

11 May 2021

Dillon Pentz

Via: fyi-request-15008-2dfe7065@requests.fyi.org.nz

Dear Mr Pentz

Thank you for your request of 28 March 2021, under the Official Information Act 1982 (OIA), regarding the work that is underway to determine how best to evolve public media in New Zealand. I have responded to your four separate requests for information as outlined below.

1. Any documents or cases, complete or otherwise, that outline the benefits or problems with the merger, and how the resulting merger might look.

Documents in scope of this part of your request are outlined below.

You may be aware that this work, called the Strong Public Media Programme, started in January 2020, when Cabinet agreed to the commencement of a Business Case that explored the viability of a new public media entity

The Cabinet paper relating to this decision, Strengthening Public Media: Report Back, has been proactively released on our website at: <https://mch.govt.nz/proactive-releases> and a copy of is also attached for your reference.

Price Waterhouse Coopers (PWC) were appointed by the Ministry for Culture and Heritage to commence work on the Business Case in February 2020. They completed a draft of the Strategic and Economic case components of the Business Case before work was paused in April 2020 at the request of the Minister and approval from Cabinet, in order for the Ministry to focus on providing short-term cashflow relief to the media sector in response to the impact of Covid-19 on advertising revenue.

Information being released: draft Strategic Case

The draft Strategic Case component of the PWC Business Case is attached. The information within the Strategic Case that is subject to advice from the Governance Group and Cabinet decisions has been withheld under section 9(2)(f)(iv) of the OIA. Releasing this information would prejudice the ability of Cabinet to consider and decide on advice it has yet to receive.

It is important to note that the draft PWC Strategic Case is not a complete document (ie was draft) and should be read and understood with this context in mind.

Information being withheld: draft economic case

I am unable to provide you with the draft of the PWC Economic Case component of the Business Case at this time. The entirety of the Economic Case is subject to advice from the Governance Group and Cabinet decisions and has therefore been withheld under section 9(2)(f)(iv) of the OIA. Releasing this information would prejudice the ability of Cabinet to consider and decide on advice it has yet to receive.

In addition, the economic case reflects a pre-COVID-19 operating environment. The analysis and assumptions contained within it will be revalidated as work on the business case resumes, and advice is provided to the Minister for his consideration. Premature release of this information would likely prejudice this Ministerial decision making. This decision is made under section 9(2)(f)(iv) of the OIA.

In February 2021, a procurement process for a supplier to complete the business case was undertaken. Deloitte was selected as the provider and commenced work in March 2021. They are aiming to have the full business case completed by August 2021, to enable departmental and ministerial consultation ahead of Cabinet considering outcomes later in the year. The draft work undertaken so far has been withheld under section 9(2)(f)(iv) of the OIA, as work on the business case has not been completed and premature release of this information would likely prejudice Ministerial and Cabinet decision making.

2. (If not already included in the first request), whether there is any intent to impose or adopt a charter that would cover the resulting merger should it go ahead.

If Ministers agree to create a new entity, the expectation is the new entity would be created by legislation which includes a charter that clearly defines its public media purpose and mandate. It would have core functions consistent with globally recognised public media entities, including the provision of public media services across a variety of platforms.

Once a decision has been made on the business case, there will be an opportunity for the public to contribute to development of a charter. The Select committee process to consider the legislation will also provide an opportunity for public submission on the legislation and charter provisions.

3. (If not already included in the first request), whether there is any plans or proposals for how TVNZ and RNZ may continue operating in a partially independent manner under a merger, or plans/proposals to address issues with the different cultures at each respective company.

The Economic Case within the Business Case identifies the options to achieve the change, identifies the costs and benefits and selects a preferred option. The Management Case within the Business Case will outline the plan for implementing the preferred option for a new public media entity, including how to move from the status quo to a fully implemented new public media entity.

Information about the elements of the Business Case – which follows a standard Better Business Case process - can be found on our website <https://mch.govt.nz/strong-public-media>

4. Any current timeline for completing and submitting the proposal.

The current timeline for completion of the Business Case is August 2021. It is anticipated Cabinet will be making decisions on the Business Case before the end of 2021.

In making these decisions, I have considered the public interest considerations in section 9(1) of the OIA. If you wish to discuss this response to your request, please feel free to contact us at OIA@mch.govt.nz.

You also have the right to seek an investigation and review of this release by the Ombudsman. You can contact the Office of the Ombudsman by phone on 0800 802 602 or through their website: www.ombudsman.parliament.nz.

Yours sincerely

A handwritten signature in black ink that reads "Liz Stewart". The signature is written in a cursive, flowing style with a large initial "L" and a distinct "t" at the end.

Liz Stewart
Strong Public Media Programme Director