

29 August 2012

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**RE: SPADA'S RESPONSE TO NZ ON AIR'S DOCUMENTARY FUNDING PAPER**

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SPADA would like to thank NZ On Air for the opportunity to comment on its Documentary Funding Policy Discussion paper (the 'paper'). There are complex issues inherent in the discussion on funding strategies for documentary and factual programming in the current environment; and we believe the paper does a good job of outlining the competing tensions that play a part in the funding, commissioning and screening of this important genre.

SPADA would like it to be noted that there will be a diversity of opinion on a number of issues among SPADA members and producers and therefore this response does not purport to offer a consensus. The paper covers most of the main points; and given the above SPADA has only commented where it has received feedback from its members that offers a different perspective from that expressed in the paper.

SPADA endorses Gibson Group's response to the paper and makes a number of cross references to it.

**1. The Story So Far**

SPADA agrees that the principle issue for NZ On Air is how to sustain a balance between the various documentary/factual sub-genres and between blue-chip and the populist. However, we do not agree that blue chip and popular are necessarily mutually exclusive.

## 2. The Situation Today

It is true that budgets have been constrained here and so the opportunity to make high-end documentary or docu-drama funded by the Platinum Fund with resources more akin to elsewhere is enormously valued by the industry.

SPADA finds the statement that production technology changes have managed to compensate for general cost increases, while budgets have not moved for some time, to be out of sync with current industry experience.

The cost of HD is very significant. Because of the data rates and equipment needed to record and master in HD, very high quality HD cameras are needed and the 'Gold' standard for example, that TVNZ are seeking with source material recorded at 100 megabits and mastered on HD SR tapes. Overall a significant set of costs that are not realistically attainable on a documentary budget in New Zealand. We refer you to Gibson Group's comments on this point, page 3 comments on Point 35, page 13.

The exception made by NZ On Air in not taking any investment position for one-off projects of less than \$200,000 in our 2008 terms of trade discussions was and is most appreciated by the industry and should be continued.

The paper states that NZ On Air has no information as to how this lack of an investment position has made a difference. Feedback from SPADA members indicates that producers are putting a lot of effort into attempting to sell programmes offshore. The reality is that it is much harder to sell one-off docos than series, for which there can be considerable interest and for which NZ On Air takes 25% of sales. One-off docos that do sell offshore are competing with generously funded high production value international material and therefore high-end one-off documentaries generally have much more prospect of international sales. Selling one-offs requires more investment in time and effort by both producer and distributor. Therefore not having to return investment to NZ On Air makes companies, and particularly smaller production companies, more willing to try to invest this time and effort.

There is a clear preference for factual episodic series internationally; therefore going with this trend towards half hour factual series which are very popular in New Zealand embracing a wider range of subject matter and approach should be further explored for broadcast on both Tier 1 and Tier 2 channels.

Industry practitioners are aware of the balancing act inherent in NZ On Air's funding policies and the challenge in getting genuine documentary diversity on Tier 1 channels (TV One, TV2, TV3).

In recent years Tier 1 channels have declared a policy of steering NZ On Air funding towards prime time viewing. Since 2007 NZ On Air's focus has been on prime time, and we agree that this involves trade-offs and that now is the right time for a re-think in relation to documentaries.

### 3. Part Three: Looking Ahead

#### Possible Actions to Stimulate Change (paragraphs 56 to 59)

Outlined below are comments in response to NZ On Air's possible actions to stimulate change. In addition, there are a couple of key points regarding changes to the current environment:

- A number of practitioners have suggested that because documentaries have a particular set of challenges in the current environment it may be time for NZ On Air to consider whether Prime and Maori Television could be considered to be in the same category as Tier 1 by NZ On Air for the purposes of documentary programming in order to redress some of the current imbalances. Both channels have the potential and ability to help achieve more diversity and screen innovative and less overtly commercial material and well publicized documentaries on Prime have an avid following.
- The promotion of documentaries in the current environment was raised as a key issue by producers, particularly with the increasing network focus on ratings and the challenges in getting documentaries to air in prime time. The relative 'invisibility' of documentaries ("wow, I wish I had known that your programme was on"; "we came across your programme by chance and loved it...") is an issue. Encouraging and incentivizing a commitment to promotion of documentaries by networks would make a considerable difference. One of the key problems for documentary is invisibility as viewers are often simply not aware of what is available and therefore networks should be required (better to incentivize however without compulsion) to put in more promotional effort in order to get documentaries more valued and seen.
- We support either funding fewer hours at higher cost or supporting approximately the same number of hours. We do not agree with supporting more programmes at a lower cost in the current constrained funding environment, in the context that the industry already makes more with less than is desirable. We do not think that increasing the number of lower budget programmes to increase diversity is a useful model for New Zealand, particularly given our low budgets by international standards and the need for a sustainable industry to generate and develop strong ideas and the slim prospect of further exposure and sale of such material.

#### Para 57. Diversity

- There is support for exploring the creation of a documentary fund in partnership with the NZ Film Commission for longer form work.
- While a greater diversity of docos from blue chip, popular, special interest to experimental is desirable and to be encouraged at every opportunity with the networks, the suggestion of setting annual funding targets to achieve this mix is unlikely to receive much support, particularly by the networks. It is more in keeping with Creative New Zealand funding policies rather than an effective modus operandi for NZ On Air which requires broadcaster attachment.

- Is there another means of setting priorities other than funding targets and specialist RFPs? Neither are particularly liked by independent production companies or broadcasters and are perceived as prescriptive, potentially stifling creativity and clumsy mechanisms to address a complex issue.
- Publishing a documentary diversity snapshot or assessment in each NZ On Air annual report to assist analysis sounds like a good idea.
- We agree that NZ On Air focusing on documentary and factual programmes that are clearly different to network-funded or fully commercially funded programmes is desirable.
- Asking Tier 2 broadcasters to commission and play only non-commercial proposals, if this is what is meant by projects that are demonstrably different to Tier 1, is not particularly fair as they need to be able commission some 'popular' projects as well. An alternative approach could be for NZ On Air to consider Prime and Maori Television as Tier 1 for the purpose of documentaries on the understanding that they will help to achieve more diversity and innovation on screen, and along with Tier 1 broadcasters invest in promotion of documentaries.

#### **Para 58. Innovation**

- The feedback SPADA received from producers was that innovation in the genre needs the most attention and focus in this conversation. Traditional documentaries are not cutting it in prime time in New Zealand to meet channels' commercial expectations and SKY channels offer a rich diversity of international documentary viewing options. There is a particular irony in the fact that in New Zealand PAY TV does not contribute to the funding of domestic documentary or drama as in other countries, yet PAY TV documentary and other programming is a key driver of the increasing commercialization of free to air channels that has led to NZ documentaries becoming an endangered genre. Therefore documentary needs to innovate to survive here.
- We also need know whether and to what extent broadcasters are interested in innovation (in the context of development of documentary strategies in general) and therefore what might meet NZ On Air and broadcasters' needs in the area. While this territory is the role of the independent producer to negotiate, it would be helpful to have a three way conversation on this.
- We refer to Gibson Group's comments (page 4 on point 38, page 14 of NZ On Air paper) in relation to the BBC TWO's articulation of its Popular Factual, Specialist Factual and Documentary strategy: "The ability to launch ambitious factual programmes – the lifeblood of the channel's identity – at the core of the peak-time schedule is the most important task...What makes BBC TWO unique is not just the quality of its creative ambition but also providing the wide and eclectic mix of what viewers find interesting.

Our discerning but **diverse audiences want the channel to deliver pleasure alongside substance with irreverence, originality and wit.**” The attitude behind the BBC ‘s strategy to engage audiences could be an excellent touchstone for a documentary and factual programming strategy by broadcasters that is in sync with NZ On Air’s strategy which needs to incentivize broadcasters to take more risks with innovative and more diverse projects.

- Exploration of **online options** for specialist documentary and platform partnerships is best left to producers as additional to broadcast options. NZ On Air needs to ensure that the programmes it funds reach large numbers of viewers and it’s hard to achieve this in the busy online world. We therefore do not agree with any proposal to launch documentaries funded by NZ On Air solely online outside of the digital initiatives. We agree that on-demand is a useful addition but not a stand alone means of delivery to New Zealand audiences.
- Exploration of a documentary fellowship partnership with the NZFC and others is a very good idea, as is looking at co-investment in a specialist documentary initiative in return for funding certain numbers of more popular factual series.
- Full funding by NZ On Air of a documentary’s production budget providing a strong broadcast commitment is ensured may be worth exploring in rare cases. However, if this was to happen a means of ensuring that networks don’t value programmes at \$0 internally would need to be found as accounting for usage cost is a powerful internal driver.
- Post-facto investment could help some time sensitive projects but could also lead to a rush of ill-advised production. Therefore retro-funded production would have to be strong enough to attract a network licence fee as well as NZ On Air funding.

#### **Para 59. Value for Money**

- While we agree that there are a wide variety of factors that indicate success we do not agree with requiring **producers** to report on this. As outline by the Gibson Group (page 7 on Point 59 page 21) producers are the least resourced among broadcasters and NZ On Air and often don’t have access to ratings or the research that would be required.
- SPADA supports the work of NZ On Screen but do not support the requirement for a permanent home online as a condition of funding, and would like to stress producers’ opposition to this suggestion as it erodes and cuts across the producers’ IP rights, and would prevent and mitigate against the prospect of international and other sales.

SPADA also understands that there is a current issue relating to geo-locking in that while numbers of producers think that material they have agreed to have on NZ On Screen is geo-locked it may not be.

- To end on a positive note, it is an excellent goal to work in partnership to increase the amount of funding for documentary programme making over the longer term and to encourage joint ventures and co-productions.

Yours sincerely

A handwritten signature in black ink, reading "Penelope Borland". The signature is written in a cursive style with large, flowing letters.

Penelope Borland  
**Chief Executive**