

**New Zealand  
FILM COMMISSION**



Te Tumu Whakaata Taonga



Te Tumu Whakaata Taonga | The New Zealand Film Commission

# Statement of Performance Expectations 2024–25

# He kōrero haepapa

## Statement of Responsibility

This Statement of Performance Expectations reflects our proposed performance targets and forecast financial information for the year ahead. It is produced in accordance with s149E of the Crown Entities Act 2004. The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Board of the New Zealand Film Commission in accordance with its role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.



Alastair Carruthers  
Chair



David Wright  
Chair, Finance, Audit & Risk Committee

June 2024

**New Zealand**  
**FILM COMMISSION**



Te Tumu Whakaata Taonga

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Cover image: Bronco (Terence Daniel), Mallory (Reuben Francis) and Sam (Elizabeth Atkinson) – *The Mountain* ©2024 Piki Lane Limited. Photo Geoff Short





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Anna Osborne (Melanie Lynskey) and Sonya Rockhouse (Robyn Malcolm) – *Pike River*  
2024 © 31 Films Ltd. Photo Matt Grace



He hāpai ake i te tuku ihotanga o te kounga i te ao waihanga kiriata i Aotearoa nei, e eke ai te auahatanga ki ōna taumata.

**To build on New Zealand's legacy of excellence in filmmaking and unleash exceptional creativity.**

Mā te tautoko i te taha auaha, kia rite tonu te whakaputa i te kounga ka mau tonu ki roto ki ngā whakatipuranga.

**By investing in creativity and consistently delivering quality that lasts generations.**

Ko ngā kiriata o Aotearoa ka whakahihiri ake i te pohewatanga o ngā kaimātaakitaki puta noa i te ao. **New Zealand films will capture the imaginations of audiences in Aotearoa and around the world.**





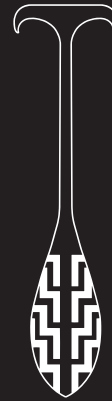
Hāpai ake i te rerenga tonutanga o te auaha me te kounga o te taha arumoni i te ao waihanga kiriata. **Build consistent creative and commercial excellence in filmmaking.**



Kia whakamanā, kia kōkiritia rā ngā kiriata kanorau e ngākau pono ana, e mau ana hoki ki te rongomaiwhiti o Aotearoa, me te whakawhānui ake i te hunga mātakitaki i ngā kiriata o Aotearoa. **Empower and champion authentic and diverse films that are uniquely of Aotearoa and maximise audiences for New Zealand films.**



Kia whai rautaki mahi tahi e whakatairangatia ai te taha whiwhi mahi me te tōnuitanga o ngā mahi i te ao hanga kiriata i Aotearoa. **Collaborate strategically to promote employment and productivity in the New Zealand film industry.**



Kia āki i ngā kaiwhakaari mā te tautoko i te whanaketanga o ō rātou āheinga, ā, mātāmua mai ko te kanorautanga, ko te mana ōritetanga me te noho ngākau tapatahi. **Invest in talent by supporting capability development with diversity, equity and inclusion at its core.**



# Tirohanga Whānui

## Overview

Te Tumu Whakaata Taonga The New Zealand Film Commission (NZFC) is an Autonomous Crown Entity operating under the New Zealand Film Commission Act 1978. We are driven by a passion to represent Aotearoa on screen, support creative excellence in filmmaking and ensure collaboration with strategic partners locally and globally to promote employment and productivity in the New Zealand film industry. Investing strategically in talent to foster a diverse and inclusive film industry, the NZFC advocates for appropriate resourcing in order to lead the film sector into a sustainable future.

We support a diverse range of New Zealand and international screen stories, develop career pathways, fund the production and distribution of New Zealand screen stories and assist international partners to produce their screen stories in Aotearoa New Zealand.

The NZFC is funded by Manatū Taonga the Ministry for Culture and Heritage (Manatū Taonga), the Ministry for Business, Innovation and Employment (MBIE) and the New Zealand Lotteries Grants Board (NZLGB).

Each year, the NZFC publishes a Statement of Performance Expectations (SPE) that outlines planned activity, performance targets and forecast financial information for the upcoming financial year. This SPE outlines the performance targets for the year ending 30 June 2025 and describes how the year ahead will contribute to:

- The functions set out in the New Zealand Film Commission Act 1978
- The strategic direction set out in the NZFC Statement of Intent 2024-2028 (SOI)
- New Zealand Government priorities and the Minister's Letter of Expectations.

All information is provided in accordance with the Crown Entities Act 2004. Results of performance against this SPE will be presented in the 2024/25 Annual Report.

Our work is driven by **four** strategic objectives:

1. Build consistent creative and commercial excellence in filmmaking
2. Empower and champion authentic and diverse films that are uniquely of Aotearoa and maximise audiences for New Zealand films
3. Collaborate strategically to promote employment and productivity in the New Zealand film industry
4. Invest in talent by supporting capability development with diversity, equity and inclusion at its core

Alongside the **four** strategic objectives as set out in the SOI, Te Rautaki Māori and He Ara Whakaurunga Kanorau underpin everything we do.

### Te Rautaki Māori Strategy

The fundamental role of Te Rautaki Māori is to elevate indigenous Māori identity and cultural taonga for responsible storytelling in Aotearoa. It recognises that Māori language and culture is a taonga to be nurtured and celebrated. The NZFC has recently undertaken a review of Te Rautaki Māori Strategy, consulting with industry throughout the process. As a result of this review, Te Rautaki Māori will no longer be a separate stand-alone strategy and will now be woven throughout the Statement of Intent. The core objectives of Te Rautaki are:

- **Whakakanohitanga:** whakatairangatia ake ngā āhuetanga tūturu, ngākau pono o te ahurea Māori, kia ruku ki tōna whānuitanga, ki ōna pakiwaitara anō hoki, kia tino kōunga ai ngā kiriata e kōkiritia ana e te hunga auaha Māori.

**Representation:** Promote authentic, grounded representation of Māori cultural content and stories of high-quality films led by Māori creatives.

- **Tikanga:** whakahaerehia he wānanga ahumahi, he aronga mahi ngātahi anō hoki e pā ana ki ngā tikanga, ngā aratohu rānei, e Māori ai te kawē i ngā pakiwaitara, i ngā tikanga, me te whakawhānui i ngā ara e whai wāhi mai ai te hunga auaha Māori.

**Protocols:** Facilitate industry discussion and collective co-operations on key protocols or guidelines on culturally responsible storytelling, culturally safe practices, and generating improved opportunities for Māori creatives.

- **Raukaha me te Āheinga:** Tautokona te whanaketanga o te raukaha mā roto mai i ngā kaupapa whakapakari me te mahi ngātahi, e angitu ai tā te Māori whakaputa i āna kiriata.

**Capacity and Capability:** Support capacity development through initiatives that increase progression and collaboration for Māori to successfully bring their films to fruition.

- **Rangatiratanga:** whakatairangahia ngā ara whakatipu i te kōunga o ngā mahi mā ngā Māori auaha. Ārahina, tautokona te whakaaweawetia o ngā pakiwaitara o Aotearoa, whakatinanahia te rangatiratanga, kia whakatupua ō mātou ake nā āheitanga, tikanga whakahaere anō hoki.

**Leadership:** Facilitate recognition and opportunities that grows the calibre of craft for Māori creatives, provide guidance and support that influences stories of Aotearoa, demonstrate leadership of NZFC in growing our own capability and cultural competency as an organisation.

## He Ara Whakaurunga Kanorau | Diversity and Inclusion Strategy

This strategy is driven by a mission to place diversity and inclusion at the heart of all we do, attracting and empowering stories and storytellers that are fully reflective of Aotearoa. The strategy lays out initiatives centred around five strategic outcomes:

- He ahurea wāhi mahi kanorau, hao i te katoa, ōrite hoki mō te katoa, tō Te Tumu Whakaata Taonga  
The NZFC has a workplace culture that is diverse, inclusive and equitable
- Kei te mārama mātou ki te āhua o tō mātou ahumahi, kua kitea hoki te ahunga whakamua o te kanorau me te hao i te katoa  
We understand the makeup of our industry and see progress in diversity and inclusion
- E wātea ana ngā tikanga mahi, ngā hātepe me ngā ratonga a Te Tumu Whakaata Taonga  
NZFC practices, processes and services are accessible
- E ōrite ana, e hao ana i te katoa ngā whāinga wāhi whanaketanga kaimahi, pūkenga hoki  
Talent and skills development opportunities are equitable and inclusive
- Ka kitea ngā ao miro maha, i te tirohanga kāmera, i waho hoki i te tirohanga kāmera  
Diverse realities are represented on and off camera

The strategy can be read in full on [our website](#). Progress reports on the Strategy are delivered to the Board twice a year and published on the NZFC website [here](#).





Lea Tupu'anga/*Mother Tongue*. Photography by Caryline Boreham.



# Te Tau Kei Mua

## The Year Ahead

The NZFC is acutely aware of the evolving environment in which we are working. NZFC is now adapting to materially less revenue to invest in the sector from July 2024 compared to the previous three years. This fiscal environment is affecting people and businesses right across Aotearoa New Zealand and the film sector is experiencing the same high inflation and increasing cost of living as all of Aotearoa. NZFC has also seen record demand for its funding in the last few years. When COVID-19 hit in 2020, cinema attendance plummeted, and screen production was disrupted by health restrictions including lockdowns. NZFC changed its way of working to allocate \$50M of one-off government funding in the form of Te Puna Kairangi Premium Production Funding, \$14.4M for the Screen Production Recovery Fund, and \$2M for Screen Sector Capability, all of which came over the first three years of the pandemic.

Our fiscal planning for the year ahead will be shaped by four factors:

- The tight fiscal environment
- The end of COVID-19 funding
- Changes to the way NZLGB allocates funding
- A reduction in Government baseline funding
- Assessment of the NZFC's role in film collection and archiving

The targets and budgets set for this year show how we intend to invest funding and measure our progress. We see this as our change year, with a new strategic approach as outlined in the 2024/28 SOI. We have some new measures and targets to reflect this.

We recognise and uphold the principles of partnership, protection and participation in Te Tiriti o Waitangi and will continue to support the Maihi Karauna in 2024/25 by implementing activities from our He Taonga te reo Māori mahere reo – The Language is a highly valued treasure – NZFC Māori Language Plan (2021-2025). The plan supports the ongoing revitalisation of Māori language as an enduring taonga of Aotearoa and activities include supporting staff with te reo Māori courses, developing a glossary of te reo Māori terms in the film industry, translations for key corporate documents and the celebration of annual events such as Waitangi Day, Matariki and Te Wiki o te Reo Māori.

As an organisation we are committed to managing and reducing our carbon emissions in support of the national target of achieving net zero carbon emissions by 2050. The NZFC joined Toitū Envirocare's carbon reduce programme in 2022 to help identify and measure our carbon emissions and establish a base year of emissions data for the NZFC. The results of our annual carbon audit are used to support our Emissions Management and Reduction Plan that sets emission reduction targets. A target has been set to reduce overall carbon emissions by 6% per annum.

# Tāpaetanga Whakaarotau a te Kāwanatanga **Contribution to Government Priorities**

The NZFC has a role in delivering government outcomes and priorities, specifically priorities for Arts, Culture and Heritage and the government's economic plan.

## **Cultural Sector Outcomes:**

We are part of the cultural sector and contribute to the sector's vision "Culture is thriving, the people are well." Manatū Taonga has identified five success descriptors, which form part of our strategic framework:<sup>1</sup>

1. Culture is inclusive and reflective, supporting people to connect and engage with each other, their community and society
2. Māori culture is recognised, valued and embraced by New Zealanders
3. People can access and are participating in cultural activities and experiences
4. Cultural Activity is valued, supported and nurtured
5. The cultural system is resilient and sustainable

As we implement our new strategy, we will be considering how we can contribute to the five focus areas identified in the Manatū Taonga Long-term Insights Briefing and we will engage on the work programme for the social cohesion strategy.

## **Economic Outcomes:**

Managing a strong economy is a priority for the government, and the NZFC will focus on ensuring that public money is being invested effectively. To support this, we have embarked on a programme of change to streamline our organisation, increase efficiency, and reduce spending. Our prospective financial statements and performance assessment reflects this.

The NZFC will continue to work with MBIE to ensure that our activity maximises economic benefits for New Zealanders and supports the government's economic plan.

<sup>1</sup> <https://www.mch.govt.nz/publications/strategic-intentions-2021-2025>

## Minister's Letter of Expectations:

The Responsible Minister writes to the NZFC each year outlining the government's expectations for the forthcoming performance year. In the 2024/25 Letter of Expectations, four specific expectations for the NZFC are noted:

1. **Ensure it operates efficiently and effectively and maintains a focus on driving down costs and seeking operational improvements whenever it can, to best achieve more sustainable cost-effective delivery of services.**

In a rapidly changing environment with new challenges, technologies, and growing competition, we need to make sure we are focused and use our resources to target how we can best add value to an industry of significant importance to Aotearoa. Given this, the NZFC has embarked on a programme of change to streamline our organisation and increase efficiency. This includes a restructure of our organisation and a new Statement of Intent 2024-28 that addresses the key challenges, opportunities and focus on priority areas for the NZFC.

2. **Ensure the productions it funds result in a quality product, which is well received by both New Zealand and international audiences; and collaborate with those in the sector who hold expertise in working on the international stage to ensure productions maximise the reach of overseas audiences.**

The NZFC will be placing focus on investing in the development, production and promotion of high quality, engaging films and ensuring that films are fully developed prior to production – encouraging early engagement with market partners. A high priority during assessment of funding applications will be on audience preferences and funding films that are written and crafted by exceptional New Zealand creatives that display bold, distinctive voices. To help us track the progress and success of these objectives, we will

monitor annual admissions in New Zealand cinemas, views of New Zealand films on New Zealand digital platforms (to the extent that streamers provide data), and the number of New Zealand films that are invited to premiere at international film festivals.

3. **Report on performance in a manner that is clear on the extent to which NZFC is achieving its objectives and represents value for money**

Reports are provided to Manatū Taonga each quarter to report on performance against expectations and our Annual Report sets out detailed information about our performance and how our funding programmes are making a difference to New Zealanders. We work closely with the Monitoring Team at Manatū Taonga to discuss reporting and welcome feedback and suggestions for improvement. It is expected there will be refinements and changes to planning and reporting documents as the NZFC shifts to meet challenges and significant changes to the screen industry

4. **Support Manatū Taonga to undertake policy work on strategy, and legislative and regulatory reform, as required. This includes, for example, work on options for an efficient and effective system for funding content in New Zealand through greater alignment and efficiency with NZ On Air.**

We maintain a productive working relationship with Manatū Taonga to undertake policy, strategy, and legislative work. We also collaborate regularly with NZ On Air and Te Māngai Pāho through an initiative called Mahi Tahi which aims to create alignment and consistency across the screen sector, and to share resources and find efficiencies. The NZFC looks forward to continuing this collaboration over the next year.

The development of this SPE and the 2024-28 SOI has regard to these expectations, and we will report on how we are meeting these in our Quarterly Reports to Manatū Taonga and our Annual Report.



# He Anga mō te Rautaki me ngā Whakatutukinga Mahi **Strategic and Performance Framework**

Our strategic framework shows what drives NZFC and how we work. We have two reportable classes of outputs:

**Output 1 – “Promotion and Support of the Arts and Film”**, within Vote Arts, Culture and Heritage, administered by Manatū Taonga. This appropriation is intended to achieve high quality New Zealand arts and film production for New Zealand and international audiences, the development of New Zealanders in the arts, supporting access and participation by New Zealanders in the arts, encouraging innovation and excellence through the support of new work and presentation of arts and film to New Zealand.

**Output 2 – “Economic Development: Attracting International Screen Productions”** within Vote Business, Science and Innovation, administered by MBIE. This appropriation is intended to achieve the attraction of international screen production projects to locate in New Zealand, leverage economic benefits for New Zealand, and provide a suite of services to support international clients during their time in New Zealand.

<b>Outcomes for NZ<sup>1</sup></b>	Achieve high quality New Zealand arts and film production for New Zealand and international audiences, the development of New Zealanders in the arts, supporting access and participation by New Zealanders in the arts, encouraging innovation and excellence through the support of new work and presentation of arts and film to New Zealand			Achieve the attraction of international screen production projects to locate in New Zealand, leverage economic benefits for New Zealand, and provide a suite of services to support international clients during their time in New Zealand	
<b>Cultural Capital<sup>2</sup></b>	Culture is inclusive and reflective, supporting people to connect and engage with each other, their community and society	Māori culture is recognised, valued and embraced by New Zealand	People can access and are participating in cultural activities and experiences	Cultural Activity is valued, supported and nurtured	The cultural system is resilient and sustainable
<b>NZFC Strategic Objectives</b>	<b>Build consistent creative and commercial excellence in filmmaking</b>	<b>Empower and champion authentic and diverse films that are uniquely of Aotearoa and maximise audiences for New Zealand films</b>	<b>Collaborate strategically to promote employment and productivity in the New Zealand film industry</b>	<b>Invest in talent by supporting capability development with diversity, equity and inclusion at its core</b>	
<b>Output Class</b>	<b>Output 1</b>	<b>Output 1</b>	<b>Output 1 &amp; 2</b>	<b>Output 1</b>	
<b>How?</b>	<p>Strategically invest in the development, production and promotion of high quality, engaging films</p> <p>Ensure films are fully developed prior to production and encourage early engagement with market partners</p> <p>Fund films written and crafted by exceptional New Zealand creatives that display bold, distinctive voices</p>	<p>Embed our Rautaki Māori strategy and continue to ring-fence funding for te reo Māori films</p> <p>Fund films that reflect the diversity of experiences and perspectives in Aotearoa</p> <p>Audience preferences – what, where and how they choose to view – are a high priority</p>	<p>Collaboration with other screen agencies, guilds and industry bodies</p> <p>Optimise the international productions choosing New Zealand as a production base</p> <p>Ensure the NZSPR continues to be administered with high levels of expertise and efficiency</p>	<p>Identify and support filmmakers with strong creative ideas in development that have potential to move into production</p> <p>Identify and nurture talented filmmakers from our diverse communities and provide opportunities for equity in their engagement and participation in the film industry</p> <p>Co-invest with key stakeholders to deliver targeted talent development initiatives</p> <p>Elevate indigenous Māori identity and cultural taonga for responsibly storytelling in Aotearoa</p>	

1 <https://www.treasury.govt.nz/publications/estimates/vote-arts-culture-and-heritage-social-services-and-community-sector-estimates-appropriations-2022-23>

<https://www.treasury.govt.nz/publications/estimates/vote-business-science-and-innovation-economic-development-and-infrastructure-sector-estimates-appropriations-2023-24>

2 <https://www.mch.govt.nz/publications/strategic-intentions-2021-2025>

<b>Desired Result</b>	<p>New Zealand films are highly sought after locally and globally</p> <p>Distribution, exhibition and audience voice are valued considerations at all stages of filmmaking</p> <p>New Zealand films are critically well received and regularly invited to premiere at prestigious film festivals</p>	<p>Māori films are a powerful voice of Aotearoa in the world</p> <p>Films that reflect New Zealand's diverse cultures and communities</p> <p>New Zealand and international audiences choose New Zealand films</p>	<p>Greater consistency for production industry and increased sector efficiency, effectiveness and capability</p> <p>A strong pipeline of international production in New Zealand, supporting employment, workforce and skills development, and thriving screen businesses</p> <p>The NZSPR is robust and ensures New Zealand maintains a sufficiently competitive position globally, for both international and domestic productions</p>	<p>Films developed with funding from NZFC go on to be made</p> <p>Enable targeted professional talent development opportunities for a diverse range of filmmakers</p> <p>Talent development is closely linked to industry needs and its priorities</p> <p>Māori language and culture is a taonga, to be nurtured and celebrated</p>
<b>What does success look like?</b>	<p>NZFC funded films are licenced by distributors in Aotearoa and overseas</p> <p>NZFC-funded films have commercial success</p> <p>We see an increase in the percentage of NZFC-funded films selected for premiere film festivals</p>	<p>Films featuring te reo Māori are a critical and commercial success</p> <p>NZFC-funded films reflecting New Zealand identity and culture are selected to screen at New Zealand film festivals</p> <p>New Zealanders are watching NZFC-funded films in cinema and on digital and other platforms</p>	<p>The NZFC delivers projects in collaboration with screen industry partners that support employment in the film industry</p> <p>The percentage of cast and crew employed on international productions receiving the NZSPR remains consistent</p> <p>New Zealand is viewed as a world leading destination for screen production</p>	<p>Writers, producers, and directors funded through NZFC talent development initiatives go on to create feature films</p> <p>An increase in projects funded with key creatives from underrepresented communities</p> <p>More New Zealand filmmakers are globally recognised</p> <p>Authentic representation of Māori cultural content and stories are crafted by Māori creatives and screened for all New Zealanders</p>



## Output 1: Vote Arts, Culture and Heritage

	Budget FY24/25 \$	Budget FY23/24 \$	Forecast FY23/24 \$	Actual FY22/23 \$
<b>A. Revenue</b>				
Crown revenue – MCH	5,196	5,401	5,401	5,401
Crown revenue – MCH Covid Recovery Funds	0	0	(2,059)	692
Lotteries Grant Board	22,875	21,500	21,500	23,681
Other revenue	2,896	2,710	3,588	3,160
<b>Total Revenue</b>	<b>30,967</b>	<b>29,611</b>	<b>28,430</b>	<b>32,934</b>
<b>B. Output Expenses</b>				
Production & Development Funding	24,873	25,587	17,390	24,146
Attractions & Marketing	1,404	1,433	1,191	1,395
Co-Productions and Incentives	30	271	246	262
Industry Travel Support	515	515	487	402
Premium and Screen Recovery Funds	0	0	(2,059)	1,377
<b>Total Funding Expenditure</b>	<b>26,822</b>	<b>27,806</b>	<b>17,255</b>	<b>27,582</b>
Personnel	4,949	5,621	5,697	5,610
Corporate overheads	2,993	2,085	2,479	2,366
<b>Total Output 1 Expenses</b>	<b>34,765</b>	<b>35,512</b>	<b>25,431</b>	<b>35,558</b>

## Output 2: Vote Business, Science and Innovation

	Budget FY24/25 \$	Budget FY23/24 \$	Forecast FY23/24 \$	Actual FY22/23 \$
<b>A. Revenue</b>				
Crown revenue – MBIE	1,300	1,300	1,300	1,300
<b>Total Revenue</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>
<b>B. Output Expenses</b>				
Int. screen business attraction	356	395	398	296
Int. screen promotion	68	170	141	25
Screen Incentive administration	281	109	281	144
<b>Total Funding Expenditure</b>	<b>705</b>	<b>674</b>	<b>820</b>	<b>466</b>
Personnel	725	725	725	870
Corporate overheads	219	219	219	226
<b>Total Output 2 Expenses</b>	<b>1,649</b>	<b>1,618</b>	<b>1,764</b>	<b>1,561</b>

The forecast film investment targets and performance expectations related to the NZFC's discretionary funding are subject to receipt of satisfactory funding applications from filmmakers. If sufficient quality feature film production funding applications are not received in any 12-month period (due to cyclical nature of the industry), funds will be held over for the following financial year.



Josh Waaka (Julian Dennison) – *Uproar* 2023 © Firefly Films, Caravan Carpark Films, Kingston Productions. Photo Marc Weakley

# Aromatawai Whakatutukinga Mahi

## Performance Assessment

### 1. BUILD CONSISTENT CREATIVE AND COMMERCIAL EXCELLENCE IN FILMMAKING

Measure	Actual 2022/23	Target 2023/24	Target 2024/25
1a. Number of NZFC-funded films that secured more than 50,000 admissions at the New Zealand box office (Admissions during one-year time-period 1 July – 30 June financial year)	3	2	2
1b. Total annual admissions at the New Zealand box office for all NZFC-funded feature films (Admissions during 1 July – 30 June financial year) <sup>1</sup>	398,697	400,000	200,000
1c. Number of NZFC-funded feature and short films that are selected for premiere film festivals <sup>2</sup>	11	10	10
1d. Number of feature film directors who have had more than one NZFC-financed feature film screened at a premiere film festival (in the 7-year period 1 July 2018- 30 June 2025)	5	6	6
1e. Number of feature film directors whose NZFC-funded short film(s) have screened at premiere film festivals (during the five-year period 1 July 2020 – 30 June 2025)	3	4	4

### 2. EMPOWER AND CHAMPION AUTHENTIC AND DIVERSE FILMS THAT ARE UNIQUELY OF AOTEAROA AND MAXIMISE AUDIENCES FOR NEW ZEALAND FILMS

Measure	Actual 2022/23	Target 2023/24	Target 2024/25
2a. Number of short films and feature films in te reo Māori receiving NZFC development or production funding <sup>3</sup>	10	3	2
2b. Percentage of NZFC-financed long-form screen stories that are culturally significant (over a three-year time frame) <sup>4</sup>	91%	80%	80%
2c. Number of NZFC-funded long-form screen stories to screen in the New Zealand international Film Festival or Doc Edge Film Festival	11	10	10
2d. Percentage of New Zealanders who agree that New Zealand screen stories are important <sup>5</sup>	86%	90%	90%
2e. Percentage of New Zealanders who have seen a New Zealand film in the last 12 months <sup>6</sup>	50%	55%	55%
2f. Number of NZFC-funded films released in the last five years that secured more than 100,000 viewers on New Zealand television or digital platforms in the financial year	N/A	N/A	New Measure

- 1 This measure has fluctuated over the past four years due to COVID-19 and the impact on cinemas. Due to changing cinema habits, we are reducing this target to our pre-COVID target of 200,000.
- 2 Premiere film festivals are Cannes, Berlin, Toronto, Sundance, Venice, Melbourne, Rotterdam, SXSW, Tribeca, IDFA, Clermont Ferrand, Busan, Sydney and Hot Docs.
- 3 The majority of dialogue must be in te reo Māori.
- 4 Culturally Significant films and screen stories are those that New Zealand audiences will recognise as reflecting New Zealand identity and culture. Minority co-productions set in another country are unlikely to meet this criteria.
- 5 Based on responses to a survey of 1000 randomly selected New Zealanders asking “Do you believe New Zealand screen stories are important?”
- 6 Based on responses to a survey of 1000 randomly selected New Zealanders asking “have you seen a New Zealand film in the last 12 months?”



### 3. COLLABORATE STRATEGICALLY TO PROMOTE EMPLOYMENT AND PRODUCTIVITY IN THE NEW ZEALAND FILM INDUSTRY

Measure	Actual 2022/23	Target 2023/24	Target 2024/25
3a. Percentage of New Zealand cast employed on international productions receiving the NZSPR <sup>7</sup>	N/A	N/A	60%
3b. Percentage of New Zealand crew employed on international productions receiving the NZSPR	N/A	N/A	90%
3c. Number of enquiries for prospective productions serviced within the financial year <sup>8</sup>	82	30	30
3d. Number of international productions starting principal photography within the financial year	7	8	8
3e. Number of international screen productions submitting new registrations for the NZSPR <sup>9</sup>	N/A	10	18
3f. Percentage of international stakeholders who agree that New Zealand is considered a world leading destination for screen production <sup>10</sup>	75%	Biennial measure	80%

- 7 Measures 3a and 3b have previously been combined (measuring the percentage of cast and crew). These have been separated in 2024/25.
- 8 This includes both new and existing prospects. A “new” prospect is a new enquiry related to an actual production, one which we assess to have meaningful potential to be made in New Zealand at some point in time. An “existing” prospect is an enquiry first received during a previous period, and continuing to engage. This measure is specifically in relation to the MBIE appropriation of \$1.3M.
- 9 This measure is specifically in relation to the MBIE appropriation of \$1.3M. This measure includes both live action and PDV.
- 10 Calculated from the NZFC biennial stakeholder survey. The percentage of respondents (producers or studio executives who have made enquiries about international productions of the NZSPR International) who strongly agree with the statement: New Zealand is a leading destination for screen production.

#### 4. INVEST IN TALENT BY SUPPORTING CAPABILITY DEVELOPMENT WITH DIVERSITY, EQUITY AND INCLUSION AT ITS CORE

Measure	Actual 2022/23	Target 2023/24	Target 2024/25
4a. Percentage of long-form screen stories produced with NZFC development support (direct or devolved) <sup>11</sup>	N/A	N/A	New measure
4b. Percentage of short films and feature films that receive NZFC production funding with a woman or gender-diverse director attached	41%	50%	50%
4c. Percentage of short films and feature films that receive NZFC development and/or production funding with Māori practitioners in at least two key creative roles <sup>12</sup>	25%	20%	20%
4d. Number of Māori practitioners supported through Te Rautaki Māori talent development initiatives	16	15	15
4e. Total number of writers, producers and directors who have an NZFC funded long-form screen story in development or production during the current financial year who have received support through a NZFC talent development initiative in the last five years	46	30	30

#### ORGANISATIONAL HEALTH

Measure	Actual 2022/23	Target 2023/24	Target 2024/25
Annual Staff engagement survey – performance index	74%	68%	68%
All staff are offered learning in te reo Māori and/or tikanga Māori	Achieved	Achieved	Achieve
NZFC staff agree that people from all backgrounds and cultures feel included, welcomed and valued in the organisation <sup>13</sup>	N/A	New Measure	90%
Reduce overall carbon emissions by 6% per annum	N/A	New Measure	Achieve
Complete an annual review of the NZFC Pay Gap Action Plan	N/A	New Measure	Achieve

11 Definition of “long-form screen stories produced”: First day of principal photography falls within the period of the financial year. Includes films receiving NZFC production financing and/or the NZSPR-NZ. Development support includes funding through schemes such as Seed, Early Development, Advanced Development, He Ara, Boost or Whakawhanake Kiriata: Māori Development Funds.

12 Key creatives are defined as writer, director, producer.

13 Calculated from an annual survey conducted with staff. This is one of the targets set out in He Ara Whakaurunga Kanorau Diversity and Inclusion Strategy.

# Pūrongo Pūtea E Tū Mai Nei

## Prospective Financial Statements

The prospective financial statements provide all appropriate financial information and explanations needed to fairly reflect the prospective financial operations and financial position of the NZFC for the year ending 30 June 2025 in accordance with section 149G of the Crown Entities Act 2004.

### Prospective Statement of Financial Performance

	Budget FY24/25 \$	Budget FY23/24 \$	Forecast FY23/24 \$	Actual FY22/23 \$
<b>Revenue</b>				
Crown revenue – MCH	5,196	5,401	5,401	5,401
Crown revenue – MBIE	1,300	1,300	1,300	1,300
Government Covid Recovery Grants	0	0	(2,059)	692
Lottery Grants Board grant	22,875	21,500	21,500	23,681
Film income and sales commission	1,175	1,450	667	1,190
Interest received and other income	1,721	1,260	2,921	1,970
<b>Total revenue</b>	<b>32,267</b>	<b>30,911</b>	<b>29,729</b>	<b>34,233</b>
<b>Expenditure</b>				
Production & Development Funding	24,873	25,587	17,390	24,146
Attractions & Marketing	1,828	1,828	1,730	1,691
Co-Productions and Incentives	311	550	527	432
Industry Travel Support	515	515	487	402
Premium and Screen Recovery Funds	0	0	(2,059)	1,377
Corporate	3,212	2,304	2,698	2,592
Personnel costs	5,674	6,346	6,422	6,480
<b>Total expenditure</b>	<b>36,414</b>	<b>37,130</b>	<b>27,195</b>	<b>37,119</b>
<b>Net Surplus/(Deficit)</b>	<b>(4,147)</b>	<b>(6,219)</b>	<b>2,534</b>	<b>(2,885)</b>



## Prospective Statement of Financial Position

	Budget FY24/25 \$	Budget FY23/24 \$	Forecast FY23/24 \$	Actual FY22/23 \$
<b>Equity</b>				
Accumulated Funds	11,173	5,445	15,320	12,786
<b>Total Equity</b>	<b>11,173</b>	<b>5,445</b>	<b>15,320</b>	<b>12,786</b>
<i>Represented by:</i>				
<b>Current Assets</b>				
Cash and cash equivalents	3,002	3,000	2,418	4,411
Term deposits	27,000	20,000	32,500	41,000
Accounts receivable	4,200	4,710	4,200	8,065
<b>Total current assets</b>	<b>34,202</b>	<b>27,710</b>	<b>39,118</b>	<b>53,476</b>
<b>Non Current Assets</b>				
Fixed assets	1,021	450	574	359
<b>Total non-current assets</b>	<b>1,021</b>	<b>450</b>	<b>574</b>	<b>359</b>
<b>Total Assets</b>	<b>35,223</b>	<b>28,160</b>	<b>39,692</b>	<b>53,835</b>
<b>Current Liabilities</b>				
Accounts payable	3,000	3,000	3,000	8,008
Employee entitlements	200	300	200	473
Film income account	850	500	1,472	301
Project commitments	20,000	18,915	19,700	32,267
<b>Total current liabilities</b>	<b>24,050</b>	<b>22,715</b>	<b>24,372</b>	<b>41,049</b>
<b>Net Assets</b>	<b>11,173</b>	<b>5,445</b>	<b>15,320</b>	<b>12,786</b>

## Prospective Statement of Cash Flows

	Budget FY24/25 \$	Budget FY23/24 \$	Forecast FY23/24 \$	Actual FY22/23 \$
<b>Cash flows from operating activities</b>				
Receipts from the Crown and other revenue	32,067	31,000	32,591	57,005
Interest received	1,721	1,250	2,327	1,600
Production funding, marketing, industry support, suppliers and employees	(35,209)	(34,250)	(29,083)	(70,594)
Goods and services tax (net)		0	(48)	(59)
<b>Net cash from operating activities</b>	<b>(2,942)</b>	<b>(2,000)</b>	<b>5,787</b>	<b>(12,048)</b>
<b>Cash flows from investing activities</b>				
Sale of investments	36,000	30,000	39,000	80,500
Purchase of investments	(32,000)	(30,000)	(46,000)	(69,500)
Purchase of property, plant and equipment	(474)		(780)	1
Sale of property, plant and equipment			0	(86)
Purchase of intangible assets				0
<b>Net cash from investing activities</b>	<b>3,526</b>	<b>0</b>	<b>(7,780)</b>	<b>10,915</b>
<b>Cash flows from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash at bank</b>	<b>584</b>	<b>(2,000)</b>	<b>(1,993)</b>	<b>(1,134)</b>
Opening cash at bank	2,418	5,000	4,411	5,545
<b>Closing cash at bank</b>	<b>3,002</b>	<b>3,000</b>	<b>2,418</b>	<b>4,411</b>



Abigail (Anna Faris) and Tom (Bentley Stortebom) – *I, Object* 2024 © Good Question Media, Southern Light Films. Photo Nicola Dove

# Notes to Prospective Statements of Account

## FINANCIAL PLANNING ASSUMPTIONS

In the prospective financial statements for the year ending 30 June 2025 we have assumed that:

- a) Our core business will remain unchanged with financing the production of New Zealand feature films/screen stories remaining the most important activity.
- b) We will continue to take commercial recoupment positions in the films we invest in.
- c) Film income estimated as \$1.175M and interest received estimated as \$1.72M will augment Crown and Lottery funding. If these sums are not achieved, the feature film production funding budget will be reduced pro rata by the required amount.
- d) The increase in corporate costs between FY23/24 and FY24/25 assumes that there is high potential for significant legal costs borne out of activities passed onto the Serious Fraud Office in FY23/24, further costs for stronger data protection and ICT resilience and research activity into our changing audience behaviours. These costs are considered one off and are not, as at time of reporting, definitive, rather these costs are provisioned based on our reasonable expectation that they are most likely to occur.

The year ending 30 June 2024 will result in a surplus position which will be reinvested into FY24/25. The NZFC will run a deficit position of \$4.5M.

## REPORTING ENTITY

Pursuant to the New Zealand Film Commission Act 1978, the NZFC was established on 13 November 1978 as a Crown Entity in terms of the Crown Entities Act 2004. NZFC's ultimate parent is the New Zealand Crown.

These are the NZFC's financial statements. They are prepared subject to the New Zealand Film Commission Act 1978 and the Crown Entities Act 2004.

The primary objective of the NZFC is to encourage and participate and assist in the making, promotion and exhibition of films. It has been established exclusively for charitable purposes in New Zealand. Accordingly, the NZFC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

## BASIS OF PREPARATION

### Statement of compliance

The prospective financial statements of the NZFC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE accounting standards.

These prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.



### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Foreign currency transactions are translated into NZ\$ (the functional currency) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Goods and services tax (GST)**

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

The NZFC is exempt from income tax in accordance with Section 29 of the New Zealand Film Commission Act 1978. Accordingly, no provision has been made for income tax.

### **Cost allocations**

The NZFC has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on the proportion of direct costs for each output of total direct costs.

### **Critical judgements in applying the NZFC's accounting policies and critical accounting estimates and assumptions**

In preparing these financial statements the NZFC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **Funding expenditure**

The NZFC provides a range of funding programmes. In most instances the funding is provided as a non-recoupable grant. This includes the funding of feature film script development and related producer devolved development schemes. Feature film production funding assistance is provided in the form of equity investment. These gives the NZFC an entitlement to share financially alongside other investors if the film is commercially successful.

We have exercised judgement in developing our funding expenditure accounting policy as there is no specific accounting standard for funding expenditure. A challenging area in particular is accounting for funding arrangements that include conditions or milestones. Although our feature film production funding contracts may set out milestones, these are primarily for administrative purposes, and on this basis, we recognise the full commitment as expenditure in the financial year of commitment. Furthermore, our assessment is that the recipient and other related parties have a valid expectation that funding will be paid in full.

With the recent introduction of the new PBE Accounting Standards, there has been debate on the appropriate framework to apply when accounting for such expenditure. We are aware that the need for a clear standard or authoritative guidance on accounting for grant expenditure has been raised with the New Zealand Accounting Standards Board. We will keep the matter under review and consider any developments.

## **Funding liabilities**

We recognise a liability for funding expenditure when the following conditions have been met:

- a) The funding has been approved by the relevant NZFC decision-making body;
- b) The funding recipient has been advised; and
- c) It is probable (more likely than not) that the funded proposal will be completed.



Wei (Joyena Sun) – *Grafted* 2024 © Grafted Film Ltd. Photo Matt Grace



