



PRESS RELEASE

\$11.4m brings RNZ to 2012 funding levels

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The Coalition for Better Broadcasting (CBB) congratulates the Minister of Finance for recognising the value of public service broadcasting.

In today's budget, NZ's only non-commercial broadcaster receives an additional \$2.85m for four years - the first increase since 2008 when National came to power.

"This is a small step in the right direction but not a permanent funding increase," says CBB Chairperson, Dr Peter Thompson. "Consequently, it doesn't address the long-standing inflationary problems that RNZ has been managing since 2008."

"Taking into account an independent KPMG recommended increase, and inflation over 9 years, RNZ should be receiving an extra \$14.96m each year. If RNZ were properly funded to this level, it could start to match the range of services provided by other public service broadcasters around the world. All other countries in the OECD enjoy more stations, more websites, more regional news from their government funded radio broadcasters than New Zealand. This is no surprise given how little we pay compared to other countries – even with the extra \$2.85m per year (see what similar countries pay below).

Dr Thompson says “The Government’s pay rise for RNZ allows it to cope with inflation up to mid-2012 levels. That’s five years ago, and there’s been another 5% inflation since then. As for the KPMG recommendations, it’s less than half.

“We applaud the sentiment - the Government has recognised that RNZ is important to the vast majority of New Zealanders ([90%](#)). Even a small improvement in funding is better than nothing and it seems there’s a lot of relief at RNZ today.

“But the government could and should do better. RNZ is the only non-commercial national news provider in New Zealand. It is vital to our democracy, civil defence and informing New Zealanders.”

So how does NZ compare to similar countries' spending on radio each year?

- the British pay \$18.17 per person (BBC Radio receives £642.1m which is £9.85 per person in the UK)
- Australians pay \$14.09 (ABC radio receives AUD\$315.3m which is AUD\$13.25 per person in Australia)
- the Irish pay \$10.44 per person (RTE Radio receives €45.563m which is €9.817 per person in Ireland)
- Kiwis pay \$8.02 each year to fund RNZ – that includes the extra 63¢ allocated in this year's budget.

The background to this is that in 2007, KPMG produced an independent report which recommended immediate funding increases of \$6m increasing to \$8m in later years. Instead RNZ funds have been frozen since.

There’s no denying that RNZ have managed relatively well on that limited budget. With judicious cuts and careful balancing, they’ve remained viable - sacrificing less popular services such as the night-time radio shows and regional news, for more public services like Checkpoint and Morning Report. Thanks to its strategic move

into digital services with podcasts and The Wireless, RNZ has remained relevant despite their frozen budget.

But earlier this year RNZ resorted to selling the Auckland Headquarters for between \$8-9m, with the proceeds going to Government and gradually trickling back to RNZ through an ongoing agreement. At an estimated \$1m per year, this repayment from Treasury was a tiny increase in funding, probably counteracted by having to pay rent in Auckland and the loss of earnings from rent on other floors of that building. RNZ BoardChair, Richard Griffin says that arrangement with Treasury is not included in the Budget increase.

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Please note that the Coalition for Better Broadcasting will soon become known as the Better Public Media Trust, to acknowledge the changing media landscape.

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