

130. The Committee notes RNZ’s intention to establish a new youth-focused station, and to move Concert FM to AM frequency, and automate the programme. What market testing has RNZ undertaken to determine the best way to attract, and cater for a younger audience?

### **RNZ RESPONSE**

We note the plan to move RNZ Concert off FM is no longer proceeding.

The latest quarterly NZ radio industry survey carried out by GfK showed that 75% of young New Zealanders aged 18 – 34 years use their radios every week, so we know radio still plays a significant role in their media preferences.

RNZ had commissioned Colmar Brunton to carry out detailed research to analyse and assess a range of attributes of various sectors of the population. This included their media consumption habits, and the importance of music and other types of content in their lives. We also have access to a range of research results, including the GfK radio industry’s quarterly radio surveys, NZ on Air’s audience research and experience with local music, and looking at other international services provided by public service media organisations, notably Triple J in Australia and BBC Radio 1 in the UK. If the proposal had been progressed, during the design and implementation stages more specific research would have been undertaken, with direct work with the target audience, and the recruitment of staff from the same demographic.

131. What did RNZ learn about youth audiences from running The Wireless, and how has that been factored into planning for the new music station for a younger audience?

### **RNZ RESPONSE**

Conclusions reached from The Wireless include:

Building any kind of audience from a single stand-alone online channel is extremely difficult, especially for younger audiences. This cohort connect with many content channels daily. Any new service needs to be available on multiple platforms, so its content is placed where the audiences are. The more platforms used to connect with younger audiences – radio, website, social, apps - the stronger the connection will be.

It is not enough to have great content, there needs to be a strong social media strategy, accompanied by supporting marketing, and brand ‘ambassadors’ or “influencers”

A new service will need to be very clear who it is targeting and make content and distribution plans on that basis. Content needs to be tailored to the platform it appears on.

Young people will consume longform, thoughtful journalism – about all topics - as long as it is presented well (visually).

People are very interested in social issues. The first RNZ content to go truly viral was Toby Morris’ [On a Plate](#) comic, which has now travelled all over the world, been included in books, and five years from its first publication, still appears regularly in our traffic results.

Music is a good way to attract younger audiences – and it needs to be much more than interviews with musicians.

The best people to tell young people's stories are young people.

132. What insight does RNZ have into how well equipped older New Zealanders are to adapt to the streaming format options for the Concert programme?

**RNZ RESPONSE**

Under the new plan Concert will continue on FM.

Latest GfK research shows that 68% of New Zealanders aged 50 – 69 have streamed music, watched video on demand or listened to a podcast in the past month, indicating significant proportion understand and use the digital landscape.

Additionally, streaming was not the only option that was proposed for the Concert service. It is currently, and would have still been available on, Freeview satellite and terrestrial, Sky TV and AM radio... all channels older audiences are well versed in the use of.

133. What is the estimated impact on the number of listeners as a result of the proposed changes to the Concert and Youth platforms?

**RNZ RESPONSE**

RNZ's plan was to increase its overall audiences especially with demographics we currently under-index with, notably Young Māori, Pasifika and Asian communities. At present 60% of RNZ Concert listeners are also RNZ National listeners. This leads to substantial audience duplication between RNZ's two current radio services, as National and Concert largely appeal to the same audience. By introducing a third radio service that attracted a completely different sector of the population would have resulted in a material increase in RNZ's total audience reach.

134. What audience numbers is RNZ projecting for the new youth station and Concert station over the next five years, compared to current audience numbers?

**RNZ RESPONSE**

At this time, the new music service has not been confirmed but the proposal was based on a minimum linear FM radio audience of 130,000 per week in its early years. There was also an assumption of an additional 130,000 through various online, app and social media platforms. As very few of this sector of the population are part of RNZ's current audience these would mostly be all new to both RNZ and public media in New Zealand.

While it was anticipated that there may have been some decline in RNZ Concert audience numbers not all of these would be completely lost to RNZ. They still would have a classical music service on a range of other platforms and many of them (60%) are also RNZ National listeners.

It was expected that the additional music service with its new-to-RNZ audience would have more than made up for any potential audience reduction from the current Concert service.

135. What is the expected cost of establishing, and operating the new youth station?

**RNZ RESPONSE**

One of the key aspects of RNZ's plan in launching this new music service was that it would be cost neutral. RNZ would provide both services (ie. the new youth station and RNZ Concert) from within the same the amount of funding.

This required a partial reduction in the operating budget for RNZ Concert and a re-allocation of those funds to operate the new service. There was no requirement for additional equipment other than some studio upgrade work that was already in our ongoing upgrade plans, and transmission would be achieved using existing frequencies (AM and FM).

136. What are the anticipated redundancy costs for Concert FM, and what savings are expected from the move the new automated AM format?

**RNZ RESPONSE**

As RNZ has withdrawn the proposal, the current expectations of the cost of redundancies is nil.

However, if the proposal presented in late January, and after consultation with staff, was fully implemented without any changes, this could have resulted in up to 18 existing roles being dis-established and 16 new roles created. The cost of redundancies would be determined by how many of the new roles were secured by existing staff. RNZ was not looking to achieve any savings in operational costs, only to use the current existing budget to provide two services instead of one, from the same level of budget. This would have required approximately \$1.6M of personnel costs being shifted from RNZ Concert to the new service.

137. Is it intended that the savings from proposed Concert FM changes will offset the costs of establishing the new station, or will additional funding be needed?

**RNZ RESPONSE**

RNZ was not looking to achieve any savings in operational costs, only to use the current existing budget to provide two services instead of one, from the same level of budget. Therefore no additional funding was required.

151. Please provide a full and comprehensive timeline of communications to/from RNZ, MCH, Ministers of the Crown, and/or any other Government Agency and/or Crown Entity in regards to the RNZ Music Strategy and any information prepared surrounding the reserved Maori and Youth FM Spectrum (102 & 103 FMs) since 26 October 2017?

## **RNZ RESPONSE**

RNZ has regular meetings, and often exchanges correspondence with Ministers and Government agencies on a range of issues. Some of these are structured meetings supported by notes, letters and/or emails, Others are more informal in nature and usually verbal only. The following are a summary of those interactions for which there is a formal document or record in the form of notes or emails.

We also note that RNZ has already publicly released all the plans and supporting documents related to its proposed new music strategy which were discussed at these meetings. These are available on the RNZ website.

Timeline is as follows:

October 2017: RNZ's briefing to the incoming Minister identified "Improving RNZ Music" services as one of six priorities. The briefing said:

"To achieve our audience targets and optimise charter performance we need to optimise the mix of (music) services and use these cost-effectively to deliver different services to different sectors of the population."

April 2018: The Government's public media advisory group issued its recommendations which included " Help RNZ extend its multi-media services to reach more people in different ways".

July 2018 – Cabinet paper recommendation for increased funding for RNZ titled - "RNZ+ Stage 1 funding". Māori and young people identified as priority audiences for RNZ.

Dec 13, 2018: The Broadcasting Minister, in the letter of expectation for 2018-19, sets out six public media objectives for the portfolio, including "Better catering to Māori, Pacific and other under-served audiences". The letter of expectation also set out six specific priorities for RNZ, including:

"Continuing to support the production of more and more diverse local content and boost reach to under-served audiences, in particular Māori, Pacific, regional audiences, children and young audiences."

February 11, 2019: In RNZ's written response to the letter of expectation, the RNZ chairman said: "We serve current audiences well but must expand and diversify our services to meet rising expectations of both the Government and the public and to fill the gaps left behind by commercial media. This requires RNZ to adapt to a disrupted media sector and to the changing needs and preferences of audiences who have more choice than ever in terms of media consumption." The letter said the process of adaptation included, "Diversifying RNZ's audiences and staff composition so that they fully reflect the diversity of the communities we serve." The letter from the RNZ chairman went on to say: "We particularly endorse your (the Minister's) focus on underserved audiences (ie Māori, Pacific people, regional audiences and young audiences). RNZ's future relevance and success will depend in large part on us developing unique and valued services for these groups in a manner that complements our existing successful services."

May 29, 2019

RNZ CE sent a letter to MCH expressing an interest in the 102FM radio band for public broadcasting use and catering for audiences which are not a priority for commercial media.(See appendix)

July 7, 2019: Meeting followed up with email. RNZ briefs Ministry for Culture and Heritage about the new Music Strategy, including the potential implications for RNZ Concert and the question of “whether we could access the 102FM frequencies for a new service for young New Zealanders that would play a large proportion (say, 40%) of NZ music”.

August 20, 2019– RNZ Chair and CE meet with Minister. Music plans discussed.

October 1, 2019: Broadcasting Minister attends RNZ board meeting and is informed at a high level about the new Music Strategy.

November 7, 2019: MCH asks for an update from RNZ on whether RNZ had progressed its thinking about a music and youth focused station and whether RNZ was still interested in exploring the use of 102 spectrum. The RNZ email response was that our planning was progressing and that the plan did not require new spectrum but if that was an option we wanted to explore it.

November 13, 2019: After a discussion with MCH about the practicalities of accessing the spectrum, RNZ decided to progress a plan that would not require it.

December 6, 2019: RNZ board approves the Music Strategy. (See appendix)

December 10, 2019:RNZ informs MCH about staff update on new music strategy.

January 28, 2020: RNZ meets with MCH to brief it about the now-confirmed music strategy. Meeting followed up with an email to confirm key points as follows:

- Over the past twelve months RNZ has carried out a full review of its music services, exploring opportunities for music to engage with younger and more diverse audiences in line with RNZ’s Charter obligations.
- Arising from this review, from early February RNZ will begin implementing a new music strategy that will expand our range of services to New Zealanders by more efficiently and effectively deploying current resources.
- The objective of the strategy is to diversify and grow audiences by developing an innovative new music brand aimed at young people. The new brand will showcase New Zealand artists and their music.
- The new multimedia brand will be based in Auckland. It will be launched in the second half of 2020 and will be available online, on-demand, on streaming platforms and will be broadcast on FM nationwide.
- As part of the strategy, the RNZ Concert service will continue and will undergo some changes in the next few months. It will be focused on playing classical music 24/7 and will continue to broadcast live and delayed performances of New Zealand orchestras. RNZ will continue recording live performances alongside other established music industry partners.

- From the middle of 2020 RNZ Concert will no longer be available on FM but it will still be widely and easily available through online streaming and on-demand services.
- RNZ Concert listeners will continue to access the content on Freeview channel 51 and Sky Digital channel 422, reaching 86% of homes in New Zealand. It will be available on mobile devices through the RNZ app and our streaming partners like iHeart Radio, Rova, and Spotify, and through any other internet connected device.
- RNZ Concert will also be broadcast nationwide on AM radio on the Parliamentary Network when Parliament is not sitting, making it accessible to more than 3.5 million people or 83% of the New Zealand population.
- Next week RNZ will begin consulting with affected staff. We also have a comprehensive communication and stakeholder engagement plan in place for this project, ensuring the media industry, officials, audiences and orchestras etc are kept informed.

January 28, 2020 – Verbal update given to NZ on Air about new plans for RNZ music.

January 29, 2020: RNZ chairman, CEO and a board member meet with the Minister to discuss matters including the new music strategy and the plan to begin engaging with staff on Wednesday, February 5.

February 5, 2020: RNZ confirms to MCH, Treasury and the Broadcasting Minister's office that at 10am that day consultation with staff would begin.

February 7, 2020 – Brief conversation between the Minister and RNZ CE, where the music plans were discussed.

February 10, 2020: email correspondence between RNZ and MCH on transmission costings of a new network.

March 2, 2020: RNZ chairman and CEO meet with the Minister to discuss options for seeking support for RNZ's proposed new service for young people.