



New Zealand's Better Buying Power

Multiple ways New Zealand adds value to international production budgets

New Zealand offers international productions – be these feature films, television programmes or commercials – experienced crews, creative talent, diverse accessible locations, world class post, digital and visual effects facilities. Productions choosing New Zealand also enjoy a secure environment that offers an internationally renowned quality of life, with great food and fabulous wines.

Added to these attractions, New Zealand offers more value through a range of factors that can make international production budgets even more competitive. These are summarised below with more details available on www.filmnz.com

No Fringe Benefit Costs for Labour

Production labour costs in New Zealand are estimated to be:

- 20% less expensive than Australia, UK and Ireland,
- 25% less than Canada and
- up to 33% less than the USA due to the absence of fringes and other on-costs.

Source: PWC 2006

Fringes include, for example, employee benefits (pension, health, holidays, etc.), payroll taxes, and levies. Fringe rates overseas may vary by state, region or province and are subject to applicable union terms.

New Zealand offers a 'fringe-free' zone through:

- **No payroll taxes** are charged on New Zealand labour.
- **Accident liability coverage:** no-fault insurance is administered by the Accident Compensation Corporation (ACC). All New Zealand resident workers are covered by the ACC regulations. Overseas residents will have a different status according to the length of their stay in New Zealand and their status as employees of, or contractors to, the production company. More details are available at: www.filmnz.com/production-guide/insurance.
- **Labour employment status** offers advantageous conditions:

New Zealand crew members are generally considered to be self-employed independent contractors. As a result, there are no compulsory fringe benefit tax obligations, personal benefits (such as holiday pay and health), government levies or union dues payable by the production.

New Zealand is currently a non-SAG/DGA country thereby relieving producers of overseas industry union issues. Union membership is voluntary in New Zealand.

Fiscal Benefits

New Zealand ranks ninth out of 178 nations (UK ranked 12, Canada 25, Australia 41 and the USA 76) in 'Paying Taxes 2008' report for the World Bank on the easiest places for businesses to pay taxes.

New Zealand's open de-regulated economy and pro-active government support for screen production offers added value.

- **Goods & Services Tax (GST)**

GST is a value added tax levied at 12.5% on the supply of goods and services in New Zealand.

GST is intended to be a tax on the end user of goods and services. Therefore businesses that incur GST in the course of making their taxable supplies can claim back that GST from the Inland Revenue. All productions will incur GST on goods or services received. Productions will be required to register for GST in order to claim back this GST cost, thereby effectively neutralising the effect of GST on the cost of production.

New Zealand's GST is charged at 0% on the export of goods and services, including films, television programmes and TVCs.

More information is available on www.filmnz.com/production-guide/taxation

- **No Sales Taxes**

There are no regional, state or provincial sales taxes in New Zealand.

- **Incentive for Large Budget Productions including PDV**

Large Budget Screen Production or Post, Digital & Visual Effects (PDV) Grant is available under specific criteria for film and television. Qualifying expenditures include labour and other costs.

Details are available on www.filmnz.com/production-guide/incentives/large-budget-screen-production-grant-scheme.

The grant is not taxable and is usually paid within 3 months of completing the application process.

- **Incentive for Domestic Productions**

Screen Production Incentive Fund is available to eligible New Zealand feature film, television and other format screen productions deemed to have significant New Zealand content. Qualifying expenditures include labour and other costs.

Details are available on <http://www.filmnz.com/production-guide/incentives/screen-production-incentive-fund>.

- **NZ Dollar Exchange Rate**

Exchange rate for the New Zealand dollar gives added value with one New Zealand dollar delivering the same purchasing power as one US dollar but costing approximately USA\$0.74 cents (as at November 2009).

New Zealand has a floating dollar so it is important to check for the current rate through a financial institution or visit www.filmnz.com/production-guide/taxation.html#incentives

New Zealand's value proposition adds up to maximize international production budgets for features, television programmes & TVCs.

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