu Fala</td>
<td>Ngā Rauru, Ngāti Maniapoto, Ngāti Maru ki Taranaki, Samoa, and Rotuma</td>
</tr>
<tr>
<td>Te Pūtahi Pāoho appointment</td>
<td>Peter-Lucas Jones</td>
<td>Ngāti Kahu, Te Rārawa, Ngāi Takoto and Te Aupōuri</td>
</tr>
<tr>
<td>Crown appointment</td>
<td>Maru Nihoniho</td>
<td>(Te Whānau ā Apanui, Ngāti Porou, Ngāi Tahu)</td>
</tr>
</tbody>
</table>
Appointment process for new CEO
Paora Maxwell resigned from the position of CEO on 8 May 2017 and his last official day of work was 31 August 2017. Mr Maxwell will stay on in a consultancy role until June 2018 with a focus on the development of the World Indigenous Television Broadcasting Conference which Māori Television is hosting in Auckland early 2019. The process for recruitment for the new CEO is underway and an announcement is pending.

KEY OUTPUTS
Broadcast Hours
Our broadcast hours align with the expectations of the Māori Television Act 2003 that a substantial proportion of our content will be in te reo Māori. We recognise that the quantity of te reo Māori in our content has remained static. We have an expectation that overtime this will increase and we will undertake a review of our outputs within the next 12 months.

Te Reo Māori Quality Assurance
Māori Television collaborates with Te Māngai Pāho and Te Taura Whiri i te Reo Māori on quality assurance of the Māori language in our content. Each programme funded by Te Māngai Pāho includes a rigorous language quality assurance plan. Each external production must provide evidence of monitoring language for quantity and high quality.

News and current affairs is reviewed independently for language quality including pronunciation, vocabulary, grammar, euphony and subtitling. An independent review is conducted every month on a selection of content against Te Taura Whiri i te Reo Māori quality-indicator framework. An average rating of 4.0 is currently being achieved (1 = Very poor; 2 = Poor; 3 = Good; 4 = Very good; 5 = Excellent).
<table>
<thead>
<tr>
<th>Output</th>
<th>TOTAL</th>
<th>Māori Television channel</th>
<th>Te Reo channel</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast Hours</td>
<td>7,900</td>
<td>5,700</td>
<td>2,200</td>
<td>Live streaming of special events</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,400 hours of content available on demand</td>
</tr>
<tr>
<td>Māori language content - across all broadcast hours (% of spoken content)</td>
<td>70%</td>
<td>51%</td>
<td>95%</td>
<td>Bi-lingual website</td>
</tr>
<tr>
<td>Māori language content – Prime Time hours 17:30 – 23:30 (% of spoken content)</td>
<td>70%</td>
<td>51%</td>
<td>95%</td>
<td>N/A</td>
</tr>
<tr>
<td>Language Learning Hours</td>
<td>1,600</td>
<td>1,300</td>
<td></td>
<td>300 hours of content available on demand</td>
</tr>
<tr>
<td>Content for young people</td>
<td>1,350</td>
<td>1,050</td>
<td></td>
<td>300 hours of programme content available on demand</td>
</tr>
<tr>
<td>Transmission platforms</td>
<td>Freeview terrestrial</td>
<td>Freeview terrestrial</td>
<td>Available via online and broadband</td>
<td></td>
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<tr>
<td></td>
<td>Freeview satellite</td>
<td>Freeview satellite</td>
<td>Available via mobile devices</td>
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<tr>
<td></td>
<td>Sky</td>
<td>Sky</td>
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Contribution to Māori Language Strategy

Our Māori language content strategy supports the purpose of the Māori Television Service by providing content in both te reo Māori and English that reflects the lives of whanau, hapū and iwi and also ensures that the Māori language and culture reaches all New Zealanders. We ensure accessibility by:

- showcasing people from all walks of life including well known celebrities using te reo;
- providing te reo Māori versions of popular shows;
- ensuring our content is available on multi-platforms;
- including English subtitles to cater to a wider range of viewers;
- participating in and reporting on Māori language revitalisation initiatives directly;
- ensuring high quality te reo Māori in all content.

Māori Television continues to collaborate with other Māori language agencies to support the Government’s Māori Language Strategy and will play an active role in the development of the Maihi Karauna.

ENDS