



**New Zealand  
FILM COMMISSION**



Te Tumu Whakaata Taonga

**New Zealand Film Commission**

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**Feature Film Production  
Investment – Eligibility criteria and  
Guidelines for Applicants**

July 2019

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We encourage you 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.

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## 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.

## Production Financing overview

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

The amount of financing you apply for from us should reflect the budget and anticipated revenue projections for your film. Typically, we will invest no more than \$2 million per project, but that amount is the exception rather than the norm.

We provide production financing as an equity investment, which means we will have a stake in the film and a recoupment and profit position commensurate with our investment. Like any investor, we will attach conditions to our investment, and we will expect 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 we decide 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.

Production financing is discretionary and our decisions are final. Our 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;





- have a film with significant New Zealand content (as set out in the **NZFC Act**) or be an official co-production. Read our *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 our website <http://www.nzfilm.co.nz/international-productions/co-productions>.

## Formats

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 we consider fall outside of our 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 Production Financing

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

**Production ready** - You must have a production-ready script or documentary treatment, a viable finance plan and a producer with a proven track record. If you're not at this point yet, you might want to consider applying for development financing. Find out more on our website [www.nzfilm.co.nz/funding/feature-films](http://www.nzfilm.co.nz/funding/feature-films)

**Other submissions** - [A project cannot be submitted for 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 us in advance of an application in that instance.

**Resubmission** - The NZFC will not accept resubmissions of applications unless there has been significant changes and improvements since the previous application, these changes will need to be outlined in your application.

**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 our website [www.nzfilm.co.nz/new-zealand/funding-and-support/new-zealand-screen-production-grant](http://www.nzfilm.co.nz/new-zealand/funding-and-support/new-zealand-screen-production-grant)

**Post-production** - If you've completed filming but need some money for post-production, consider the Feature Film Finishing Grant (up to \$50,000) or post-production financing (if you need more than \$50,000). Find out more at [www.nzfilm.co.nz/funding/feature-films/post-production-funding](http://www.nzfilm.co.nz/funding/feature-films/post-production-funding).

**Co-production** - You can apply for 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](http://www.nzfilm.co.nz/international-productions/co-productions)

**Letter of Interest** – If you have a market package, but are not ready for a full production financing application, you may request a Letter Of Interest from NZFC. You will need to submit a full application for consideration, but noting elements of the finance plan yet to be confirmed and also you must supply a plan to attach any remaining key elements. It's important to note that a LOI is neither a prerequisite for an application for production financing, nor a commitment from the NZFC to invest in a project.

## How to apply

The eligible person must apply using the online application portal at <https://funding.nzfilm.co.nz/>. Search for 'Feature Film 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 information we require.

If you are using the online application portal for the first time you will need to sign up for a new account. Be aware there can be up to a 24 hour wait while we set up your account however, in most cases the wait will be much shorter.

The deadlines for production financing applications to be submitted are published on our website ([www.nzfilm.co.nz/funding/key-dates](http://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 we read hundreds of applications 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. We want 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*);
- 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/s of Interest on agent or representation letterhead for any named key talent; and
- 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 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) must be supplied as part of your application for every financing element contained in your finance plan.

Where a finance plan has unconfirmed financing from another government agency, we require timing on submissions and decision dates, 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 we will be checking for in your application material.



What you need to provide	What we are looking for
<p data-bbox="204 376 400 405"><b>Creative material</b></p> <p data-bbox="204 434 600 463"><i>Story, Director and Producer details.</i></p> <ul data-bbox="256 492 719 1337" style="list-style-type: none"><li data-bbox="256 492 719 555">▪ A ‘production-ready’ script or documentary treatment;</li><li data-bbox="256 562 719 667">▪ A logline that accurately reflects the story of the film in a couple of sentences;</li><li data-bbox="256 674 719 779">▪ A short synopsis that accurately reflects the story of the film including the ending (max 250 words);</li><li data-bbox="256 786 719 891">▪ One-page synopsis that accurately reflects the story of the film, including the ending;</li><li data-bbox="256 898 719 927">▪ Director’s vision statement;</li><li data-bbox="256 934 719 963">▪ Visual materials;</li><li data-bbox="256 969 719 999">▪ Producer’s overview;</li><li data-bbox="256 1005 719 1077">▪ For a documentary application, any supporting footage;</li><li data-bbox="256 1084 719 1113">▪ Notes about the genre of the film;</li><li data-bbox="256 1120 719 1225">▪ Evidence that you have considered NZFC Te Rautaki and allowance for those considerations; and</li><li data-bbox="256 1232 719 1337">▪ Material reflecting any diversity and inclusion factors the production is taking into account.</li></ul>	<ul data-bbox="810 360 1262 1066" style="list-style-type: none"><li data-bbox="810 360 1262 577">• Is the film distinctive, culturally significant, high impact and authentic? Is the script or documentary treatment production-ready? Our team can talk you through what this means.</li><li data-bbox="810 584 1262 689">• Is the film culturally significant? Will it reflect New Zealand and New Zealanders?</li><li data-bbox="810 696 1262 768">• Is the film likely to achieve critical acclaim?</li><li data-bbox="810 775 1262 880">• Is the film likely to achieve commercial success, attracting more audiences to New Zealand film?</li><li data-bbox="810 887 1262 1066">• Confirmation that any cultural considerations, protocols and personnel relating to Māori interests have been actioned or reflected in planning.</li></ul>



What you need to provide	What we are looking for
<p><b>Finance plan and recoupment</b></p> <ul style="list-style-type: none"> <li>• Viable finance plan and details of any third-party financiers, which equals the amount of your budget;</li> <li>• Deal memos/letters of commitment from <b>every</b> other financier in the finance plan. All should be signed except offers from private investors, distributor's and sales agents;</li> <li>• Percentage re-investment or deferral from related parties to be no higher than 30% of total fee;</li> <li>• A LOI from a Completion Bond (if applicable, see Terms of Trade), which makes reference to the budget, production schedule and script/treatment provided with your application;</li> <li>• Confirmation that NZSPG Provisional Application has been lodged (if applicable);</li> <li>• 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</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Who else is providing financing and how strong is their commitment? We expect to see a letter of interest from investors 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).</li> <li>• 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?</li> <li>• Generally, we expect to recoup a share of our investment alongside other equity investors. Ensure your recoupment structure reflects the <i>Terms of Trade</i>.</li> <li>• Where applicable, this will include written evidence of arrangements with distributors and a sales agent. We do not recommend a signed deal at application stage, an offer is preferable,</li> <li>• 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.</li> </ul>



What you need to provide	What we are looking for
<p><b>Audience engagement plan and market partners</b></p> <ul style="list-style-type: none"><li>• A credible plan setting out the audience and how you will reach them;</li><li>• 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><li>• For films with a budget greater than \$1million, you will need an international sales agent agreement/deal memo offer; and</li><li>• All feature documentaries require both a domestic and international commitment.</li></ul>	<ul style="list-style-type: none"><li>• How will this contribute to getting more audiences to New Zealand films?</li><li>• 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><li>• What is the anticipated New Zealand box office and income from ancillary markets such as TV, VOD, DVD?</li><li>• Who is the New Zealand distributor? What distribution plans do they have for the film? What are their terms? How much is their P&amp;A commitment?</li><li>• Do you have a sales agent? What is their sales strategy for the film? What are their terms? What are their sales estimates?</li><li>• Is there a domestic broadcaster? What is their licence fee?</li><li>• Are the rights of the sales agent, distributor and broadcaster aligned?</li><li>• Are you aiming for a festival screening? What is the festival strategy to reach this goal?</li><li>• Where applicable, this will include written evidence of arrangements with distributors and a sales agent. We do not recommend a signed deal at application stage, an offer is preferable.</li></ul>





What you need to provide	What we are looking for
<p><b>Budget and schedule</b></p> <ul style="list-style-type: none"><li>• Production budget top-sheet and one copy of the full production budget;</li><li>• Proposed overall production schedule. The production 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>); and</li><li>• Draft shooting schedule for narrative features.</li></ul>	<ul style="list-style-type: none"><li>• Is the budget relative to the anticipated audience for the film?</li><li>• Can the film be achieved with the proposed budget and methodology?</li><li>• Does it allow for the specific Film Commission costs and requirements listed in the <i>Terms of Trade</i>?</li><li>• Is the production schedule realistic?</li><li>• Please note that we will review all budgets to ensure they adequately cover all elements and we may commission an independent budget assessment.</li><li>• Your budget includes as applicable: clearance of all rights in the film worldwide in all media in perpetuity; customary production insurance (including Errors &amp; Omissions insurance (<b>E&amp;O</b>)); 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.</li><li>• Your budget includes marketing material minimums as reflected in market agreements for poster and trailer and other marketing and release elements such as closed captions, test screening DCP, export script, EPK, production stills and publicist.</li><li>• All development costs must be reflected in the production budget.</li></ul>





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





What you need to provide	What we are looking for
<p><b>Other NZFC projects</b></p> <ul style="list-style-type: none"><li>• Details of any projects in active development with us (project title and NZFC involvement); and</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• What is your background with the Film Commission?</li><li>• What's happened as a result of our previous support? To be accountable for the taxpayers' money entrusted to us, we have to be able to certify what has happened as a result of any loan/grant.</li><li>• Are you up to date with all your obligations?</li></ul>

## 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 production financing guidelines set out how to apply and qualify for the NZFC's discretionary 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.



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- You may wish to consider seeking expert advice regarding the details of the films ability to qualify for the NZSPG.
  - The NZSPG details can be found on our website [www.nzfilm.co.nz/new-zealand/funding-and-support/new-zealand-screen-production-grant](http://www.nzfilm.co.nz/new-zealand/funding-and-support/new-zealand-screen-production-grant) and enquiries can be directed to [nzspg@nzfilm.co.nz](mailto:nzspg@nzfilm.co.nz), or to the Incentives Executive on +64 4 382 7680.

## What happens to your application

Once we receive your application we will check it for eligibility in line with these guidelines. If we contact you to supply additional material or information, you will have 24 hours to supply any outstanding documents or information to us. If we inform you that your application still does not meet requirement 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 we think your proposal needs more work or is not the sort of project we would consider, we will ask you to withdraw your application.

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

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.

We will check with you that the group of potential independent assessors have no conflict of interest with you or the project, and you'll get an anonymised copy of the assessment.

We will take all this information, including our conversations with you, into account alongside your formal application when we decide whether or not to submit a positive recommendation to offer financing to the project, to the NZFC Board.

Any recommendation we make to the Board will include a summary of your application including key information and our 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.

## Next steps

We 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 production financing, we will make you a conditional offer of production financing, 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 production financing also. The Conditional Offer Letter will be superseded by the NZFC's Production Funding Agreement (**PFA**) if applicable.

Conditional 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 our 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 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.

We may terminate our 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, we will publish via our NZFC newsletter, on the NZFC website and in our annual report 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). Once the film has completed the closing process, we will then update the existing information with the amount of NZFC financing.

Remember, you are welcome to contact us at any time to discuss your application.

Email [production@nzfilm.co.nz](mailto:production@nzfilm.co.nz) or phone 0800 659 754.

You can find more background on some topics on information sheets on our website, including Chain of Title, New Zealand Content, Audience Engagement and Distributors and Sales Agents.

CHANGE LOG: Updated 19 July 2019 to clarify application requirements and remove references to NZFC Statement of Intent for 2017-2021. The NZFC will now include an offer of investment termination clause where closing has not been completed by a specified date.