



## Response paper

### NZ On Air: Sync Licensing Report

December 2022

#### Purpose

The purpose of this paper is to provide a clear action plan in response to the findings of the research commissioned by NZ On Air and undertaken by Paul McLaney<sup>1</sup> – ‘NZ On Air and the NZ Sync Licensing Sector’ (Report). This paper will outline how NZ On Air intends to take the recommendations of the Report and put in place next steps that are within our scope to action and will achieve the goal of enabling and encouraging screen content creators to more readily seek, source and license NZ music for use in NZ On Air-funded screen productions.

#### Scope of the paper

The remit of NZ On Air is to fund public media content that reflects the cultural identity of Aotearoa and connects with audiences. This includes factual and scripted content as well as music. Hearing great New Zealand music and songs embedded in local screen content is a logical opportunity and as a funder of both, NZ On Air sought to understand what more could be done to encourage this opportunity.

In 2021 Paul McLaney delivered a report that had been commissioned by NZ On Air to review an approach to sync licensing and recommend practical and achievable changes that could increase the level of local music used in funded screen content. As NZ On Air funds a significant amount of NZ Music it was decided to focus the report on sync licensing of existing recorded music. Licensing of original music scores for local screen content was out of the scope of the report but could potentially be considered as part of a wider pan sector piece of work at a later date.

#### The report findings

McLaney notes a number of key issues that are currently impacting the uptake of NZ music in local screen content and would need careful consideration.

These included: a disconnect between music budgets for screen content and actual costs of sync licensing; difficulties faced by screen content creators in the process of music licensing; a lack of detail around music use in the final cost reports; difficulties around tracking songs in broadcast outcomes; and a lack of encouragement to use local music content within local productions.

The report noted three key focus areas that would need to be addressed:

- A need to *Streamline*, for all parties, the process in regard to synchronisation approvals;

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<sup>1</sup> Paul McLaney is a music publishing contractor, recording artist, composer and intellectual property expert

- *Improve* access to discoverable and diverse local content, both contemporary and historical;
- *Enable* screen content creators to forecast a realistic music budget more accurately at the outset of their production.

## The Report recommendations and NZ On Air response<sup>2</sup>

Nine recommendations were made in the report. Head of Music, Teresa Patterson; Head of Funding, Amie Mills; former Head of Music, David Ridler and the NZ On Air Board engaged in discussions to establish how to approach these recommendations. The goal is to ensure the screen sector is provided with the best resources and guidance possible to encourage the use of New Zealand music.

### ***Recommendation 1: Sync licensing of NZ music in screen content should be classified as a broadcast outcome and included in NZ On Air music outcomes.***

NZ On Air will recommend development of a standardised reporting template which could be used by screen producers for APRA returns and compliance requirements. The template will be developed by sync licensing industry experts to ensure a deep understanding and compliance of all industry requirements.

**Timeline: Implement Q1 2023**

### ***Recommendation 2: Collect more detailed information in the producer reports/final cost reports for funded screen productions. This should be part of completion requirements for a funded screen production.***

NZ On Air will develop a standardised reporting template to industry standard that will serve multiple purposes for NZ On Air reporting and tracking use/data for music companies, publishers, APRA etc.

Amend application guidelines and budget templates to highlight separate cost lines for music supervision, sync licenses and other music use.

**Timeline: Implement Q4 2022**

### ***Recommendation 3: Engage a music licensing specialist to review budgets at proposal stage. When there is music supervision from the outset, this is set to have real benefit on music spend. This could also be a stipulation for projects applying for funding over a certain threshold. This could also be an inhouse function provided by NZ On Air or an ancillary funding scheme.***

NZ On Air believes that due to the high volume of applications, it would not be achievable to have every application budget assessed with a music licensing lens. However, for projects applying for funding over a certain threshold, all music-based projects (e.g. music docos) and high-cost scripted and factual content, could require an external budget assessment. A threshold could, for example, be set at proposals seeking over \$1m.

**Timeline: Trialled Q3/Q4 2022**

### ***Recommendation 4: Provide an online resource – a ‘Music Licensing 101’ toolkit – that can be provided to NZ On Air clients. This could include a list of approved music licensing specialists and publishing companies.***

NZ On Air will create a new page on the NZ On Air website that is linked to from all application guideline documents for screen-based funding rounds. This will provide an overview of music licensing, FAQs, video content, links to educational articles, budget and cue sheet templates and other resources.

**Timeline: Implement 2023**

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<sup>2</sup> Please note, all implementation timelines refer to calendar year.

***Recommendation 5: Put in place or enable seminars, presentations, meet-ups, or other presentation/sharing opportunities for the screen and music publishing sectors.***

NZ On Air will engage the screen sector in various ways, with the goal of presenting a specific music use in screen content session at a significant industry event in 2023 – e.g. Big Screen Symposium.

Also identify opportunities to discuss sync licensing with screen production companies, tie in with screen-related events, engage in direct comms and dialogue with screen guilds, host online webinars and in-person small networking events. There is also potential to partner with other screen content funding organisations in this space (e.g. NZ Film Commission, Te Māngai Pāho) for greater impact.

**Timeline: Implement 2023**

***Recommendation 6: Music funding productions, such as music docos should have their own funding stream recognising their own specific needs.***

NZ On Air will continue to explore this idea but is reluctant to commit to creating new bespoke and narrow funding rounds/streams of funding for content that already has a path to funding within the NZ Media Fund, and considering NZ On Air's constrained future funding environment.

**Timeline: Further consideration required**

***Recommendation 7: Commission a separate specific report regarding screen composition, which sits outside the scope of this study which focuses on sync licensing only.***

As the findings of this report will benefit and inform the upskilling and future work of other government agencies, such as NZ Film Commission and Te Māngai Pāho, NZ On Air recommends a joint approach to commissioning and funding further studies in this area, particularly given the nature of feature film soundtracks which are often heavy on original music composition.

**Timeline: Further consideration required**

***Recommendation 8: Develop a music budget forecasting tool to enable screen content creators to better estimate their required music licensing needs, and spend, from proposal stage onwards.***

NZ On Air believes a calculator idea has merit but may be perceived to be 'setting rates' for music use which is outside NZ On Air's remit.

**Timeline: Further consideration required**

***Recommendation 9: Investigate further options to upgrade the searchability of NZ On Air's existing NewTracks.co.nz archive of NZ music.***

NewTracks in its current form is not currently a truly searchable archive/library for sync licensing use and upgrading it would be costly, which is a challenging proposition considering NZ On Air's constrained funding environment. Instead, NZ On Air recommends looking into alternative options.

**Timeline: Further consideration required**

## Immediate response

NZ On Air noted an opportunity to immediately implement recommendations from the report for the Premier Drama projects funded in July 2022. We engaged a music licensing specialist to review drama budgets at the proposal stage and contracted an experienced Music Supervisor to work alongside the production teams to advise on best practice sync licensing implementation and provide guidance on budget allocation prior to production. Once these dramas are complete, and with the permission of the parties involved, NZ On Air will present back to the sector the findings, learnings and impact of this mahi so that knowledge can be widely shared between music and screen practitioners.

### What's next/The longer term

The recommendations presented in McLaney's report present a unique opportunity for NZ On Air to facilitate discussion and solutions to reshape the sync licensing model and encourage screen content creators to more readily seek, source and license NZ music for use in publicly funded productions. While some of the recommendations can be implemented immediately, others will require further consideration and development, along with further discussion with the sector. Furthermore, a pan sector approach involving all funders of public media screen content will drive greater impact.

We would anticipate that those recommendations that are within NZ On Air's immediate scope of action will begin to be further implemented throughout 2023 – and we will continue to consult with industry at regular junctures to ensure we are meeting the sector's needs and providing the best guidance possible.

It is important to note that with changes taking place in the screen sector and changes to NZ On Air's funding profile in 2023, a pan sector approach that includes all public media funders needs to be considered. This affects our ability to provide detailed timeframes at this stage. However, NZ On Air is firmly committed to the outcomes of the sync licensing report and the important role it plays in strengthening the overall health and viability of the Aotearoa music and screen sectors.

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