

# Television drama strategy



## Background

1. Quality drama production is high cost and high risk. It requires a long development period and skilled practitioners to make it. Production costs in New Zealand are internationally very competitive but still well in excess of local broadcaster revenue for the time slot. Over the 25 years of NZ On Air investment activity, only *Shortland Street*, supported by NZ On Air for four seasons, has been able to move to being fully commercially funded. Internationally, public funding support for local television drama is commonplace in all but the largest markets.
2. In this high stakes environment NZ On Air has been a consistent funder of both the development and production of drama projects. This has seen a large number of well-received series screen over the years. New Zealand television audiences have grown to appreciate and expect high quality drama that matches or exceeds international fare.
3. Since 2013 audience behaviour for both local and international drama has been changing. Trends include:
  - The increase in the use of PVR's, on demand, DVD box sets and online access to overseas sites allows people to determine when and how they watch programmes. This appears to have affected traditional television broadcast viewing of drama in particular. Drama programmes are regularly identified by Nielsen and broadcasters as the most time-shifted and on-demand viewed programmes.
  - The increasing opportunity for the audience to determine when they watch programmes has seen a rise in 'binge viewing', the opportunity to watch multiple episodes in a single sitting.
  - Free-to-air programme schedules are increasingly dominated by multi-night competition-based events (*MasterChef*, *My Kitchen Rules*, *The Block*) as broadcasters seek to maximise audiences. As well as playing multi-night these programmes often screen past the usual programme junction at 8.30pm in an effort to retain their audience. This can adversely impact uptake of programmes on competing channels.
  - As free-to-air broadcasting becomes increasingly difficult networks are required to be more aggressive in how they manage their schedules. This can result in active counter programming by channels, which means local series are given no quarter to launch and establish themselves by competing networks.
4. After publishing a discussion paper in early 2014 NZ On Air has now completed a review of its drama strategy. The refreshed strategy is published below to inform programme makers and broadcasters of the factors we take into account when considering drama options.

# TELEVISION DRAMA FUNDING STRATEGY

## Mission

NZ On Air’s mission is to champion local content that engages, stimulates and satisfies intended audiences.

To ensure sound investment, our values have remained constant:

Innovation – new ideas, creativity, quality production standards

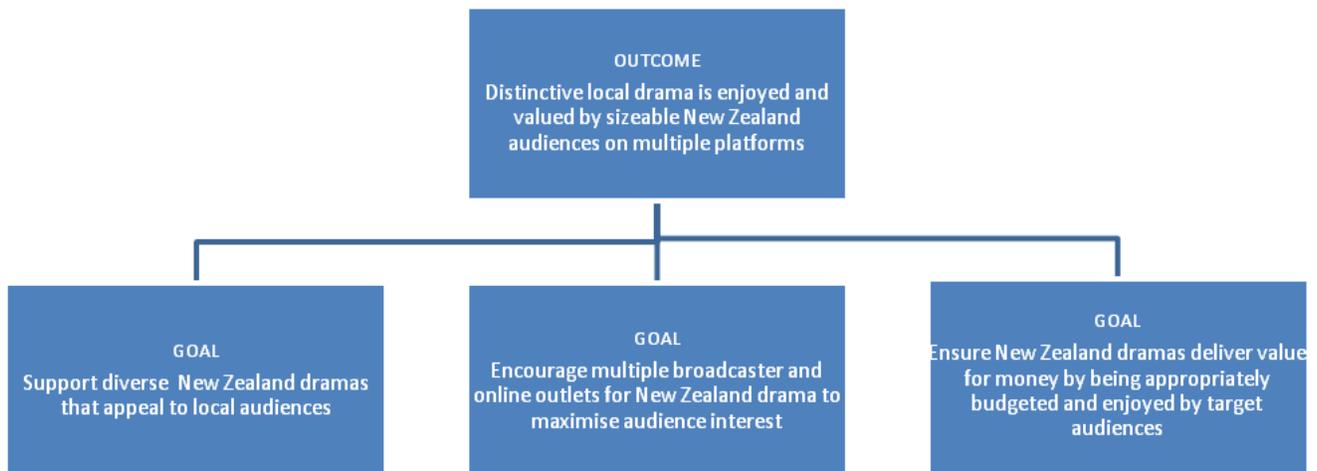
Diversity - people, projects and platforms

Skilful investment – cost-effective projects reaching intended audiences

## Drama goals

NZ On Air will:

- Support diverse New Zealand dramas that appeal to local audiences
- Encourage multiple broadcaster and online outlets for New Zealand dramas to maximise audience interest
- Ensure New Zealand dramas deliver value for money by being appropriately budgeted and enjoyed by target audiences



### Goal 1: Support diverse NZ dramas that appeal to local audiences

<i>Actions</i>	<i>Rationale</i>	<i>Measures</i>	<i>Outcome</i>
Budget adequate funds for drama development and production	Drama needs comparatively high public investment to be created	The Board ensures the annual budget allocation in the General and Platinum Funds is adequate to support the strategy	Drama funding and hours targets in each annual budget are met
Funded drama spans a range of stories, formats and styles	Diversity within genre is as important as diversity across genre	Each year more than three different types of drama are supported: eg. hour series, half-hour series, miniseries, children's, comedy, one-offs, etc	The range of stories and storytelling supported for production is diverse
Funding for drama is spread across a range of skilled production companies and projects	Drama requires highly skilled personnel and a production sector with depth will deliver the best results	Network-supported drama development and production applications are received from at least six different companies each year	The range of stories and storytelling supported for production is diverse
Continue a cap of six seasons for drama series	Encourages innovation by making space for new projects	Drama programmes do not receive funding for more than six series	A environment is created where new dramas can emerge
Continue to pursue opportunities for collaboration with other government agencies and investors	A greater range of projects can be supported with the assistance of other parties; industry personnel have more opportunities to upskill	At least one substantial funded project has third-party co-investment	There are increased opportunities for new ideas, cost-sharing and strategic personnel development
Co-investment in feature films will prefer quality projects that help NZ On Air achieve genre diversity for television audiences	Constrained funding means prioritisation is necessary. Minority co-investment only; NZFC investment required.	Funded feature films are likely to be of a type that also contributes to other NZ On Air strategic priorities eg Maori, Pacific, children, longer form documentary	Up to three specialist films supported each year
Be an advocate for local drama programmes	Raise appreciation and awareness of drama and its cultural and industry contribution	Research indicates that New Zealanders are engaged with and value local drama	The public understands the importance of local drama and watches and appreciates it when it is available

**Goal 2: Encourage multiple broadcaster and online outlets for New Zealand drama to maximise audience interest**

<i>Actions</i>	<i>Rationale</i>	<i>Measures</i>	<i>Outcome</i>
Drama programmes are available on multiple platforms	Be responsive to changing audience environment and maximise audience	All drama programmes are available free on-demand for a reasonable period after their television broadcast in accordance with NZ On Air's Online Access framework	NZ dramas are available to the largest possible audiences
Multiple broadcasters continue to support and commission NZ drama	Broadcasters and platforms are important partners in the development, production and promotion of local drama	NZ On Air continues to have more than one mainstream broadcast partner for NZ drama production Webseries supported by the DMF where the business case exists	The range of drama productions and audiences served is increased

**Goal 3: Ensure New Zealand dramas deliver value for money by being appropriately budgeted and enjoyed by target audiences**

<i>Actions</i>	<i>Rationale</i>	<i>Measures</i>	<i>Outcome</i>
Prioritise high cost projects funding for Type 1 channels	To ensure high-end drama, which is high cost, is seen by the largest possible audiences	A majority of the drama budget is spent on projects for Type 1 channels	Local drama programmes are seen by significant, engaged audiences
Encourage diversity and innovation within genre via other channel types	Encourage contestability to secure the best ideas and increase production opportunities	NZ On Air's Channel Preference guidelines will be considered	Varied drama formats are created
Broadcasters contribute to the cost of production	Cost and risk are shared	Minimum expected licence fees are met or exceeded Renewed series will attract higher licence fees	A fair subsidy is applied
Production costs are appropriate for each project and balanced against size of potential audience	Funded drama is cost-effective and delivers value for money	Drama programmes are well received and meet NZ On Air's target number of viewers	Drama programmes reach and are enjoyed by their intended audience
Drama funding applications are considered in accordance with NZ On Air's funding procedures	Transparent and fair processes ensure the contestable process delivers the best projects	Internal audits confirm that allocation of all drama funding is consistent with the drama strategy and investment principles	The best available projects are produced
Undertake post-transmission reviews of major drama projects	Assessment of programme performance informs future drama funding decisions	Information is compiled from broadcaster and producer reports, reviews, awards won, international sales achieved	Gain a comprehensive view of programme performance and identify emerging trends