

**Briefing to the Incoming Ministers for Arts, Culture and Heritage and
Economic Development, October 2017**

New Zealand FILM COMMISSION



Te Tumu Whakaata Taonga

About the New Zealand Film Commission

The New Zealand Film Commission (NZFC) is here to help our screen sector develop and grow into a successful, sustainable screen industry. We make sure New Zealand stories are told and are available to be enjoyed in cinemas and on smaller screens here, and throughout the world. We support a vibrant industry to ensure we have the talented well-connected individuals and widespread capability necessary to ensure a wide range of New Zealand and international productions are made here. We happily straddle cultural and economic objectives to enrich and grow the New Zealand screen sector.

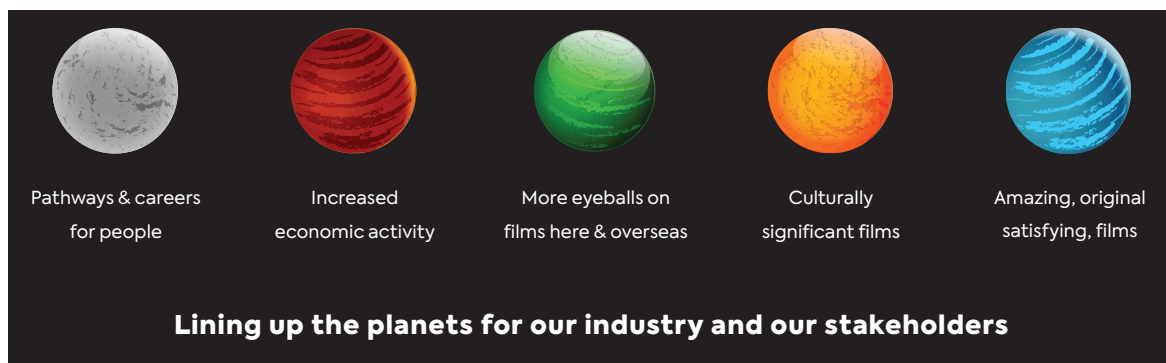
We are committed to ensuring New Zealand has a successful screen industry.

We:

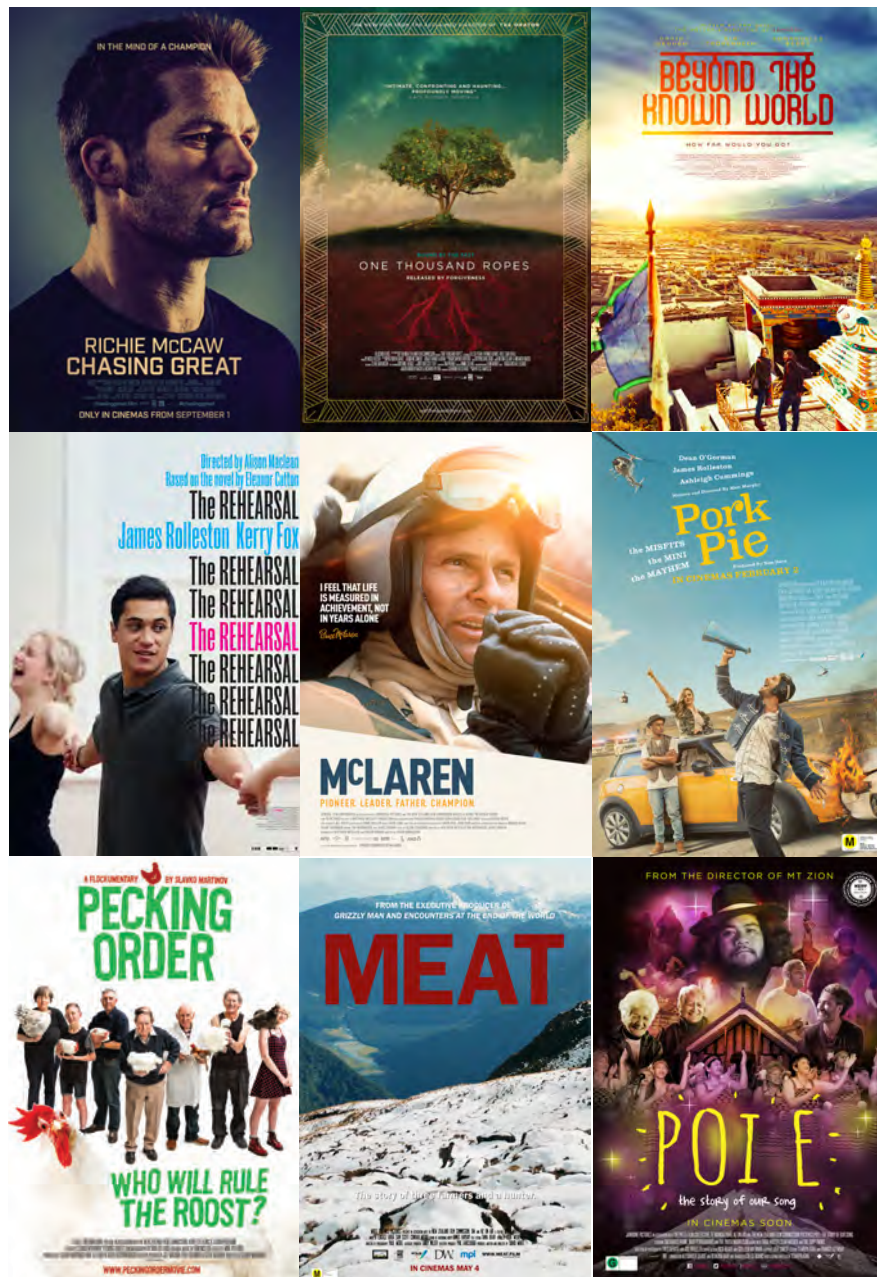
- Help culturally significant films get made
- Help amazing, original, different and satisfying films get made
- Support the growth of audiences for New Zealand films both here and overseas
- Support talented filmmakers to develop their careers and make meaningful connections offshore
- Contribute to increased economic activity

We judge our success by the success of the New Zealand screen industry.

If you walked out and looked at the night sky and there was a perfect alignment of planets all shining brightly on a successful screen industry, it might look like this:



Culturally significant films





Culturally significant films

Culturally significant films are those New Zealand audiences recognise as reflecting our country's unique culture and identity. The most successful New Zealand films over the last 20 years have been films with strong cultural elements, such as *Whale Rider*, *Sione's Wedding*, *The World's Fastest Indian* and more recently, *Hunt for the Wilderpeople*.

To accurately represent New Zealand's culture on screen, filmmakers from all of New Zealand's diverse communities must participate. We have introduced a number of policies and initiatives under the umbrella term '**diverse voices**' to encourage participation from underrepresented voices.

We actively support the unique films of tangata whenua and champion the voices and visions of the current and next generation of Māori filmmakers.

He Ara (Māori and Pasifika film pathways) is an NZFC initiative to support Māori and Pasifika writers, producers and directors while they create authentic Māori and Pasifika feature film drama or documentary projects, shaped through their chosen development framework.

A wider **Māori strategy** for our organisation is close to being finalised in partnership with the industry.

Staff are also focused on connecting with local Asian filmmakers and communities.

We recognise the **voices and perspectives of women** are integral to telling the stories of our country, its culture and communities. Our gender policy targets increased participation and retention of women in the film industry and is based around eight central planks:

- A target of 50% representation by women filmmakers in the professional development area.
- Encourage recipients of devolved funding to fund half of their projects with women writers and directors and publish their success rates.
- The NZFC itself will set an annual goal of 50% female recipients for Early Development Funding.
- The NZFC will measure female director participation in feature film investment offers on both an annual and a three-year rolling average, with the aim of having 50% participation by the end of 2021/2022.
- An annual award for women in the industry.
- Openness to specific proposals from Guilds and industry organisations to support and enhance their work in upskilling women in the screen industry.
- The talent development area of the NZFC will spend more time identifying and engaging with female filmmakers.
- Regular publication of gender statistics based on our funding information.

A few examples of **culturally significant NZFC-financed films** released recently in local cinemas include:

Poi-E: The Story of Our Song

The story of a song, released in 1984, that has become New Zealand's unofficial national anthem. The only song in Te Reo Māori to have reached number one on the charts, *Poi E* was composed by colourful and visionary musician, Dalvanus Prime and Māori language expert Ngoingoi Pēwhairangi, and performed by the Patea Māori Club. Through archival footage, interviews and home movies, the performers, supporters and creators of this iconic song are brought vividly to life.

Richie McCaw: Chasing Great

This feature documentary follows Richie McCaw through his final season as he attempts the goal of captaining the All Blacks to the first ever back-to-back Rugby World Cup wins.

Pork Pie

A charming but out-of-luck novelist musters the bravery needed to try and win back the love of his life by surprising her at a friend's wedding. One problem: he's in Auckland and the wedding is in Wellington. Jon hitches a ride with Luke, a sparky young dude driving a fancy new (and unbeknownst to Jon, stolen) yellow Mini Cooper...thus beginning the most epic road trip of their lives.

One Thousand Ropes

A father reconnects with his youngest daughter by putting to rest the ghosts that haunt them.

Pecking Order

Fierce rivalries, club infighting, problematic birds and irregular judging are just some of the challenges faced by a group of zealous Kiwi chicken breeders hell bent on victory at the 2015 National Poultry Show.

McLaren

The story of Bruce McLaren, the New Zealander who founded the McLaren Motor Racing team and proved a man from humble beginnings could take on the elite world of motor racing and win.

Waru

Following the death of a young child, eight Maori women are confronted by guilt, pride and defeat but will ultimately risk everything for the greater good of their community.





Amazing, original, different, satisfying films

Our aim is for a truly diverse selection of films, so all New Zealanders – regardless of age, ethnicity or anything else – can see films they love and are blown away by.

We want filmmakers to keep bringing us **exciting ideas** so we can help turn them into great films.

We believe in films that are confident in what they have to say; whether that is to challenge, empower, comfort, entertain or simply to reveal a new view of the world we live in.

We believe in the creative talent of our storytellers, and that their voices and stories are unique, relevant and surprising to audiences. We are led by their creative choices, and are open to a range of genres, budgets and subject matter.

Some examples of **original and different feature film projects** recently given conditional offers for NZFC financing include:

Daffodils

A young couple's love and marriage is celebrated and tested in a heart-aching drama featuring beautiful re-imaginings of iconic New Zealand songs.

Tip Top Taj Mahal

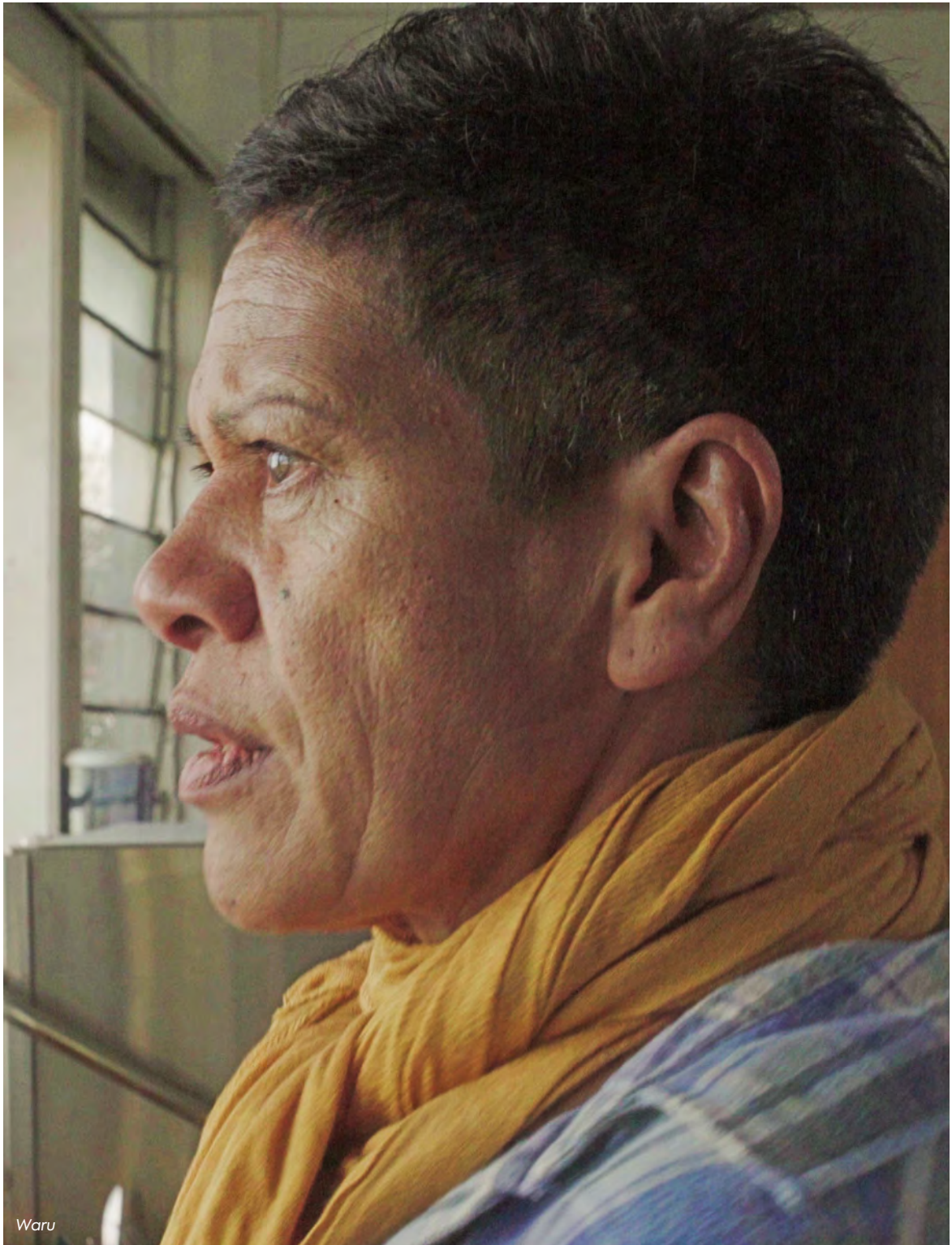
An immigrant Indian shopkeeper struggles to establish a new life in New Zealand and prove to his homesick wife that his love for her is as great as the love that built the Taj Mahal.

Herbs: Songs of Freedom

Five men from different islands throughout the South Pacific join forces in 1978 and find the words and the music within each other to give New Zealand its voice and the Pacific its place in the world.

The Guinea Pig Club

Maverick surgeon Archie McIndoe risks his career, his reputation and his marriage to heal the horribly burned bodies and – most importantly – the tortured souls of heroic RAF fighter pilots in WW2.



Waru





More eyeballs on films (here and overseas)

We want to increase the **number of people seeing New Zealand films**, in cinemas and on other screens, large and small, both here and overseas.

We want New Zealand films to find an appreciative audience through either a targeted release or a widespread campaign, whichever is most appropriate for the individual film.

Ongoing **audience research** helps ascertain who is watching New Zealand films and where and how they watch them. We continue to work on extending our understanding of the audiences for New Zealand films beyond box office statistics. We want to better inform ourselves and our stakeholders of who is watching New Zealand films.

We hold **test screenings** with public test audiences for all the feature films we invest in, giving filmmakers and distributors valuable audience insights before the film is completed. Upon release, we conduct **exit surveys** at cinemas which give us greater understanding of audience behaviour.

Film festivals remain an important platform for films, both locally and internationally. We present films to festival programmers and support filmmakers to travel to festivals. NZFC staff attend key festivals and markets to meet with international sales agents and distributors, and to support filmmakers in the market.

We facilitate sales agency relationships, using our experience and connections to help filmmakers achieve the best possible outcomes for their films.

Films not independently represented by sales agents that remain in our care become part of the gallery of films called **Te Ahi Kā**. Te Ahi Kā literally means the home fire – a concept which epitomises our intention to be the ultimate and enduring home for New Zealand films. More than 50 of these films are represented by leading London-based sales company HanWay Films which licenses them to international broadcasters under its specialist film banner, HanWay Select. A new independent trust called the **Film Heritage Trust** has recently been established with NZFC financial support to further protect the interests of older films where rights-holders may no longer be in a position to manage them.

After a brief hiatus in 2016, the NZFC's **digitisation programme** has resumed. Digitisation breathes new life into the back catalogue of films the NZFC has invested in, allowing them to be sold, screened and enjoyed by New Zealanders and international audiences in modern formats.

NZ Film On Demand, the NZFC's **transactional video-on-demand (VOD) platform**, continues to expand with newly digitised back catalogue and contemporary titles added regularly.

We continue to invest in and improve the NZ Film On Demand platform to ensure New Zealand films continue to be seen and enjoyed by current and future generations.

Recent New Zealand box office successes

Hunt for the Wilderpeople earned over **\$12.2 million in gross box office** following its March 2016 theatrical release in New Zealand. This translates to nearly one million ticket sales. It remained in local cinemas for 37 consecutive weeks.

The documentary *Chasing Great: Richie McCaw* was released in September 2016 and went on to earn over **\$1.8 million**, making it the highest domestic grossing NZFC-financed feature documentary of all time (not adjusted for inflation).





Pathways and careers for people

We invest in professional development to ensure talented filmmakers develop successful careers and create a diverse range of projects that will be successful in a modern screen industry. Our work covers finding, fostering, connecting and progressing filmmaking talent along a career **pathway**.

There are many **different pathways** a talented New Zealander can take towards working as a producer, director or writer on a feature film, some of which, like the Fresh Shorts programme, are fully funded by the NZFC. Others, like guild training, are funded by the NZFC, but managed by others. Film schools and production companies also offer opportunities to emerging filmmakers without any financial support from the NZFC.

Our Talent Development and International Relations teams work closely together to **support filmmakers** through a mix of bespoke one-on-one support, developmental programmes and through travel to key festivals, markets and events.

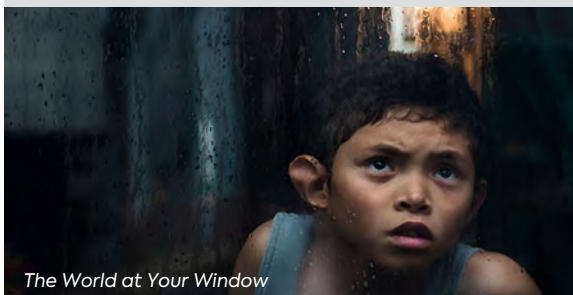
We also invest in **industry guilds and organisations** through our strategic training fund to ensure a growing and sustainable talent base for New Zealand and international productions to draw from. These guilds support producers, directors, actors, writers and film technicians.

We maintain a presence at key festivals and markets and nurture relationships with overseas players.

Recent short film successes

Writer/director Zoe McIntosh and producer Hamish Mortland's film *The World At Your Window* screened in competition at the prestigious Clermond Ferrand Short Film Festival earlier this year, and was awarded the Prix Étudiant de la Jeunesse 2017 (Youth Jury Award).

Do No Harm, written and directed by Roseanne Liang and produced by Hamish Mortland, had its premiere at Sundance 2017. The film was one of 93 short films selected from 9,300 entries.





Increased Economic Activity

The NZFC administers the **New Zealand Screen Production Grant** (NZSPG), which is funded by the Ministry of Business, Innovation and Employment (MBIE) for international projects, and the Ministry for Culture and Heritage (MCH) for New Zealand projects.

The 2017 Budget confirmed that for the remaining four years of the current cycle to 30 June 2021, \$240M is allocated to international projects, and \$63.94M remains available for domestic projects.

Three years after its introduction in April 2014, demand for the grant is increasing. To manage demand, a **review of the scheme's criteria** was undertaken and completed earlier this year. Changes to the criteria were announced in March 2017, effective from 1 July 2017.

Given the quantum of tax-payer funding involved, Cabinet agreed to bring forward the report-back date of the scheduled 2018 **NZSPG evaluation** to December 2017. The objective of this evaluation is to determine the economic, cultural and industry development benefits the NZSPG brings to New Zealand.

This evaluation is being jointly led by MBIE and MCH with input from the NZFC and Treasury. Sapere Research Group have been contracted to do the work with a final report due to Cabinet in December 2017.

International screen projects that film here such as *Pete's Dragon*, *Ghost in the Shell* and *MEG* underpin the overall level of activity in the domestic industry and employ New Zealand cast and crew. This contributes to our goal of developing a more **sustainable local screen industry**. International productions also contribute to the broader New Zealand economy through the unique spill-over benefits they generate, including marketing, promoting and showcasing New Zealand to the world.

The **economic and cultural benefits** are not limited to Auckland and Wellington, but spread through the regions. Tapanui in West Otago in the South Island was transformed into the Pacific Mid-West town of Millhaven for Disney's *Pete's Dragon* which also featured forestry scenes shot in Rotorua/Tokoroa in the North Island's Bay of Plenty. Chinese web series *Legend of the Ravaging Dynasty* shot on location in the North and South Islands and two Chinese television productions also shot in New Zealand, *Star April* and *Legend of Zu 2*. Australian TV series, *Wanted 2*, shot key scenes in Queenstown and Dunedin.

A key component of the *MEG* MoU included a partnership between the New Zealand Film Commission (NZFC), Auckland Tourism, Events and Economic Development (ATEED), Warner Bros. Pictures and Gravity Pictures to develop a new film studio in West Auckland. The privately owned **Kumeu Film Studios** sit on a 27ha site and include the first two film studio water tanks ever built in New Zealand. A new sound stage is currently being built which will double Auckland's screen studio infrastructure, increasing the region's capacity for large scale screen productions.

The NZFC's **International Attractions** team provides a range of marketing, technical and advisory services to offshore companies, producers and US studios, as well as to New Zealand companies and the New Zealand Government. Incentives and a favourable exchange rate remain critical factors in securing international productions.

Should the Government be considering repealing the **Employment Relations (Film Production Work) Amendment Bill 2010**, we would ask that you consult widely within the industry around the current situation and likely effects of a change. We are happy to engage on this issue with you as well.

International projects filming in New Zealand

Five feature films shot locally in the past year: *MEG*, *Mission Impossible 6*, *A Wrinkle in Time*, *Murder on the Orient Express* and *Mortal Engines*.

Nine international television series shot in New Zealand in the past year, including *The Shannara Chronicles*, *Power Rangers*, *Ash v. Evil Dead, 1953*, and *Palisades*.



Budget

Our total projected revenue for the 2017/18 financial year is \$23.85 million. This is made up of:

- \$5.401 M (22.6%) from MCH
- \$1.3 M (5.5%) from MBIE
- \$16.1 M (67.5%) from the Lottery Grants Board (we receive 6.5% of Lotto NZ profits)
- The remainder from film earnings and interest

We plan to spend \$28.02m, with the shortfall being funded from reserves.

We have allocated:

- \$13.0 M for feature film production
- \$3.55 M to finding and fostering talent
- \$1.57 M to feature film script development
- \$3.1 M to the promotion and marketing of feature and short films and
- \$1.79 M towards international promotion, attraction and relations activities.

The budgeted cost of administering the NZSPG is \$509,000





Introducing our Board

The NZFC Board brings broad and deep experience of the film industry and the business and arts sectors to the table. Here we provide a brief introduction to the eight Board members. We look forward to discussing future appointments and re-appointments with you.

Kerry Prendergast CHAIR

Kerry is the former mayor of Wellington and former Vice President of Local Government New Zealand. She is currently chair of the Environmental Protection Authority and Tourism New Zealand. She is also a director /trustee /board member of several organisations including Oceania Healthcare Ltd, New Zealand Community Trust and the Phoenix Football Club. (Appointed to NZFC 2016, current term expires June 2019).

Ian Taylor IWI: NGĀTI KAHUNGUNU

Ian is an award-winning writer, director and producer whose career in television spans more than 35 years. He established his own production company, Taylormade Productions in 1989. He was named a Companion of the NZ Order of Merit in the 2012 New Year Honours for services to television and business. He is also currently a board member of New Zealand On Air. (Appointed to NZFC 2015, current term expires June 2018).

Jane Hastings

Jane is Chief Executive Officer for Event Hospitality and Entertainment, based in Sydney. Previously she has been Chief Executive Officer of NZME and General Manager Group Sales, Marketing and Cinemas at SkyCity Entertainment Group. (Appointed to NZFC 2015, current term expires in June 2018).

John McCay

John is a commercial lawyer and a partner at the law firm Minter Ellison Rudd Watts. John's experience in the screen sector includes having acted for the NZFC for more than 15 years. He also served as chair of Film New Zealand (now absorbed within the NZFC). He is also currently a board member of New Zealand On Air. (Appointed to NZFC 2015, current term expires September 2018).

Pania Tyson-Nathan IWI: NGĀTI RONGOMAIWAHINE

Pania is the Chief Executive Officer of New Zealand Māori Tourism, a national organisation based in Wellington. She brings to the NZFC board an extensive trade and investment network with a particular focus on China. She is currently a director of Kahungunu Asset Holding Company and the Māori Economic Development Advisory Board, and a member of the Ministerial Advisory Group on Trade. (Appointed to NZFC 2016, current term expires August 2019).

Tom Greally

Tom is the CEO of Wellington craft brewery Garage Project and an independent management consultant working in the field of business and technology strategy, research and innovation. He is a member of the Callaghan Innovation Stakeholder Advisory Group. Prior to 2015 he spent ten years as chair of Park Road Post Production and was also General Manager of visual effects studio Weta Digital Limited. (Appointed to NZFC 2016, current term expires August 2019).

Brett O'Riley

Brett has recently completed a term as chief executive of Auckland Tourism, Events and Economic Development (ATEED). He has been involved in the development of the digital and hi-tech economy in New Zealand over the past decade through senior roles in the public sector, following 20 years in the ICT sector. (Appointed to NZFC 2017, current term expires June 2018).

Paula Jalfon IWI: NGAI TAHU

Paula has worked in the film industry for 25 years both in New Zealand and the United Kingdom. She has extensive experience as a producer and executive producer working on both independent and studio films. Paula also worked for 10 years at the British Film Institute before setting up her own production company. (Appointed to NZFC 2017, current term expires June 2018).

Introducing our Chief Executive

Dave Gibson, CHIEF EXECUTIVE

Dave joined the New Zealand Film Commission in January 2014. He works with our Board and managers to provide strategic direction to the organisation. He has produced feature films and television programmes that have sold in more than 80 countries worldwide including co-productions with partners based in Canada, Britain, Australia, Germany and Sweden. In 2012, he was appointed an officer of the New Zealand Order of Merit (ONZM) in recognition of his services to the film and television industries.

Dave announced his resignation in June, effective from January 2018. The Board have announced his replacement will be Annabelle Sheehan.

Annabelle has been CEO of South Australia Film Corporation (SAFC) since 2015. Prior to SAFC, Sheehan managed investment programmes and funding initiatives for production, production attraction, producer development and company support at Screen West. From 2004 to 2013, Sheehan was CEO and Senior Agent at RGM Artist Group. Before this, Sheehan headed up the Film and Television division of the Australian Film, Television and Radio School (AFTRS). Sheehan has a background in post-production as a Supervising ADR/Sound Editor with credits including *Mad Max – Beyond the Thunderdome*, *Lorenzo's Oil*, *Dead Calm* and *The Piano*.



Screen Advisory Board

The Screen Advisory Board (SAB) was set up in 2014 and consists of a group of leading lights in the industry who generously give their time to support New Zealand filmmakers in a range of ways. The SAB generally meets twice a year to discuss strategic issues facing the New Zealand screen sector.

The initial appointments to the SAB were Sir Peter Jackson, Fran Walsh, Jon Landau, James Cameron, Dame Jane Campion and Andrew Adamson.

All appointments except Jon Landau and James Cameron technically expired in May 2017, and now need to be extended or perhaps, in some cases, replaced with fresh faces.

Significant Economic Benefits Panel

A small number of international productions may be eligible for an additional grant known as the 5% Uplift. The NZSPG Significant Economic Benefits Verification Panel (SEB Verification Panel) decides on eligibility for the 5% Uplift for international productions based on the productions' ability to pass the Significant Economic Benefits Test and demonstrate value to New Zealand that meets or exceeds the value of the 5% Uplift applied for.

Changes to the New Zealand Screen Production Grant – International (NZSPG) criteria agreed by Cabinet in March 2017, and introduced on 1 July 2017 included refinements to the 5% uplift. These refinements were:

- A strengthened significant economic benefits points test;
- The introduction of an invite to apply provision; and
- Shifting the Chair of the SEB Verification Panel from the New Zealand Film Commission (NZFC) to the Ministry of Business, Innovation and Employment (MBIE).

The term of the initial SEB Verification Panel was through to May 2017, therefore the current appointments have expired.



As the new Chair, MBIE Deputy Chief Executive Paul Stocks is seeking the agreement of current panel members to be reappointed to this Panel for a term of six months. The only Panel Member not be approached for reappointment is Screen Industry Representative Paula Jalfon who has recently been appointed to the NZFC Board. The reappointed SEB Panel will comprise:

- **Paul Stocks** DEPUTY CHIEF EXECUTIVE, MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT (CHAIR)
- **Dave Gibson** CHIEF EXECUTIVE, NEW ZEALAND FILM COMMISSION
- **Paul James** CHIEF EXECUTIVE, MINISTRY FOR CULTURE AND HERITAGE
- **Stephen England-Hall** CHIEF EXECUTIVE, TOURISM NEW ZEALAND
- **John Barnett** (SCREEN INDUSTRY EXPERTISE)
- **Matthew Metcalfe** (SCREEN INDUSTRY EXPERTISE)
- **Scott Perkins** (COMMERCIAL EXPERTISE)
- **Karen Fistonich** (COMMERCIAL EXPERTISE)
- **Simon Allen** (COMMERCIAL EXPERTISE)
- **Bill Birnie** (COMMERCIAL EXPERTISE)

MBIE will be discussing the NZSPG with incoming Ministers and at that point will be looking at longer term appointments.





Alien: Covenant



For further information, please contact:

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P: section 9(2)(a) of the Official Information Act 1982]

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of the Official Information Act 1982]