



BRIEFING TO THE INCOMING MINISTERS

OF

MĀORI AFFAIRS

AND

FINANCE

Prepared by Māori Television
October 2008

CONTENTS

1.0	Introduction	Page 3
2.0	Industry Overview	Page 4
3.0	Māori Television	Page 5
	<ul style="list-style-type: none">- Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003- Ministers' Responsibilities- Board and Executive- Funding- Key Deliverables	
4.0	Strategy and Results	Page 8
	<ul style="list-style-type: none">- Māori Television Strategy- Digital Strategy- World Indigenous Television Broadcasters Network- Key Milestones and Achievements	
5.0	Issues and Matters Requiring Ministerial Attention	Page 11
	<ul style="list-style-type: none">- Funding Framework- Review of the Māori Television Service Act 2003- Renewal of UHF Management Right- Digital Broadcasting: Review of Regulation	

1.0 INTRODUCTION

New Zealand's national indigenous broadcaster, Māori Television, has been established as one of a number of important initiatives to promote and revitalise the Māori language.

Māori Television has experienced rapid growth and development in the almost five 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 language and culture that is the birthright of every Māori and the heritage of every New Zealander.

The solid progress of the organisation was highlighted earlier this year with the launch of a second channel, named Te Reo, on 28 March 2008. Te Reo channel has been developed to cater to the needs of fluent speakers and second language learners. Broadcasting in Māori language only, Te Reo is currently on air for three hours per day during primetime.

Māori Television provides inclusive television for all New Zealanders. The channel's schedule comprises at least 80 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.

By broadcasting New Zealand programming that informs, educates and entertains, and through its commitment to revitalizing language and culture together with providing high quality public service broadcasting for everyone, we believe that this organisation is making an important contribution to, supporting the goals of the Māori Language Strategy and building a strong sense of nationhood for all New Zealanders.

This document aims to provide the Minister with an overview of Māori Television and its progress since launching in 2004. This document also notifies the Minister of four current key issues for the organisation, those being:

1. Funding framework.

Māori Television is required to deliver to statutory obligations; however Māori Television operates within a funding framework that provides it with control over just 7.7% of the funding that is provided for it to meet those obligations.

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

This legislation is currently undergoing review. Māori Television is working with the review panel to ensure that its outcomes ensure the organisation is fit for the future.

3. Renewal of UHF Management Right.

Granted for a 10-year period, this management right is due to expire in 2013. Māori Television is of the view that, as a minimum, the management right should be extended to a period of 20 years, bringing it into line with rights terms granted to other broadcasters.

4. Digital Broadcasting: Review of Regulation.

Māori Television is monitoring the progress of this review, particularly with regard to maintaining Māori Television's independence as a broadcaster and to the protection of existing funding.

These issues are discussed in more detail on page 11 of this document.

2.0 INDUSTRY OVERVIEW

The New Zealand television industry is undergoing rapid change and growth, much of this due to technology developments and the advent of digital television.

These developments are having significant impact on traditional methods of television broadcasting. The proliferation of digital television channels, internet broadcasting developments and other technologies are giving consumers more information and entertainment options to choose from, which in turn is leading to fragmenting 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. In early 2009 Māori Television will add website television to its range of broadcast platforms when www.maoritelevision.com is re-launched with capability to webcast a significantly increased number of programmes to local and international audiences.

Website television will add to platforms the channel is already available on, those being the Freeview platform (both digital terrestrial and digital satellite), UHF, digital satellite, Sky UHF and Sky Digital, and Saturn.

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 87 percent local content and with 56 percent Māori language across the Māori Television channel schedule we have a unique point of difference as a broadcaster reflecting life in Aotearoa New Zealand.

The Ministers will be aware that a Regulatory Review of Digital Broadcasting is underway. This review aims to identify any regulatory changes required as a result of increasing convergence between broadcasting, telecommunications and internet media. Given the degree of change being experienced by the industry this review is timely. Uppermost for Māori Television is the need to ensure that the industry is regulated in such a way that it is fit for the future, and to ensure that our status as an independent broadcaster is retained.

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 Paoho (the Māori Electoral College).
Te Pūtahi Paoho 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) is currently undergoing review, with the final report due for tabling in Parliament by 7 May 2009.

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 one director to be the chairperson of the Board of Māori Television;
2. Appointing another director to the deputy chairperson of the Board of Māori Television;
3. Determining the remuneration and other benefits for the Board of Māori Television.
4. 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 2005 and became Chairman in 2007.

Directors of the Board are:

- Wayne Walden (Ngāti Kahu) - Crown appointment
- Cathy Dewes (Te Arawa, Ngāti Porou) - Te Pūtahi Paoho appointment
- Rod Cornelius - Crown appointment
- Amohaere Houkamau (Ngāti Porou) - Te Pūtahi Paoho appointment
- Wena Tait Tūhoe (Te Arawa) - Crown appointment
- Tahu Potiki (Ngāi Tahu) - Te Pūtahi Paoho appointment

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

Jim was appointed in February 2005 and has more than 15 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:

- Charles Berryman (Ngāti Awa) – General Manager Reo and Tikanga
- Sonya Haggie (Waikato) – General Manager Sales, Marketing, Communications
- Te Anga Nathan (Te Aupōuri, Ngāti Porou, Waikato) – General Manager News & Current Affairs
- Barry Russ (Ngāti Kahu) – General Manager Operations
- Alan Withrington – General Manager Finance & Administration

Māori Television is currently recruiting for the position of General Manager Programming.

Funding

Māori Television receives the following funding:

Direct Funding

- Vote Māori Affairs (to fund broadcasting operations) 16.5m plus gst
- Te Māngai Pāho (to fund in-house programme production) 16.1m plus gst

Indirect Funding

Each year Māori Television commissions programmes from the independent production industry to produce programmes for broadcast on Māori Television which are funded by Te Māngai Pāho and NZ On Air. This funding is made available to all broadcasters on a contestable basis and is paid to the production companies, not to Māori Television. There is no guaranteed level of funding however to date Māori Television has annually received funding of approximately \$20m.

Key Deliverables

Māori language content and broadcast hours are key outputs for Māori Television:

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 3,224 hours of broadcast for the 2008-2009 financial year.
- Te Reo will achieve a minimum of 1,095 hours of broadcast for the 2008-2009 financial year.
- Both channels will achieve total broadcast hours of 4,319.

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 channel that 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 are interconnected by a central element which acknowledges the overriding purpose of Māori Television to promote Māori language and culture. In implementing its strategic objectives, Māori Television will:

- Support the principles and practices of tikanga and kaupapa Māori.

Strategic Direction

The four years since launch have been a period of intensive growth that has resulted in the organisation establishing a strong and solid platform for further long-term development. In order to continue to achieve the vision, mission, and objectives Māori Television will implement a strategy over the next three years that is centred on a three-tier plan:

- *Enhance* – Māori Television will focus on consolidating operational progress made to date, strengthening Māori language programming, and delivering quality, excellence and consistency of performance. Specific focus will be on consolidation and enhancement of programming schedules for both channels.
- *Expand* – Māori Television will face the digital future by seeking to be on every viable platform. Māori Television is committed to expanding accessibility to its programmes and will progressively develop its internet and website presence and capability as funding becomes available.

Of immediate priority is a focus on firmly establishing its current two-channel strategy.

- *Internationalise* – In order to deliver to its vision statement, Māori Television will continue to build an international reputation as an indigenous broadcast leader. The recent establishment of the World Indigenous Television Broadcasting Network, which was a key outcome of the World Indigenous Television Broadcasting Conference in March 2008, will contribute to the development of indigenous broadcasting and provide significant benefits. Māori Television is taking a leadership role in developing and establishing this network.

Digital Strategy

Māori Television is of the view that retention of a single channel, niche broadcaster profile is not a viable option in the digital environment, particularly given the high level of change that the television industry is experiencing, the

susceptibility of single channel operators to become marginalized in a multi-channel environment, and growing competition for a fragmenting audience.

Māori Television has developed a digital strategy that is aimed at ensuring it maintains pace with the opportunities that ongoing development of digital technology provide. Māori Television's shareholding partnership in the Freeview consortium and the launch of a second channel are direct results of this digital strategy.

Māori Television is ensuring that the organisation develops its multi-channel, multi-platform capabilities; however there are no plans at the present time to launch any further additional channels.

Māori Television is currently re-developing its website, which it will launch in March 2009. This website will have the capability to webcast a significantly increased level of programmes to both local and international audiences.

World Indigenous Television Broadcasters Network

Indigenous broadcasting is an emerging industry worldwide. Indigenous broadcasters are linked by the common goal to promote and protect indigenous languages and cultures.

In March 2008 Māori Television hosted the inaugural World Indigenous Television Broadcasting Conference in Auckland. The conference was aimed at unifying, strengthening and promoting indigenous broadcasters throughout the world. For Māori Television the conference was a means to bring the world's indigenous broadcasters together at a dedicated forum for the first time and to identify international benchmarks by which to measure our performance for achieving our vision to be 'a world-class indigenous broadcaster'. Indigenous broadcasters from 16 nations were among the 300 conference attendees.

Key outcomes of the conference included the establishment of a biennial conference and the launch of a global alliance – the World Indigenous Television Broadcasters Network. Māori Television has taken a leadership role in the establishment of the Network which is aimed at developing collaborative relationships between broadcasters in order to increase audience, provide better access to resources, transfer and share knowledge and strategy, and provide strategic international leadership. Māori Television Chief Executive Jim Mather is inaugural Chairman of the Network. Joining Māori Television as foundation network members are broadcasters from Ireland, Wales, Scotland, Australia, South Africa, Norway, Canada, and Taiwan.

Key Milestones and Achievements

Notable achievements of Māori Television are:

- Consistent achievement of legislative obligations.
- Robust financial management with budgets achieved each year.
- 3,800 hours of broadcast 2007-2008, increasing to 4,300 in 2008-2009.
- 87% local content 2007-2008, majority of programmes containing te reo Māori.
- 37 percent growth in average cumulative audience 2007-2008.
- More than 1.5 million New Zealanders tuning in to Māori Television every month.
- Seven in 10 New Zealanders have watched Māori Television; four in five Māori have watched.
- A range of important special public service broadcasts and programming such as Waitangi Day, ANZAC Day and New Zealand documentaries.
- Launch of second channel in March 2008 broadcasting in 100% te reo Māori.
- Host of inaugural World Indigenous Television Broadcasting Conference, March 2008.
- Leading establishment of the World Indigenous Television Broadcasting Network.
- 169 permanent staff.

5.0 ISSUES AND MATTERS REQUIRING MINISTERIAL ATTENTION

Funding Framework

Māori Television has a statutory obligation *to promote te reo Māori me nga 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)).

However, 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 \$39M, only \$3M is paid directly to Māori Television to apply in achieving its statutory programming objectives (these funds being secured from its 2007 budget bid).

Of the balance:

- Approximately \$16M 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 and programme proposal and approval process, which passes the ultimate control on how this funding is applied to Te Māngai Pāho, not Māori Television. This arrangement provides Māori Television with no long-term certainty as to the amount being available in out years, nor does it allow for any longer term planning by Māori Television as to how best to apply this funding beyond the term of its current contract.

- The benefit of another \$20M p.a. (approximately) is expected to be received indirectly by funding Te Māngai Pāho makes available to the independent production sector to produce programmes for Māori Television. However, this funding is only available via the contestable funding process which Te Māngai Pāho oversees and operates. Again there is no guarantee to Māori Television as to the amount that may be made available for Māori Television programmes in any given year or funding round, as its programme proposals must compete with those from other broadcasters. Furthermore, the decision and therefore the ultimate control over which programmes will be funded, rests with Te Māngai Pāho and not Māori Television. As Te Māngai Pāho operates a funding round system (of which there are between 3 and 5 per annum) Māori Television's ability to make longer terms plans for this funding is only possible on a very short term basis, from one funding round to the next.

Therefore, although Māori Television has these statutory obligations with regard to its programme content, it has control over **just 7.7%** of the funding that Government has made available for it to meet these obligations. The balance is controlled by Te Māngai Pāho.

The key issues are:

- Māori Television is required to achieve statutory objectives while control over **92.3%** of its required programme funding is held by another organisation.
- Māori Television is required to provide a high quality, cost effective television service, however 92.3% of its annual programme funding is only available on a short-term basis that prevents long-term planning.

This current funding model significantly limits Māori Television's ability to undertake and implement long-term strategic planning and development. We view this as a significant strategic issue. Our recommendation is that a review of this funding model be undertaken.

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

There have been a number of developments since 2003 when the Māori Television Service Act was passed and before Māori Television commenced operations. Although these have not in any way changed or diluted Māori Television's commitment and delivery on its primary function, they have affected or determined how Māori Television goes about achieving its purpose. Furthermore, in some areas the current Act no longer properly reflects the organisation that Māori Television is now and could be in the future. The Board and Executive of Māori Television are working closely with the independent review panel to address the key issues, those being:

- Māori Television is no longer in start-up phase.
- Māori Television is now a multi-channel broadcaster.
- Māori Television is now a multi-platform broadcaster.
- Māori Television has the potential to widen its scope of operations, however the current Act does not provide for this.

Renewal of UHF Management Right

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)).

However, under the UHF Management Right specified in the Act (Part 1, s 6), the Māori Television spectrum was only made available for a term of 10 years and this expires in 2013.

Continued and long-term access to the UHF Management Right is a significant issue that can be addressed through the review of the Act. Key issues for Māori Television pertaining to the Right are:

- Māori Television is expected to meet the broadcast obligations contained in the Act; however the Act provides spectrum for only five (of the 10) remaining years.
- That the term of the management right be reviewed and brought into line with the 20-year term that TVNZ and Media Works were granted when

they were allocated additional UHF spectrum for their current use and future expansion in the new digital TV environment.

- That consideration is given to the UHF spectrum being granted to Māori Television (and/or TPP) in perpetuity.

Digital Broadcasting: Review of Regulation

The current review of digital broadcasting regulation in New Zealand has the potential to impact significantly on Māori Television as an independent broadcaster, particularly regarding funding and structure. While there is potential for any review to have a positive impact, there is equal potential that significant negative outcomes could eventuate. It is the potential for negative outcomes that is our primary concern.

Our position is that Māori Television must retain its independence. We believe that independence has been and will continue to be a key factor in the ability this organisation has to promote and revitalize te reo and tikanga Māori, and to further develop its unique brand of public service programming and deliver it from the Māori perspective.

This is potentially a critical issue of which the Ministers should be aware.

Jim Mather
Chief Executive
Māori Television