



New Zealand
FILM COMMISSION



Te Tumu Whakaata Taonga

New Zealand Film Commission

Te Tumu Whakaata Taonga

Feature Film Post-Production Investment – Eligibility criteria and Guidelines for Applicants

September 2020

Please also refer to the COVID-19 Policy which may apply

You are encouraged to read these guidelines carefully as they set out important eligibility criteria and are intended to help you deliver the strongest application possible. Please also read the information resources (*Audience Engagement*, *New Zealand Content*, *Acceptable Private Investor Terms*, *NZFC Te Rautaki*) referred to in these guidelines and the *Terms of Trade* found on our website.



Introduction

The New Zealand Film Commission (NZFC) is committed to ensuring New Zealand has a successful screen industry. A big part of this is assisting exciting ideas to become great films.

We want to support projects that are distinctive, culturally significant, high impact and authentic.

Applicants are encouraged to consider diversity and inclusion as a reflection of Aotearoa New Zealand society. Applications with women in key creative roles are encouraged as are those that promote the authentic representation of Māori characters, stories, places, history and culture.

We are primarily interested in funding narrative or documentary feature films which are intended to screen theatrically and are no less than 80 minutes in length.

If you have an exciting project with a strong script, talented people involved, and a plan to get it in front of audiences, then we're interested in hearing from you.

Post-Production Financing overview

There is a limited amount of money for production financing and the aim is to spread approximately \$12 million across roughly 12 feature films a year. You will need other sources of finance to sit alongside NZFC investment to achieve 100% of your budget.

The amount of post-production financing you apply for should be in proportion to the budget and anticipated market/audience for your film. Even if your application is successful, you may not get as much financing as you apply for. The maximum the NZFC will invest in any one project is \$500,000, but that amount is the exception rather than the norm.

Post-production financing is provided as an equity investment, which means the NZFC will have a stake in the film and a recoupment and profit position commensurate with its investment. Like any investor, conditions will be attached to the investment, and the NZFC expects to be involved in certain decisions. Our end goal is the same as yours; to help make your film the best it can be. The conditions you will have to meet if the NZFC decides to invest in your project are set out in the NZFC *Terms of Trade* document (Terms of Trade) and any additional conditions will be discussed in advance with you and outlined in a conditional offer letter.

Post-production financing is discretionary, and decisions are final. Decisions will be consistent with these guidelines, the Terms of Trade and the New Zealand Film Commission Act 1978 (NZFC Act).

Who can apply

To be eligible for NZFC financing, you must:

- be a New Zealand citizen or permanent resident;

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- have a film at rough cut stage;
 - have a film with significant New Zealand content (as set out in the NZFC Act) or be an official co-production. Read the *New Zealand Content Information Sheet* for more details;
 - be the lead New Zealand producer for the project (this person cannot also assume the role of writer or director unless pre-approved);
 - have all, or the ability to obtain all, necessary rights to develop, produce and distribute the film; and
 - have provided all necessary documentation requested in these guidelines.

If your project is an official co-production, it must still have a proportion of significant New Zealand content and an experienced producer who is a New Zealand citizen or permanent resident. Find out more about co-productions on the NZFC website <http://www.nzfilm.co.nz/international-productions/co-productions>.

Formats

Post-Production financing is for narrative or documentary feature films which are intended to be screened theatrically and are not less than 80 minutes in length.

Formats that fall outside of the NZFC's core funding objectives are:

- Advertising programmes or commercials;
- News or current affairs programmes;
- Productions of a public event or live event, including sports events, stage plays, music concerts, dance performances or comedy shows; or
- Programmes primarily intended for television broadcast.

When to apply for Post-Production Financing

Post-Production financing is one of a number of options for getting support from the NZFC.

Available link – You must have an available link for NZFC staff and external assessors to view at a rough-cut stage. The Development and Production team can talk you through what this means.

Other submissions - A project cannot be submitted for post-production funding concurrently with an application for NZFC development funding.

Outstanding deliverables – if you have outstanding items for any NZFC funding, including for other projects, you may be ineligible to apply. Please contact NZFC staff in advance of an application in that instance.

Resubmission - The NZFC will not accept resubmissions of applications unless there have been significant changes and improvements since the previous application, these changes will need to be outlined in your application. Any project that has been declined twice cannot reapply without the



advance approval of the NZFC, which will only be considered if there is substantial change to the project.

Scale - If you're working on a large-scale project (with a budget over NZD\$2.5 million), you might want to consider whether you also qualify for the New Zealand Screen Production Grant. Find out more on the NZFC website www.nzfilm.co.nz/new-zealand/funding-and-support/new-zealand-screen-production-grant

Co-production - You can apply for post-production financing for a certified official co-production; that is, a joint project with someone in another country or 'territory' covered by a film treaty or agreement. You will need a producer in both places and each producer is expected to raise the finances that are intended to be spent in each place. Find out more about co-productions on our website www.nzfilm.co.nz/international-productions/co-productions

Post Production Funds - If you are looking for more than \$50,000, you need to apply for Post-Production financing, using these guidelines.

- If you've independently produced a feature film, you can apply for up to \$50,000 through the Feature Film Finishing Grant. Find out more on the NZFC website: <https://www.nzfilm.co.nz/funds/feature-film-finishing-fund>
- If you're working on a large-scale project, you may qualify for the Post, Digital and Visual Effects Grant, which is part of the New Zealand Screen Production Grant for International Productions. Find out more on our website www.nzfilm.co.nz/international-productions/incentives

How to apply

The eligible person must apply using the online application portal at <https://funding.nzfilm.co.nz/>. Search for 'Feature Film Post-Production Investment' and click 'New Application'. The form will take you step by step through the application process and prompt you to provide all the required information.

The deadlines for post-production financing applications to be submitted are published on the NZFC website (www.nzfilm.co.nz/funding/key-dates) and must be submitted by 1pm on the day. Late applications may not be accepted.

What we are looking for

Keep in mind hundreds of applications are received every year. Your application needs to make the best case for your project.

The amount you apply for should be in proportion to the budget and anticipated market/audience for your film. The NZFC wants to support a diverse range of films, but not all need or will get the same level of investment.



The producer must provide a complete finance plan for the project which matches the budget which is supported by documentation (as applicable) and must include but is not limited to:

- An acceptable distribution agreement/deal memo offer from an established theatrical distributor for a New Zealand release;
- An acceptable offer to represent the project for Rest of World (ROW) sales (see *Audience Engagement Plan Info Sheet*);
- Full documentation of your complete Chain of Title;
- Details of any third-party financiers including any letters of interest/ commitment with terms of their offer from those parties on their letterhead;
- Letter from a lender advising their terms for any finance elements that require to be cash-flowed;
- Letter from related parties outlining acceptable terms of reinvestment or deferral (no higher than 30% of any fee to be deferred or re-invested);
- Letter from a Completion Bond with reference to budget and schedule (applies to projects with NZFC investment over \$500,000 and/or budgets over \$1,000,000).

Applications for post-production financing which do not have a complete finance plan in place will not be accepted. All relevant documentation (letters of offer, deal memos and agreements including full documentation of your chain of title) must be supplied as part of your application for every financing element contained in your finance plan.

No additional information is able to be provided or considered, and all applicants are required to have a scheduled meeting with the Investment Executive at least one week in advance of the application due date.

Where a finance plan has unconfirmed financing from another government agency, timing on submissions and decision dates is required, and a plan how this gap would be filled if unsuccessful.

What to include in your application

The table on the following page sets out what you need to provide, and what will be looked for in your application material.

What you need to provide	What we are looking for
<p>Creative material</p> <p><i>Story, director and producer details.</i></p> <ul style="list-style-type: none"> ▪ A downloadable link; ▪ A logline that accurately reflects the story of the film in a couple of sentences; ▪ A short synopsis that accurately reflects the story of the film including the ending (max 250 words); ▪ One-page synopsis that accurately reflects the story of the film, including the ending; ▪ Director’s vision statement; ▪ Visual materials; ▪ Producer’s overview; ▪ Notes about the genre of the film; ▪ Evidence that you have considered the NZFC’s Te Rautaki and allowance for those considerations; and ▪ Material reflecting any diversity and inclusion factors the production is taking into account. 	<ul style="list-style-type: none"> • Is the film distinctive, culturally significant, high impact and authentic? • Will it reflect New Zealand and New Zealanders? • Is the film likely to achieve critical acclaim? • Is the film likely to achieve commercial success, attracting more audiences to New Zealand film? • Confirmation that any cultural considerations, protocols, and personnel relating to Māori interests have been actioned or reflected in planning.



What you need to provide	What we are looking for
<p>Finance plan and recoupment</p> <ul style="list-style-type: none">• Viable finance plan and details of any third-party financiers, which equals the amount of your budget;• Deal memos/letters of commitment from every other financier in the finance plan. All should be signed except offers from private investors, distributors and sales agents;• Percentage re-investment or deferral from related parties to be no higher than 30% of total fee;• A LOI from a Completion Bond (if applicable, see <i>Terms of Trade</i>), which makes reference to the budget, production schedule and script/treatment provided with your application;• Confirmation that NZSPG Provisional Application has been lodged (if applicable);• Recoupment structure (this determines to whom and in what order film income is distributed). This should detail the proposed recoupment waterfall, including profit share; and• If you are structuring your project as an official co-production, evidence that co-production certification documents have been lodged to all relevant countries/authorities.	<ul style="list-style-type: none">• Who else is providing financing and how strong is their commitment? A letter of interest from investors is expected, detailing the terms on which they will be providing funding (for example, the types of financing e.g. equity investment, loan, grant, sponsorship, deferrals, the recoupment position they would expect and any additional conditions of their financing).• Is the amount of financing from market sources, such as pre-sales and/or private gap/equity investment, relative to the prospects for the film?• Generally, the NZFC expects to recoup a share of its investment alongside other equity investors. Ensure your recoupment structure reflects the <i>Terms of Trade</i>.• Where applicable, this will include written evidence of arrangements with distributors and a sales agent. A signed deal at application stage is not recommended; an offer is preferable,• Request for waiver of historical NZFC development finance and conversion to producer equity must be done at time of application for funding and reflected in the submitted finance plan.





What you need to provide	What we are looking for
<p data-bbox="188 383 635 450">Audience engagement plan and market partners</p> <ul data-bbox="240 479 683 1070" style="list-style-type: none"><li data-bbox="240 479 647 584">• A credible plan setting out the audience and how you will reach them;<li data-bbox="240 595 676 808">• All projects require a New Zealand distribution agreement/deal memo offer from an established theatrical distributor which includes a commitment to a New Zealand release;<li data-bbox="240 819 683 958">• For films with a budget greater than \$1million, you will need an international sales agent agreement/deal memo offer; and<li data-bbox="240 969 660 1070">• All feature documentaries require both a domestic and international commitment.	<ul data-bbox="794 367 1246 1599" style="list-style-type: none"><li data-bbox="794 367 1214 472">• How will this contribute to getting more audiences to New Zealand films?<li data-bbox="794 483 1238 663">• Does the plan describe the audience for your film and how to reach them? See the <i>Audience Engagement Plan information sheet</i> for the minimum requirements.<li data-bbox="794 674 1241 779">• What is the anticipated New Zealand box office and income from ancillary markets such as TV, VOD, DVD?<li data-bbox="794 790 1246 969">• Who is the New Zealand distributor? What distribution plans do they have for the film? What are their terms? How much is their P&A commitment?<li data-bbox="794 981 1225 1115">• Do you have a sales agent? What is their sales strategy for the film? What are their terms? What are their sales estimates?<li data-bbox="794 1126 1198 1193">• Is there a domestic broadcaster? What is their licence fee?<li data-bbox="794 1205 1238 1272">• Are the rights of the sales agent, distributor and broadcaster aligned?<li data-bbox="794 1283 1174 1384">• Are you aiming for a festival screening? What is the festival strategy to reach this goal?<li data-bbox="794 1395 1246 1599">• Where applicable, this will include written evidence of arrangements with distributors and a sales agent. A signed deal at application stage is not recommended; an offer is preferable.





What you need to provide	What we are looking for
<p>Budget and schedule</p> <ul style="list-style-type: none">• Production budget top-sheet and one copy of the full production budget;• Proposed overall post-production schedule. The schedule should include adequate time to conclude contracting (six weeks to three months depending on the complexity and number of parties involved in the project) and allowance for a test screening (see the <i>Terms of Trade</i>).	<ul style="list-style-type: none">• Is the budget relative to the anticipated audience for the film?• Can the film be achieved with the proposed budget and methodology?• Does it allow for the specific Film Commission costs and requirements listed in the <i>Terms of Trade</i>?• Is the production schedule realistic?• Please note that all budgets will be reviewed to ensure they adequately cover all elements and an independent budget assessment may be commissioned.• Your budget includes as applicable: clearance of all rights in the film worldwide in all media in perpetuity; customary production insurance (including Errors & Omissions insurance (E&O)); adequate legal costs; adequate delivery materials (including NZFC Materials); provision for a completion bond, if applicable; and a minimum of 10% below the line of contingency.• Your budget includes marketing material minimums as reflected in market agreements for elements such as closed captions, test screening DCP, export script, EPK, production stills and publicist. You do not need to include poster and trailer costs in your budget, provided you have written confirmation that your distributor or sales agent will cover these costs, as stipulated in the NZFC COVID-19 Policy (please refer to Marketing and Publicity section).• All development costs must be reflected in the production budget.





What you need to provide	What we are looking for
<p>Key personnel</p> <ul style="list-style-type: none">• Details of key personnel attached to the film, including a short bio and a filmography of relevant screen credits; and• Details of proposed key cast and plans to confirm.	<ul style="list-style-type: none">• Will this project develop the careers of the New Zealand film makers involved?• Are the producer and director experienced enough?• If your budget is above \$1 million:<ul style="list-style-type: none">a) producers will need a proven track-record in producing feature films, short films, high-end television drama and/or commercials.b) directors will need a proven track record in short films, high-end television drama and/or commercials.• For lower budget films, producers and directors may have less experience, but at least have a proven track-record in short films, television drama and/or commercials.• Documentary producers need a proven track record in producing high quality long form documentary work or have produced a feature film.• Documentary directors need a track record of high-quality film and/or television production.• What will other key crew bring to the project?





What you need to provide	What we are looking for
<p>Other NZFC projects</p> <ul style="list-style-type: none">• Details of any projects in active development with the NZFC (project title and its involvement); and• If there are any outstanding reports or deliverables relating to those other projects, or any other NZFC grants, loans or equity, they should be delivered before, or alongside, this application.	<ul style="list-style-type: none">• What is your background with the Film Commission?• What's happened as a result of any previous support? To be accountable for the taxpayers' money, the NZFC has to be able to certify what has happened as a result of any loan/grant.• Are you up to date with all your obligations?

Please Note

- All applications are made at the applicant's own risk. The NZFC is not liable for any loss, damage or costs arising directly or indirectly from the application process, the NZFC's decision not to provide an offer of financing, or from dealing with the application in any manner.
- The NZFC will not pay any financing until it has received a fully executed copy of the Production Funding Agreement and then only provided that any conditions precedent have been satisfied (or where applicable, waived, in writing) by the NZFC.
- The NZFC is subject to and bound by the provisions of the Official Information Act 1982 and is required to treat any request for information under the Official Information Act 1982 in accordance with the provisions of that enactment.
- These post-production financing guidelines set out how to apply and qualify for the NZFC's discretionary post-production financing. They are not connected to those of the New Zealand Screen Production Grant (NZSPG). The NZSPG is administered by a separate team within the NZFC on behalf of the Ministry for Culture and Heritage and the Ministry of Business, Innovation and Employment. The NZSPG team operates to separate criteria and timelines.
- If you are structuring the finance of your feature film project to include the NZSPG it is critical that you review in detail what makes a project eligible for NZSPG, how the process of qualifying for the grant works and how long it takes.
- You may wish to consider seeking expert advice regarding the details of the film's ability to qualify for the NZSPG.
- The NZSPG details can be found on the NZFC website www.nzfilm.co.nz/new-zealand/funding-and-support/new-zealand-screen-production-grant and enquiries can be directed to nzspg@nzfilm.co.nz, or to the Incentives Executive on +64 4 382 7680.





What happens to your application

Once your application is received it will be checked for eligibility in line with these guidelines. You may be asked to supply additional material or information and you will have 24 hours to supply any outstanding documents or information. If you are informed that your application still does not meet requirements, it will be deemed ineligible for this funding round. Incomplete applications will be considered ineligible.

If your application is eligible, your application will then be reviewed by members of the senior management team at the NZFC. After reviewing the material, if they think your proposal needs more work or is not the sort of project the NZFC would consider, you will be asked to withdraw your application.

If they think your application has the potential to proceed, NZFC staff may want to talk to you about any further aspect of your project.

Filmmaker letters will clearly set out whether staff advise that the project is withdrawn. In this circumstance, applicants have the right to ask that their project is put forward to the Board without a staff recommendation.

Filmmaker meetings will be arranged for the purpose of providing feedback, but no further written material will be accepted. Until further notice, all filmmaker meetings, if required, will be held via video-conference.

The NZFC engages a range of local and international individuals who have various specialisations across the areas of development, finance, production and/or film licencing of screen content (External Assessors).

While some of these individuals specialise in specific areas (for example documentary, animation, interactive projects), all External Assessors provide a useful and an independent perspective on funding applications to NZFC staff.

Where relevant, an additional assessor with appropriate cultural knowledge and/or experience associated with an under-represented community may be engaged to provide valuable objective insight (Cultural Assessor). For example, if your project has Māori content or characters, the NZFC will seek an independent perspective considering Te Rautaki Māori guidelines.

Please note that by submitting your application for funding from the NZFC, you acknowledge and agree that your application may be reviewed by external assessors, and you also accept that the identify of any particular assessor(s) used to assess your application will be kept strictly confidential to the NZFC and will not be released.

For the current list of External Assessors please visit the [NZFC website](#) and declare any Conflicts of Interest you may have.

Assessors for business and slate schemes may be publicly known (this includes BOOST and BOOST



UP). For this reason their names may not be on the website at the time of application. Conflicts of interest will only apply in situations where the assessor is a names beneficiary or key person attached to a project or a related business entity to the applicant.

All this information, including any conversations with you, will be taken into account alongside your formal application when it is decided whether or not to submit a positive recommendation to offer financing to the project, to the NZFC Board.

Any recommendation made to the Board will include a summary of your application including key information and staff assessment. The NZFC Board makes the final decisions on whether the NZFC will make an offer of production financing to your project. All NZFC Board decisions are final.

All applications are made at the applicant's own risk. The NZFC is not liable for any loss, damage or costs arising directly or indirectly from the application process, the NZFC's decision not to provide an offer of financing, or from dealing with the application in any manner.

The NZFC will use reasonable efforts to maintain the confidentiality of the information provided by the applicant. Please note that any information you provide to the NZFC is subject to Official Information Act 1982 (OIA) requests. In processing a request under the OIA, the NZFC will consult with the relevant applicant prior to making a decision to release or withhold any information.

Next steps

NZFC staff will let you know the outcome by phone or email within one working day of the NZFC Board's decision.

If the NZFC Board decides to offer post-production financing, a conditional offer of post-production financing will be made, the conditions of which will be detailed in a letter to you (Conditional Offer Letter). The *Terms of Trade*, will apply to the conditional offer of post-production financing also. The Conditional Offer Letter will be superseded by the NZFC's Production Funding Agreement (PFA) if applicable.

Conditional post-production financing offers are valid for approximately four months. During this time, you must satisfy all pre-closing conditions set out in the Conditional Offer Letter and accordance with the *Terms of Trade*, otherwise the offer will expire. If requested, it may be possible to have an extension of up to a further two months, provided significant progress has been made in meeting the conditions of the offer.

Formal contracts must be entered into with the NZFC before any post-production financing is released. The financial contracting stage, which is referred to as "closing", can take between six weeks to three months, depending on the complexity and number of parties involved with your project, and must be built into your production schedule. During this period, you and your lawyer



need to lead the process to ensure all conditions are met and all required documents and information are provided.

The NZFC may terminate its offer if closing is not completed by the date set out in the offer letter, which is usually six months from the Board meeting offering investment. The NZFC requires certain approvals including in relation to terms of all other financing, identity and terms of sales agent, distributors, key production and financial documentation. The NZFC may withdraw any offer of financing if it has reasonable concerns relating to the terms of any third-party finance.

Once the Conditional Offer Letter has been fully signed, details of the successful projects (including the title of the project, the key creatives/personnel involved and the fact that a conditional offer has been made to this project - but not the amount of financing that has being offered) will be published via the NZFC newsletter, on the NZFC website and in the annual report. Once the film has completed the closing process, the existing information will be updated with the amount of NZFC financing.

Remember, you are welcome to contact the Development and Production team at any time to discuss your application.

Email production@nzfilm.co.nz or phone 0800 659 754.

You can find more background on some topics on information sheets on the NZFC [website](#), including [Chain of Title](#), [New Zealand Content](#), [Audience Engagement](#) and [Distributors and Sales Agents](#).

CHANGE LOG:

Updated 12 December 2019 to add information about the External Assessor process for Production and Development funding.

CHANGE LOG: Updated 30 April 2020 to incorporate changes to re-application requirements, the acceptance of additional documentation after the due date and additional information about External Assessors.

CHANGE LOG: Updated 3 September 2020 to incorporate changes to marketing and publicity budget requirements and to add information about the Official Information Act 1982 (OIA).