



Te Puna Kairangi

Premium Productions Fund

Premium Contingency Fund

He Aratohu mā ngā Kaitono Guidelines for Applicants

December 2022

Īmera mai, mēnā he pātai tāu.

If you have any questions, please e-mail the fund premiumfund@nzfilm.co.nz



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- A detailed list of documentation required to make an application can be found in the ***PREMIUM CONTINGENCY FUND SUBMISSION CHECKLIST***.
- The core conditions of the Premium Fund are set out in the ***PREMIUM FUND TERMS OF TRADE***.



KUPU WHAKATAKI - INTRODUCTION

The Premium Contingency Fund ('the **Fund**') is a special purpose discretionary fund that has been established to respond to unforeseen challenges to Premium Productions. The Fund will be administered at the discretion of Te Tumu Whakaata Taonga New Zealand Film Commission ('**NZFC**').

The Fund will support Premium Productions in unexpected circumstances and to avoid abandonment, where the Extended Screen Production Recovery Fund (referred to here as '**XSPRF**'), indemnity, insurance, completion bond, other Government support mechanisms or any other funding source (including third party financiers or investors) are not sufficient to manage unexpected budget overages.

Applications to the Fund must be made through the NZFC's online portal unless otherwise advised.

Background

In September 2021 the Government announced a targeted support package for the arts and culture sector. \$50 million was allocated to establish Te Puna Kairangi Premium Productions for International Audiences Fund ('**Premium Fund**').

Irirangi Te Motu New Zealand On Air ('**NZ On Air**'), Te Māngai Pāho ('**TMP**') and the NZFC worked together on the design and implementation of the Premium Fund, with NZFC administrating.

The Premium Fund supported the Aotearoa New Zealand ('**NZ**') production sector to regenerate through high-quality productions that tell New Zealand stories for local and global audiences. Sixteen productions were green lit by 30 June 2022.

Funding not expended by the end of June 2022 was not carried forward. NZFC have since been advised that some funds may now be available for use as a contingency fund for projects with Premium Fund Offers ('**Premium Production**').

Any payments will be contingent on Ministerial confirmation that these amounts may be retained by NZFC for a contingency fund for Premium Productions, and subject to any conditions attached to that advice.



KO WAI KA ĀHEI KI TE TONO - WHO CAN APPLY?

To be eligible for the Fund, applicants must:

- ✓ be a NZ citizen or permanent resident;
- ✓ be the (or one of the) NZ producer/s of a **Premium Production**;
- ✓ be the same company or individual who has received or been offered Premium Production funding;
- ✓ have been unable to meet the approved budgeted costs of the Premium Production due to unforeseen circumstances;
- ✓ have exhausted all options to meet the budget overage of the Premium Production with funding available from XSPRF, indemnity, insurance, completion bond, other Government support mechanisms or any other funding source (including third party financiers or investors);
- ✓ have not abandoned the Premium Production and must, in the NZFC's opinion, have a reasonable likelihood of it reaching completion and delivery;
- ✓ have (or share if a co-production) all necessary rights to produce and distribute the Premium Production;
- ✓ where applicable, be able to demonstrate that cultural considerations, protocols, and personnel relating to Māori interests have been appropriately considered and established; and,
- ✓ provide required documentation as outlined in these *Premium Contingency Fund Guidelines* and the *Premium Contingency Fund Submission Checklist*.



HE AHA NGĀ KAUPAPA TONO - WHAT CAN I APPLY FOR?

What you can apply for

Unexpected budget overages during production or postproduction. There is no cap on the amount that you can apply for, but funding is limited. Enhancements to the approved script and/or approved schedule can be considered but may be adjusted or declined. Related party transactions that are commercially reasonable can be considered but may be adjusted or declined.

The NZFC has discretion to exclude other costs which will be notified by NZFC.

Costs you cannot apply for

- Costs covered by XSPRF, insurance, completion bond, other Government support mechanisms or any other funding source
- Costs that could be covered by adjustments to the budget or schedule
- Costs that could be covered by the approved budget contingency
- Costs related to productions that are abandoned
- Anticipated COVID-19 production suspension and shutdown costs
- Gifts, hospitality, and gratuities
- Capital equipment purchases
- Third party distribution and sales expenses and materials
- Speculative losses such as sales or distribution income that was anticipated for the project (whether because of estimates or otherwise)
- Development costs



NGĀ ĀHEINGA KAUPAPA - KEY CONDITIONS

The Fund is intended as a fund of last resort. Awarding of funding is subject to availability of funds and is discretionary. There is no set deadline for applications, but we advise you apply as soon as possible given that funding is limited. The Fund will close once all contingency funding has been awarded.

NZFC must be satisfied that the Premium Production is likely to be completed if contingency funding is provided. Contingency funding must not adversely affect the production's ability to qualify for NZSPG, co-production approval or cause you to be in breach of any other relevant transaction document. All investors must agree to the Premium contingency funding and its terms.

When applying to the Fund you acknowledge that your eligibility for Funding, and the amount of funding you are granted, will be determined solely by the NZFC. The Fund will provide each award as an equity investment.

If you are awarded contingency funding, you must enter an agreement with the NZFC, on terms acceptable to the NZFC before funding will be paid. The NZFC may require additional conditions at its discretion such as a supervisor to monitor spend and is likely to request to be "first out" subject to existing investor approval.

You will be required to comply with the Fund credit requirements if you are successful in receiving funding.

The NZFC reserves the right to audit your expenses, and productions will be required to return contingency funding to the Fund including but not limited to funding that may be categorised as "Costs you may not apply for" above in these Guidelines.

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



WHAKARITENGA TONO – APPLICATION PROCESS

SUBMISSIONS

Applications can be submitted anytime while the portal is open. Your application will autosave.
You must 'submit' for it to be received for funding consideration.

Application window:
Anytime

ELIGIBILITY

Once your application is received, it will be checked for eligibility. You may be asked for more information at this stage, or informed that your application is ineligible as it doesn't meet Fund requirements.

Submission is at your own risk, and you acknowledge that the funding applied for at any stage may no longer be available.

Eligibility phase:
We aim for less than
a week to check
eligibility

ASSESSMENT

The assessment of eligible applications will be done by NZFC. They may engage external assessors to provide independent assessments. Applications will be assessed against the Assessment Criteria in these guidelines.

Applicants may be required to provide additional documentation and have video meetings with the NZFC.

Following assessment, NZFC staff will prepare a paper with a funding recommendation. For applications over \$100,000 NZ On Air and TMP will provide a joint recommendation with NZFC.

Assessment
phase:
We aim for less
than 4 weeks to
assess

DECISION

Decisions will be made at the discretion of the Subcommittee after consideration of the recommendations. It will include NZFC Board members and the NZFC Chair.

NZFC staff will notify all applicants following funding decisions.

Subcommittee
meetings:
Convened as
required



ME PĒHEA E TONO - HOW TO APPLY

Apply using the online application portal at <https://funding.nzfilm.co.nz/>. Search for 'Premium Contingency 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.

Your application will autosave on the portal as you work on it and will be available for you to update or change when you go back into the portal. You will be asked to check your application before you finally submit it. You will receive a confirmation of submission by e-mail. Any unsolicited additional information provided after the submission will not be accepted.

Once the Fund limit is reached, the portal will no longer be available for submissions.

Please note that by submitting your application, you acknowledge and agree that your application may be reviewed by External Assessor/s, and you also accept that their identity may be required to be kept confidential.

For the current list of External Assessors please visit the NZFC website and declare any Conflicts of Interest you may have. You must disclose if an external assessor has a financial interest in the project; is the spouse, partner, family member or close friend of any of the named creatives, or if they have worked with any of the named creatives in the past 90 days.

The Agencies will use reasonable efforts to maintain the confidentiality of the information provided by the applicant. Any information you provide to the Agencies, or any Agency, in connection with the Premium Fund, is subject to Official Information Act 1982 (OIA) requests. In processing a request under the OIA, the relevant Agency will consult with the relevant applicant prior to deciding to release or withhold the information.



KAUPAPA AROMATAWAI - ASSESSMENT CRITERIA

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

- Circumstances and contributing reasons for increase in costs
- Measures taken, or intend to be taken by the production to manage the costs
- All other options such as XSPRF, indemnity, insurance, completion bond, other Government support mechanisms or any other funding source (including third party financiers or investors) have been exhausted to the NZFC's satisfaction
- Evidence is provided to the NZFC's satisfaction that shows the proposed increased costs cannot reasonably be covered by adjustments to the existing budget or production plan
- The applicant demonstrates to the NZFC's satisfaction that the revised plan to deliver the screen production is realistic and to the same quality level as was originally contracted, including Premium Fund Outcomes.

How the NZFC will decide

- The NZFC will assess each application in context and on its merits. In addition to the eligibility criteria outlined in these Guidelines and the above considerations, the NZFC may use discretion to have regard 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. All decisions are final
- All applications will be decided on by a subcommittee of the NZFC Board. Recommendations to the subcommittee over \$100,000 will be from the three CEOs of the Premium Fund Screen Agencies (NZFC, NZOA and TMP).
- 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.



TE HUARAHĪ WHAKAMUA - NEXT STEPS

What happens to your application

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 four weeks after the NZFC receives a complete application.

If your application is unsuccessful, you will be notified by decline letter. We may not be able to provide written feedback to all applicants.

If an application is successful, the applicant will receive a decision letter from the NZFC detailing our offer of funding. Funding offers are valid for a **limited period**, dated from receipt of the Fund decision letter from the NZFC portal.

Following this, NZFC will issue an agreement which, along with any other documentation required by the NZFC, will need to be agreed and signed before you receive any Funding.

Details of successful applications, including the title of the project and the fact that the project was successful under the Fund, will be published on the NZFC website, in the NZFC newsletter and subsequently in the NZFC's annual report. The amount of Funding awarded will be published also.

A final reminder that if you have any questions or wish to make an application, please contact us by email at premiumfund@nzfilm.co.nz.



SUBMISSION CHECKLIST

GENERAL ELIGIBILITY

- The applicant is a New Zealand citizen or permanent resident
- The applicant is a producer of a production with a Premium funding offer or funding agreement
- Additional costs stem from unforeseen circumstances
- All other possible funding sources have been exhausted before applying to the Fund
- The applicant has all necessary rights to produce and distribute the production
- The production has not been abandoned and must have a strong likelihood of completion if funding awarded

DOCUMENTATION REQUIRED

- Written explanation of the circumstances and how this has impacted the budget
- Recent cost report
- Original Budget
- Revised Budget showing additional costs (either as separate sub budget, or Variance budget)
- Budget Variance report (comparing the Variance budget to the Approved Budget)
- Proposed finance plan
- Current finance plan
- Details of all other sources of funding sought, status and offers, if any
- Narrative around budget overages and any other relevant factors (eg schedule)
- Warranty that any delay of delivery date has been agreed to by all market partners, financiers, and bond (if applicable)
- Warranty that the production has continued its insurance cover (if applicable)
- Narrative to show that impacts on cultural considerations, protocols and personnel relating to Māori interests have been considered in the revised budget (if applicable)



CHANGE LOG – DECEMBER 2022

Section	Summary of change(s)
Submission Checklist	<p>Removed “Cost overages are New Zealand based or qualifying under QNZPE” under General Eligibility section to align with earlier sections of the guidelines. Eligible costs no are longer limited to New Zealand based costs nor costs qualifying under QNZPE.</p> <p>Revised wording of “Additional costs stem from unforeseen circumstances” under General Eligibility section to align with earlier sections of the guidelines.</p>
Documentation Required	<p>Added requirement to submit the Original Budget</p> <p>Added requirement to submit the Current Finance Plan</p>