

# Channel preference guidelines



When considering the potential platforms offered in support of content funding applications, NZ On Air will use the following assessment framework to inform its decision making.

## Framework

The framework comprises four key principles and nine basic criteria.

It helps NZ On Air to:

- ensure NZ On Air’s strategic content goals are prioritised
- prioritise channels delivering audiences of appropriate size, thus ensuring cost effective delivery of content
- manage the risk of the investment of public funds
- allow for content innovation by ensuring contestability
- provide a fair, transparent basis for making investment decisions

NZ On Air may amend these guidelines, from time to time, in response to environmental shifts.

## Principles

|                    | What  | Why  |
|--------------------|---|--|
| <b>Principle 1</b> | <b>Risk management</b>                            | To ensure funded content is completed and broadcast, a channel needs to demonstrate a degree of financial viability in a risky environment. A minimum amount of time a channel has successfully been on air/online is one useful measure |
| <b>Principle 2</b> | <b>Potential audience size</b>                    | Because of the comparative expense of producing professional audiovisual content, potential audience size and ease of content discovery is an important decision-making consideration  |
| <b>Principle 3</b> | <b>Shared investment</b>                          | Co- investment, and sustained commitment to local content, helps offset the cost to the taxpayer   |
| <b>Principle 4</b> | <b>Assist NZ On Air’s strategic content goals</b> | Public funding is a privilege. A sustained commitment to New Zealand identity and culture includes helping support a diversity of output   |

# Criteria

| Principles                                      | Objectives  | Core channel requirements   |  |  |  |
|---|---|---|--|--|--|
|   |   | Type 1  | Type 2   | Type 3   | Type 4   |
|   |   | Free to Air Broadcaster   | Free to Air Broadcaster  | Online Content Aggregator  | Regional Free to Air Broadcaster                               |
| <b>Risk Management</b>                          | Viable service                                    | Transmitting continuously from NZ for a minimum of seven years            | Transmitting continuously from NZ for a minimum of three years   | NZ-based business operating an online content delivery site continuously for a minimum of three years      | Transmitting continuously from NZ for a minimum of three years |
| <b>Potential audience size</b>                  | National coverage                                 | Full access on both Freeview platforms                                    | Full access on both Freeview platforms   | Funded content to be available free. 100% free-access environment encouraged                               | Clearly defined coverage to a region/audience of significance  |
|   | Availability on a second online screen            | On-demand free access website   | On-demand free access website  | Responsive site or corresponding mobile app ('second screen')  | Encouraged   |
|   | Measureable audience                              | TARP ratings are released by Nielsen for at least a period of 12 months   | TARP ratings are released by Nielsen for at least a period of 12 months                                      | Verifiable site analytics available for a minimum of 12 months   | Recent reliable actual audience figures                        |
|   | Consolidated audience quantified                  | Minimum expected prime time average audience over 200,000                 | Commercial TV: minimum expected audience around 40,000<br>Public TV: minimum expected audience around 10,000 | Minimum average monthly New Zealand site users 30,000  | Minimum regional population 50,000                             |
|   | Potential audience maximised                      | Prime time or off peak scheduling   | Prime time or fringe peak scheduling (except where off-peak suitable for target audience e.g. children)      | Content available on demand or via live streaming. Strong promotional plan                                 | Prime time encouraged  |
| <b>Shared investment</b>                        | Commitment  | Demonstrated investment in local content                                  | Demonstrated investment in local content   | Demonstrated investment in local content   | Demonstrated ability to serve a regional audience              |
|   | Co-investment                                     | Payment of a licence fee for funded content expected                      | Payment of a licence fee for funded content expected   | Co-investment in funded content expected   | Co-investment in funded content expected                       |
| <b>Assist NZ On Air strategic content goals</b> | Diversity of local content on appropriate screens | All NZOA genres considered depending on environment and available funding | Content of a type important to NZ On Air but difficult to achieve on Type 1 channels                         | Content of a high priority for NZ On Air but difficult to achieve on broadcast channels. Likely lower-cost | Regional news and information content is a priority            |
|   | Funding pool access                               | Platinum and General TV Funds   | Platinum and General TV Funds  | General TV Fund, Digital Media Fund  | Regional TV fund   |

# Criteria evaluation

Matters we will consider for each channel include:

## **Principle 1: RISK MANAGEMENT**

- Viable service - has been established as a business; not dependent on NZ On Air funding for its existence. (NZ On Air's audience-focused funding is for content, not to support channel operations)
- Has a media business track record
- Business is New Zealand-registered, to support monitoring and accountability requirements

## **Principle 2: COMPARABLE AUDIENCE SIZE**

- National coverage - best reach for public funding (not including regional TV funding)
- Availability on a second screen – free online access required, for a period, to improve audience access and viewing numbers (see also online access guidelines)
- Measureable audience - audience size significant enough for individual programmes to be able to be measured
- Potential audience size - audience numbers likely to be significant enough to warrant more expensive investments.
  - Type 1 channels should routinely attract average audiences of at least a minimum average primetime 5+ rating of 5% (currently 208,171 viewers)
  - Type 2 channels should routinely attract appropriately-sized audiences and have TARP ratings for a minimum period of one year
- Maximising audiences - funded content is offered attractive/appropriate scheduling

## **Principle 3: SHARED INVESTMENT**

- Commitment - channel has a strategy for local content and supports some of its own
- Co-investment - in almost all cases, the channel contributes to the cost of production

## **Principle 4: ASSIST NZ ON AIR'S STRATEGIC CONTENT GOALS.**

Funded content will:

- Initially be transmitted free to air
- Contribute to diversity of local content on appropriate screens - extending options for audiences
- Contribute to genre content goals (which will vary depending on the channel and available funding)

More about NZ On Air's strategic goals can be found in our [Statement of Intent](#).