



NZ On Air Response

Review of NZ On Air's Music Funding Initiatives

November 2023

Purpose

In March 2023 NZ On Air commissioned an independent review of its music funding initiatives.

The review presents a snapshot of the NZ contemporary music industry in 2023 and examines the role, perception, and efficacy of NZ On Air's Music funding initiatives – as well as exploring how fit for purpose those initiatives are currently and may be in the foreseeable future.

The purpose of this response document is to identify those recommendations that are within the remit of NZ On Air and which we will look to consider implementing or further exploring as a funder of Aotearoa New Zealand music content.

Introduction

Victoria Kelly was enlisted to conduct an independent review of NZ On Air's Music funding initiatives. Kelly is an award-winning composer, performer and music producer who has previously been the Director of NZ Member Services at APRA AMCOS and been an adviser and assessor for a number of local and national arts organisations.

Through interviews with 70 music industry professionals Kelly has produced a detailed, passionate, and thought-provoking review. Her interviews were with a range of Māori, Pasifika, Asian, Pākehā and other ethnic Kiwis – among them artists, producers, managers, publicists, educators, journalists, radio programmers, DSPs, record labels, music publishers and industry executives.

The theme that weaves through the review is recognition of the challenges that the industry is facing. With 120,000 songs uploaded to streaming services every day, 34m videos to TikTok, 95m images to Instagram and 720,000 hours of video to YouTube, the sheer scale of the marketplace is challenging.

Overall, we were encouraged to see that many of the recommendations made by Kelly are in line with work we have already been undertaking, or considering - within the framework of NZ On Air's new Investment Strategy - to finetune our funding processes and ensure we are funding projects that reflect Aotearoa and reach audiences where they are.

The following responses to recommendations made in the review indicate areas we are focusing our attention and areas that are outside our remit.

Responses to the Recommendations

*Recommendation 1: **Enable Export** - reframe NZ On Air's remit to facilitate the export of NZ music, so that artists can better access their audiences and sustain their careers.*

- **Allow funds to be spent on international promotion and marketing.**
- **Support local publicists and managers to grow their international networks and increase the global range of their activities.**
- **Create an International Marketing position within NZ On Air to develop and fast-track global pathways and relationships.**
- **Create an annual Export funding stream for select artists on the brink of global success, and work in unison with industry to give them the push they need to break through.**

NZ On Air Response:

NZ On Air's mandate, under the Broadcasting Act 1989, is to reflect and develop New Zealand identity and culture. Broadly speaking, we do this by investing in local content so New Zealanders experience public media that authentically reflects New Zealand.

In today's music industry environment, with the consumption and discovery of music increasingly via streaming and social media, NZ On Air acknowledges that artists are already releasing on a worldwide platform. Due to the small size of the local market, for sustainability there needs to be a focus on export; it is also true that international exposure and success influences the domestic market.

The NZ Music Commission (NZMC) is the music agency with an export mandate, and their Outward Sound funding stream is available for Aotearoa artists to apply for funding support for international activities including international marketing and publicity.

NZ On Air's New Music funding (Singles, Project, Pasifika, Pan-Asian, Kids) has a provision for pre-approved and capped promotional spend in Australia in recognition of the fact that the streaming companies' Australasian head offices are based across the Tasman.

The Broadcasting Act is currently under review by Manatū Taonga | Ministry for Culture and Heritage (MCH), to reflect the modern consumption of content. This review provides an opportunity to recommend to MCH that there may be merit in considering expanding the mandate to include international promotion of funded content.

It's important to note that though there could be potential crossover with the NZMC's export activity, we also see this as a great opportunity in continuing to grow NZ On Air's collaboration with the NZMC as well as the wider music and arts sector. This ability to unite for the good of the sector, the artists and their career sustainability was something the industry did during the COVID years and, despite those COVID funds no longer being available, it is clear that the needs of the sector are even greater.

*Recommendation 2: **Tier Funding** - adjust New Music funding streams to allow for greater agility, elasticity and fairness for applicants and recipients.*

- **Create an Artist stream within the New Music Development fund for emerging artists not wishing to collaborate with Producers.**
- **Create separate streams for Emerging and Established artists within New Music Single funding.**

- **Create a greater range within budgets so that the specific needs and parameters of projects are better reflected in the funds allocated to them.**
- **Require a portion of demonstrated non-recoupable co-investment and accountability from Major Labels in return for taxpayer support.**

NZ On Air Response:

We are currently considering the detailed industry feedback in the review around each New Music funding stream. Any resulting changes will be implemented in the 2024/2025 financial year and will be signalled well in advance.

*Recommendation 3: **Define Success** – set clear measures of success for artists and fund according to their ability to achieve that success in their chosen spaces.*

- **Clearly communicate who you are seeking to fund and what you are funding them do to.**
- **Create extra-musical criteria to mitigate demand on funds by identifying motivated artists who are driven to build careers – not just moments.**
- **Abandon notions of mainstream and niche in order to reflect the range and agnosticism of the evolving creative landscape.**
- **Ensure there is clarity about the funding pathway itself, where people sit and how they can progress through it.**

NZ On Air Response:

Setting clear measures for success would be challenging, as what is considered success can be vastly different for each artist. Also, it is important to note that NZ On Air’s primary funding support purpose is to help enhance the quality of Aotearoa songs and the promotional activity around those songs to give them the best chance to connect with the widest audience possible. The current Music Funding have been designed around this purpose. We will review how we can better communicate this.

There are two relevant Music Funding streams that require entry criteria:

- **New Music Single** - there are 30 criteria of which artists are required to meet 10 to get into the round. These include extra-musical criteria (e.g., if the artist has management, publicist, publishing company etc), however the criteria will be reviewed to assess what other questions could be included.
- **New Music Project** - is for artists that are building a career. Applicants submit an Expression of Interest (EOI) that requires them to demonstrate significant audience engagement across broadcast and music streaming platforms, social media, and live performance (where applicable).

Mainstream and Niche are purely internal reporting measures.

*Recommendation 4: **Develop Capacity** – offer business development to artists to help them increase their industry knowledge, networks, and confidence.*

- **Offer industry 101 guidance to first time funding recipients, in collaboration with other industry bodies.**
- **Provide mentorship for recipients that is reflective of their cultural worldviews.**
- **Ensure that participants in the New Music Development funding stream have access to guidance about writer splits, producer shares and ongoing costs.**
- **Provide clear feedback to unsuccessful grant applicants.**

NZ On Air Response:

Since 2016, NZ On Air has offered two mentoring/planning sessions with the Music Managers Forum Aotearoa (MMF) mentors to first-time funding recipients in any of the New Music funding streams.

In 2020 and 2021, via the additional Covid Recovery Fund, all New Music funding recipients were able to access mentoring via the Professional Services Assistance (PSA) fund.

Once the PSA funding was no longer available, in 2022 the MMF Mentoring was expanded to any artist that does not have a support network such as a record label, a music manager or publicist. In these mentoring/planning sessions, artists can receive advice and help with how to plan and release their funded music.

We will be continuing to work closely with the MMF to investigate further opportunities for more funded artists to be able to access and participate in mentoring and planning sessions.

New Music Pasifika, New Music Pan-Asian and Waiata Takitahi recipients have the option of a MMF mentor from their ethnicity or a wider mentor pool. We will continue to work closely with the relevant communities to expand this list of mentors even further.

NZ On Air will be commissioning the Māori Music Industry Coalition (MMIC) to conduct a review with the wider Māori Music Community around what support is specifically required for Māori artists and musicians.

For the New Music Development funding stream, we agree mentoring is an essential addition for the artists. From September 2023, NZ On Air has offered to team up each artist that a producer has been funded to develop, with an MMF mentor to help them through the development process and provide guidance about writer splits, producer shares and on-going costs.

The NZ On Air Music team provides feedback to any applicants that contact the team. With more than 1,500 applications per year, unfortunately there isn't the resource and time to provide individualised feedback to every applicant after each round.

*Recommendation 5: **Increase Flexibility** – reduce any unnecessary loads or restrictions on artists that further compromise their ability to create.*

- **Remove milestone payments and simplify the drawdown process to alleviate administrative overload and financial stress, and help artists respond to change.**
- **Allow greater freedom for artists to determine whether they want to include video as part of their outcome and include live performances aligned to recordings.**

- **Introduce quick-fire grants to allow artists to capitalise and act on opportunities as and when they arise.**
- **Create shorter, more specific New Tracks playlists that are better targeted towards the programmers and communities that they're intended to engage.**

NZ On Air Response:

We agree the music contracting, drawdown and reporting could be more flexible while, at the same time, retaining the rigour of processes you'd expect in an agency dealing with government funds. NZ On Air is looking at where we can refine these processes with the aim of implementing some changes in the 2024 calendar year and the rest in the 2024/2025 financial year.

The Music Team will be gradually reducing the number of tracks on New Tracks from 70 to approximately 50. Within the current New Tracks online system, and due to limited resource, it is not possible to create a range of additional specific New Tracks playlists, however we are constantly looking for ways to improve and finetune the existing New Tracks playlists.

Recommendation 6: Support Infrastructure – *empower industry infrastructure to better support and promote artists and their music in the transforming environment.*

- **Consider long-term sustainability as part of decision-making criteria, and fund towards viable careers that can support (and be supported by) strong infrastructure.**
- **Increase budgets so that infrastructure providers (as well as Artists) can be paid more fairly.**
- **Remove the requirement for video content so that funds can be redirected as needed if DIY content is created.**
- **Allow publicity budgets to be allocated to managers if it's more expedient and economical for Artists and Managers to promote their own releases.**

NZ On Air Response:

A concern for the long-term sustainability of Aotearoa artists was a strong theme throughout the Music Funding Review and certainly a sentiment with which we agree. However, it's important we remain clear around the limits of our mandate, which is focused on ensuring audience outcomes rather than industry or individual artist viability. It's important to note that the New Music Project Funding application requires strong infrastructure as part of the application criteria.

We are currently reviewing the level of funding within each of the music funding streams. We will be undertaking further consultation with industry as part of this, to determine whether the funding amounts provided allow infrastructure providers to be paid fairly. Any resulting changes will be implemented in the 2024/2025 financial year.

The [Profile of Creative Professionals 2023](#) joint research between NZ On Air and Creative New Zealand has once again shown that within the arts community, musicians earn the least. As a result, Creative New Zealand has implemented a minimum hourly wage for artists and arts practitioners of \$30 per hour within their funding grants.

In 2020, NZ On Air introduced an optional 10% Artist Creation fee to all New Music funding streams. This meant that out of a \$10,000 New Music Single grant, artists were able to claim up to \$1,000 Artist Creation fee or from the \$40,000 New Music Project grant, artists were able to claim up to \$4,000 Artist Creation fee.

From January 2024, the 10% Artist Creation Fee will be added on top of each New Music Funding grant and will be mandatory, except for Waiata Takitahi where the maximum of \$1,000 will added on top of the grant.

This means that a New Music Single, New Music Pasifika, New Music Pan-Asian and New Music Kids funding grant of \$10,000 will also see an additional \$1,000 maximum paid to the artist on top of the funding amount, bringing the total funding to \$11,000.

A Waiata Takitahi grant of \$14,000 would attract a maximum of \$1,000 paid to the artist on top of the funding amount, bringing the total funding to \$15,000.

For New Music Project, the funding amount is currently up to \$40,000. There will be a maximum of \$4,000 paid to the artist on top of this funding amount, bringing the total funding possible to \$44,000.

This increase in total funding being distributed per single or per project will mean fewer singles and projects funded throughout the course of the financial year. This is in line with the Music Funding Review's clear message that there needs to be fewer funding grants made but with increased budgets.

Also from January 2024, for both New Music Single and New Music Project budgets there will be a provision for the artist managers to be paid to create and implement a media and promotion plan for their artist, as long as they are able to supply evidence, they already provide this service for their artists.

From the 2024 calendar year, there will also be an additional provision within each New Music Single budget for an artist's management to include a project management fee (this is already an eligible expenditure within the New Music Project budget).

Recommendation 7: Prioritise Equity – embed safety requirements, representation and accountability into funding streams.

- **Create parallel New Music Development and New Music Project streams for waiata Māori in collaboration with Māori organisations.**
- **Establish a co-fund for Pasifika artists with the Ministry for Pacific Peoples so that strategies and resources can be aligned and expanded.**
- **Enshrine cultural worldviews in targeted funding streams and define success according to them.**
- **Require a safe environment to be a condition of funding and create accountability for that.**

NZ On Air Response:

Māori artists and musicians can apply for the NZ On Air New Music Project stream and Māori producers can apply for the New Music Development fund. However, we will further explore this recommendation in the Māori Music Industry Coalition (MMIC) review with the Māori music community. And we will further explore the co-fund recommendation with the Pasifika music community.

NZ On Air's mandate, under the Broadcasting Act 1989, is to reflect and develop New Zealand identity and culture. Broadly speaking, we do this by investing in local content so New Zealanders experience public media that authentically reflects New Zealand. When the New Music Pasifika, Pan-Asian and Waiata Takitahi focus rounds were designed and created, there was consultation held within each of those music communities. Each of these focus round panels comprises entirely of music industry professionals from within that community.

NZ On Air is committed to building cultural capability and, as we do so, we will continue to evolve and improve our funding processes and definitions of success. A new role of Tumuaki o Rangapū Mahitahi/Head of Partnerships (created 1 July 2023) has been put in place to lead this work and we look forward to being able to report further on progress through 2023/24.

As part of our existing process, contracting parties in all successful New Music funding applications must sign a 'Safe Spaces' agreement. This agreement requires artists and producers to specifically agree to report any instances of discrimination, harassment, abuse, professional disrespect, physical boundaries or other areas of potential harm or unsafe working practices. Work is also underway to implement a Code of Conduct for all funding applicants and recipients which will create clearer accountability for safe environments.

NZ On Air also provides industry support funding towards SoundCheck Aotearoa and MusicHelps, two organisations whose work focuses on providing safer environments and support within the music community.

Recommendation 8: Unite Industry – collaborate across industry to achieve equity and facilitate clear pathways for music from its creation to its audience.

- **Align funding rounds with other organisations so that artists and managers can apply a single, comprehensive business strategy and plan based on certainty.**
- **Synchronise within NZ On Air to create incentives for funded screen productions to use funded music.**
- **Lobby terrestrial and online service providers to make tangible commitments to local music in the face of an international content monopoly.**
- **Campaign to government for meaningful investment in the export potential of New Zealand Music.**

NZ On Air Response:

While we would agree that in theory aligning funding rounds with other agencies sounds good, in practice it would be difficult to achieve. This is because NZ On Air's funding (and that of other music organisations) is contestable, therefore it is not possible to provide certainty to artists and managers of a successful funding result. Each organisation is also driven by different mandates and desired outcomes, so what is important to NZ On Air in terms of an application may be of less importance to the funding application of another organisation. Each organisation also has different application, assessment, approval and ratification timeframes and processes which would make it difficult to align funding rounds.

However, a range of music organisations (NZ Music Commission, APRA AMCOS, RMNZ, MMF, IMNZ, Soundz, MMIC, APG, MusicHelps) meet fortnightly to align advocacy and cross-sector support for the music industry.

Aligning NZ On Air Screen and Music more is an area we have already put considerable work into with the commissioning of the *NZ On Air and the NZ Sync Licensing Sector* report in 2021. Leading on from this, in 2022, NZ On Air provided additional funding to two commissioned dramas for a music budget that allowed those productions to contract a Music Supervisor and pay fair rates for composed and licensed music. These contracts required that the music budget would be ringfenced and 80% of the music would be from Aotearoa artists.

NZ On Air has now added this as an option for funded screen projects going forward, beginning with the 2023 Special Scripted round.

Summary of Actions

- Music Funding streams are under review, including the level of funding in each stream, and any changes will be implemented in the 2024/2025 Financial year.
- Entry criteria for relevant funding streams will be reviewed to create extra-musical criteria to mitigate demands on funds.
- Investigate further opportunity with the existing mentoring relationship with the Music Managers Forum Aotearoa for more funded artists to be able to access and participate in mentoring and planning sessions.
- Work closely with the Pasifika, Pan-Asian and Waiata Takitahi music communities to expand the list of ethnic mentors.
- Commission the Māori Music Industry Coalition (MMIC) to conduct a review with the wider Māori Music Community around what support is specifically required for Māori artists and musicians.
- From September 2023, NZ On Air has offered to team up each artist that a New Music Development producer has been funded to develop, with an MMF mentor to help them through the development process and provide guidance about writer splits, producer shares and on-going costs.
- The music contracting, drawdown and reporting process is under review and any changes will be implemented in the 2024/2025 year.
- The number of tracks on the monthly New Tracks will gradually be reduced to 50.
- From January 2024:
 - the optional 10% Artist Creation Fee, that currently is within each New Music funding stream, will be added on top of each grant and will be mandatory.
 - for both New Music Single and New Music Project budgets there will be a provision for the artist managers to be paid to create and implement a media and promotion plan for their artist, as long as they are able to supply evidence, they already provide this service for their artists.
 - there will also be an additional provision within each New Music Single budget for an artist's management to include a project management fee (this is already an eligible expenditure within the New Music Project budget).
- Explore co-fund recommendations with the Māori music and Pasifika music industry and community.
- Implement a code of conduct for all funding applicants and recipients which will create clearer accountability for safe environments.
- Continue to provide additional music budget funding to funded screen projects to contract a Music Supervisor and pay fair rates for composed and licensed music. These contracts require that the music budget would be ringfenced and 80% of the music would be from Aotearoa artists.