



**New Zealand  
FILM COMMISSION**



Te Tumu Whakaata Taonga

# New Zealand Film Commission Te Tumu Whakaata Taonga Screen Production Recovery Fund Guidelines for Applicants

August 2020

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You are encouraged to read these guidelines carefully as they set out important eligibility and assessment criteria and are intended to help you deliver the strongest application possible.

If you have any questions regarding these guidelines and your application, please email [screenrecovery@nzfilm.co.nz](mailto:screenrecovery@nzfilm.co.nz)

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**Please also refer to the [NZFC COVID-19 Policy](#)**

## **Introduction:**

The New Zealand Film Commission Te Tumu Whakaata Taonga (NZFC, we, our) is committed to ensuring New Zealand has a successful screen industry. We want to empower and attract distinctive and diverse screen productions and support stories that are high impact, authentic and culturally significant.

When New Zealand entered Alert Level 2 on 21 March 2020, many NZFC-funded and New Zealand Screen Production Grant (NZSPG) productions were suspended. These projects included long and short form productions, television and film; and were in various stages of production: financing or pre-production, filming and post-production.

The impact of COVID-19 and the losses and hardships experienced by the New Zealand screen industry as a result of COVID-19 is significant. The NZFC is here to assist the screen industry to adapt and recover from the economic and related effects of the pandemic.

## **Screen Production Recovery Fund Overview**

On 1 July 2020, the New Zealand Government announced the Screen Sector Recovery Package. This package includes \$13.4M to support NZFC-funded and NZSPG – New Zealand productions that have been shut down, delayed or otherwise impacted by COVID-19 restrictions.

The Screen Production Recovery Fund (the Fund) is managed by the NZFC and will support selected individual screen productions to be completed, delivered and screened, help rebuild the New Zealand screen industry and ensure that New Zealand stories continue to reach audiences.

The Fund is available for applications from long form and short film productions that require additional funding to cover expenses whether incurred or reasonably anticipated resulting from the interruption to production caused by COVID-19. It will seek to assist selected productions to return to their respective stages of production, COVID-19 restrictions permitting.

The NZFC reserves the right at any time to review and vary the conditions of the guidelines.

## How the NZFC will make a decision

The Fund is a special purpose discretionary fund that has been established to respond to significant disruption caused by COVID-19. The Fund will be administered entirely at the discretion of the NZFC. For the avoidance of doubt, when applying for Funding, you acknowledge that your eligibility for Funding, and the quantum of Funding you are granted, will be determined solely by the NZFC.

The NZFC will assess each application in context and on its merits. In addition to the eligibility criteria and the criteria in these guidelines, the NZFC may also have regard, as appropriate to the application, to the purpose of the Fund, the number of current applications, the future pipeline of applications, other support available and any other matter that the NZFC considers is relevant in all of the circumstances.

For the avoidance of doubt, even in circumstances in which you can demonstrate you are eligible for Funding, you acknowledge that there is no certainty of Funding (whether in whole or in part), and no obligation on the part of the NZFC, to pay the full (or any) amount of Funding for which you may be eligible.

In all cases, the decision of the NZFC is final.

## We are here to help

These guidelines are intended to help you deliver the strongest application possible. It is recommended you discuss your application with the NZFC if you have any questions.

To contact us regarding this Fund, please email [screenrecovery@nzfilm.co.nz](mailto:screenrecovery@nzfilm.co.nz).

## Eligibility criteria

To be eligible to apply to the Fund for financial assistance (Funding), a production must:

- a) not, in the NZFC's opinion, have been abandoned and must, in the NZFC's opinion, have a reasonable likelihood of being completed; and
- b) fall within one of the following three categories:

### **Contracted Productions**

*Productions that have incurred additional costs due to COVID-19 restrictions.*

- As at 21 March 2020, applicants must have received a signed funding agreement with the NZFC for discretionary funding, including a locked finance and recoupment plan; AND/OR
- As at 21 March 2020, applicants must have been issued with a provisional certificate for NZSPG – New Zealand and have started Principal Photography (as that term is defined in the NZSPG – New Zealand).

### **Committed Productions**

*Productions that need to re-budget due to anticipated additional costs as a result of COVID-19.*

- As at 21 March 2020, applicants must have received a letter of conditional offer from the NZFC for discretionary funding; AND/OR
- As at 21 March 2020, applicants must have been issued with a provisional certificate for NZSPG – New Zealand.

### **New Productions**

*Projects commencing production post March-June lockdown that may have additional costs as a result of COVID-19.*

- Applicants must receive a letter of conditional offer from the NZFC for discretionary production funding between 21 March and 31 December 2020; AND/OR
- Applicants must have received an NZSPG – New Zealand provisional certificate between 21 March and 31 December 2020.

The NZFC has \$13.4M for the Fund. Please note that when assessing applications, it is the NZFC's expectation that priority will be given to Contracted Productions and

Committed Productions, nevertheless, the NZFC retains an absolute discretion as to how to allocate this fund.

## Who can apply

**For NZFC-funded contracted productions:** The applicant must be the Special Purpose Vehicle (SPV) established solely to make the production in New Zealand.

**For NZFC-funded committed and new productions:** The applicant must be the SPV or the relevant party to the conditional offer for NZFC funding.

**For short films:** The applicant must be the same person who has applied for NZFC discretionary funding.

**For NZSPG - New Zealand productions:** The applicant must be the NZSPG applicant.

For productions that have received or been offered NZFC funding and have been issued with a NZSPG- New Zealand provisional certificate, the applicant must be the same person who has applied for NZFC discretionary funding.

## What you can apply for

Funding is available for additional COVID-19 related costs incurred or reasonably anticipated in respect of pre-production, production, post-production, delivery and release. This includes, but is not limited to:

- Un-budgeted production expenditure
- Close-down and set-up costs
- Refinancing
- Additional travel costs
- Discharging and re-acquiring contractors
- Contractual increases
- Striking and storing sets
- Additional interest payments

In each case not covered by insurance.

Note any related party transactions will be carefully reviewed to ensure that they are commercially reasonable. If the NZFC considers that a related party transaction is not commercially reasonable the NZFC may decline Funding or may make adjustments to reflect the NZFC's view of commercially reasonable terms.

## What you cannot apply for

You may not apply for:

- Costs covered by other Government support mechanisms (including the wage subsidy)
- Costs covered by NZSPG – New Zealand
- Costs already funded by third party financiers or investors
- Costs covered by insurance
- Costs related to productions that are abandoned
- Bond fees
- Costs that could reasonably be covered by adjustments to the budget or production plan, or by accessing the contingency or could otherwise be mitigated
- Gifts, hospitality and gratuities
- Capital equipment purchases

## Screen Production Recovery Fund Conditions

If you are successful in applying for Funding, as a condition of receipt of Funding the NZFC may require you to enter into an agreement, or a variation to an existing agreement, with NZFC, on terms to be determined by the NZFC (Funding Agreement).

If you intend to seek the NZSPG – New Zealand grant in respect of additional COVID-19 related costs which qualify as QNZPE, the Funding related to these costs need to be repaid to the Fund.

On delivery of the production, you will be required to provide a cost report to the NZFC detailing how the Funding you received was spent on COVID-19 related expenses. The NZFC reserves the right to audit your expenses and productions will be required to return any Funding to the NZFC that:

- relate to expenses that have been funded by NZ On Air or another government agency in some other manner;
- you recover from another source such as insurance or a completion guarantee;
- has been spent on expenses that are not COVID-19 related;
- has been spent on expenditure that was not included in your application for Funding and you have not obtained the NZFC's prior approval to apply the Funding to that expenditure; or

- has not been spent.

## What to include in your application

You must include the following in your application:

### Contracted productions

- A cost report detailing all costs incurred as at the date of your application
- A current balance sheet (*not required for short films*)
- A revised production budget detailing all proposed variations to the original budget
- A written explanation (1-2 pages) of the impacts to your budget lines and how you have calculated your COVID-19 related costs
- An updated cashflow and drawdown schedule incorporating proposed COVID-19 cashflow
- Details around cashflowing of COVID-19 related costs to date including loans and deferments. This is to include a proposed finance plan and written agreements around any additional investment
- All other sources of funding sought, including insurance and government support (e.g. wage subsidies) and their status
- For NZFC-funded productions, a proposed production schedule that includes all NZFC requirements to full delivery (as per the NZFC Terms of Trade)
- Evidence to support any cast or crew border exemptions required to complete your film (if applicable)
- A warranty that the production will comply with relevant COVID-19 requirements as per Ministry of Health and Government directives. Refer to the [ScreenSafe COVID-19 Health and Safety Protocols](#)
- Evidence that any delay of delivery date has been agreed to by all market partners, financiers and bond (if applicable)
- Evidence that the production has continued its insurance cover
- Evidence that the production will be completed

**Committed productions**

- Details regarding the funding you have been offered (e.g. Conditional Offer Letter, NZSPG – New Zealand provisional certificate)
- A cost report detailing all costs incurred as at the date of your application
- A current balance sheet (*not required for short films*)
- A revised production budget that includes COVID-19 contingency (that is, a budget for additional costs as a result of COVID-19 preparedness)
- An updated cashflow and drawdown schedule incorporating proposed COVID-19 cashflow
- Details around cash-flowing of COVID-19 related costs to date including loans and deferrals
- A written explanation (1-2 pages) of the impacts to your budget lines and how you have calculated your COVID-19 contingency
- A revised production schedule to include all NZFC requirements to full delivery
- Evidence to support any cast or crew border exemptions required to complete your film (if applicable)
- A warranty that the production will comply with relevant COVID-19 requirements as per Ministry of Health and Government directives. Refer to the [ScreenSafe COVID-19 Health and Safety Protocol](#)
- Evidence that the production will be completed

**New productions**

- Details regarding the funding you have applied for and date of application
- A production budget that includes COVID-19 contingency (that is, a budget for additional costs as a result of COVID-19 preparedness)
- Your current cashflow and drawdown schedule incorporating proposed COVID-19 cashflow
- A written explanation (1-2 pages) of the anticipated impacts to the production and how you have calculated your COVID-19 contingency
- A revised production schedule (if required) to include all NZFC requirements to full delivery
- Evidence to support any cast or crew border exemptions required to complete your film (if applicable)



- A warranty that the production will comply with COVID-19 requirements as per Ministry of Health and Government directives. Refer to the [ScreenSafe COVID-19 Health and Safety Protocols](#)
- Evidence that the production will be completed

## What we are looking for

Once your application is deemed eligible, it will be assessed against the following:

### Contracted Productions

- Additional costs and detrimental impact on the production as a result of COVID-19 are clearly identified
- The application shows that the production has already sought to cover COVID-19 related additional costs via insurance policies **OR** provides an explanation as to why these costs have not been sought from insurance policies
- The application shows that all other options such as completion bond claim, insurance and government assistance have been exhausted
- Evidence that the increased costs incurred cannot reasonably be covered by adjustments to the existing budget or production plan
- The applicant demonstrates that the plan to deliver the film is realistic and to the same level as what was originally contracted

### Committed Productions

- The applicant clearly identifies the anticipated additional costs to the production as a result of COVID-19 and how these have been calculated
- Evidence is provided that shows the proposed increased costs cannot reasonably be covered by adjustments to the existing budget or production plan
- The application shows that a COVID-19 contingency has been added to the finance plan
- The applicant demonstrates that the plan to deliver the film is realistic and is to the same level as what has received a conditional offer

### New Productions

- The applicant clearly identifies the anticipated additional costs to the production as a result of COVID-19 and how these have been calculated

- Evidence is provided that shows the proposed increased costs cannot reasonably be covered by adjustments to the existing budget or production plan
- The application shows that a COVID-19 contingency has been added to the finance plan
- The application clearly notes which costs are essential for COVID-19 preparedness to deliver and which costs are anticipatory of a COVID-19 event

## How to apply

The applicant must apply using the online application portal at <https://funding.nzfilm.co.nz/>. Search for 'Screen Production Recovery Fund' and click 'New Application'. The form will take you step by step through the application process and prompt you to provide all the information required.

There is no set deadline for applications, and you may apply at any time. The NZFC advise that you apply as soon as possible given that Funding is limited. Incomplete or ineligible applications will not be considered.

## What happens to your application

Once the application is received, it will be checked for eligibility in line with the Eligibility Criteria in these guidelines. If the application does not meet these requirements it will be deemed ineligible and the applicant will be notified.

If the application is eligible, it will be assessed against the criteria outlined in these guidelines.

Applications up to \$100,000 will be assessed by the NZFC Chief Executive Officer on recommendation from NZFC Senior Staff.

Applications over \$100,000 will be assessed by a sub-committee comprising of representatives of the NZFC Board, unless there are policy issues in which case it will be considered by the NZFC Board.

Please note that by submitting your application to the NZFC, you acknowledge and agree that your application may be reviewed by an External Assessor.

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 the information.

## **Next steps**

You may be contacted if we require further information regarding your application.

The NZFC will aim to advise applicants of the final decision no later than six weeks after the NZFC receives a complete application.

If your application is unsuccessful you will be notified by email

If an application is successful, the applicant will receive a letter from the NZFC detailing our offer of funding and outlining any conditions.

Please note that all decisions are final.

A final reminder that if you have any questions please contact us by email at [screenrecovery@nzfilm.co.nz](mailto:screenrecovery@nzfilm.co.nz)