



**The Screen Production and Development Association's (SPADA)
Submission in Response to
NZ ON AIR'S FUNDING STRATEGY DOCUMENT**

21 November 2016

INTRODUCTION

SPADA welcomes NZ On Air's new funding strategy and hopes to work closely with all content providers to make it a success in the new and ever changing media environment.

Overall SPADA is pleased with the draft strategy and applaud NZOA in trying to create a better and more accessible funding model for *all* content makers working in any and all media. It is a significant change for NZOA and we sincerely hope a new strategy will represent change to ensure New Zealand content is accessible on all platforms, not only the traditional broadcast channels.

SPADA strongly supports the strategy's three goals:

- quality content
- diverse content
- discoverable content.

SPADA is generally supportive of widening the platforms which can have content supported by NZOA.

The **audiences** are changing but the industry needs to get a better sense of where these audiences are and how they are changing. SPADA would like to know how NZOA is going to determine this. We note that audience viewing figures can only be reliably determined on the existing proven model that operates across traditional broadcast (both FTA and pay) platforms. SPADA believes there needs to be more clarity around what are acceptable platforms and online channels and the distinction between "platforms" and "channels" e.g. YouTube. We also seek to find ways of reliable means of assessing the breadth and depth of the audience.

On page 12 in the section regarding **The Ultimate Goal**, there is reference to NZ On Air actively working to drive audience reach and engagement. More information about this is needed. Will NZ On Air be held to account on their success in the same way that they will demand of producers?

This new funding strategy needs to evolve as quickly as the audiences and platforms in the online world are increasing. What is the strategy to ensure the NZOA new media fund will adapt to change as fast as audiences do?

SPADA understands the decision to set levels of funding versus audience but questions how in the new online world is this going to be reliably measured? To prove the size of the audiences (which NZOA is requesting) is difficult. Methodologies for estimating potential audiences and measuring actual numbers of viewers in the traditional broadcast model are well established and well understood and, importantly, rely on information that is independent of the broadcasters. (They also have their flaws.) However, methodologies for measuring and estimating audiences in the distributed, decentralised model of online are not well understood and lack independence, rigor and historical validation. In a digital world, diversity of audience reach is as, if not more, important than mass, which is a measure most relevant in traditional broadcasting.

The emerging discipline of mining the web and social media for information using data science tools, such as machine learning, offer predictive and statistical strategies that have the potential to:

1. Predict and define the size and nature of an audience.
2. Provide rigorous statistical reporting on the consumption of a title, and the social discussion of that title or aspects of it.

3. Understand the size and reach of New Zealand audiences
4. Adopt strategies to optimise titles.
5. Generate knowledge that will allow funding entities to respond rapidly to changes in technology and audience habits.

This knowledge can be expensive to buy at the moment and beyond the reach of most producers on a regular basis.

RECOMMENDATION: That SPADA/NZ On Air invest in gaining an understanding of the capabilities that data science can contribute to the screen industry and to integrate the rigor of data science into the policy. We also need to find a way that the right information can be available to all producers who need it.

The **'Platforms' funding stream** (page 2, point 20), states that these are annually funded projects. The document uses the word "platform" to describe annually funded web service projects as well as actual distribution and new media platforms. This double use is currently confusing to producers. Furthermore, it is also confusing in the document if 'Platforms' funding is automatically guaranteed for the entities NZOA will fund under this stream. If all the entities listed are currently annually or multi-year funded projects, it should clearly state this.

RECOMMENDATION: NZ On Air rename the funding stream to differentiate 'Platforms' (such as 'services') from actual platforms.

SPADA proposes that NZOA considers introducing additional **project development funding** for producers/production companies. With the explosion of online viewing and multiple platforms seeking more and more content, there is an opportunity to consider an incentive fund that would encourage the broadcasters to engage in developing and presenting new, innovative local work.

Does NZOA plan to fund the "trailer, episode or online taster" it mentions that it will be requesting more of? The general drive toward proving the size of the audience, or having some kind of taster tape or example, is more development work at greater cost and the producer is usually expected to pay for this. If NZOA wants more surety than a paper pitch, the availability of development funds will help remove barriers from under-represented creatives and undersupplied audiences.

In addition, SPADA supports a budget provision to provide training and upskilling in marketing and promotions for producers using new online platforms in order to optimize success.

SPADA is concerned that the **larger more general funds** will not serve niches well. TV channels have shown reluctance to commission and screen programmes which serve niche audiences including:

- arts and culture programming
- some children's genres (in particular drama/scripted); and
- some high-end documentary projects.

Service to these audiences has been protected in the past by having labelled pots of money which broadcasters can see and know will be spent on serving these communities. These communities exist, but are not listed in the Broadcasting Act, so have not had policy level attention applied for several years now. (The demise of TVNZ digital channels has heightened this problem.)

Without those labelled pots, these audiences have not been served. With no protection, these genre are likely to die off as fewer programmes leads to fewer audiences which leads to fewer programmes which leads to ever decreasing servicing of important niche audiences who matter and which serve future New Zealanders.

This is an example of the NZOA model being captured by the very 'broken market' it is (partially) designed to combat.

How does NZOA intend to support programmes for these niche audiences?

There is mention in the document (page 8, number 26) about a "greater expectation of co-investment" without clarity about what that might be. Is that at a greater quantum per episode than now (more than broadcasters currently pay)? Or is it about making other non-broadcaster platforms pay licence fees? SPADA can support the latter, but doubt there is much ability for TV channels to pay more than they do now, and there is very little ability for commercial sponsors to pay more than they do now.

Are there other issues in the proposed meeting schedule that will have significant impact on producers/prod companies?

It is difficult to gauge at this stage whether the proposed meeting schedule will create any unforeseen issues for producers. SPADA trusts NZ On Air will be open to adjustment as the schedule plays out.

SPADA once again thanks NZ On Air for the opportunity to provide feedback on its new funding strategy; and is happy to discuss further any of the questions raised in this feedback.

SPADA
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