

SUBMISSION TO THE MEDIA REFORM PROPOSAL: STREAMLINING CROWN CONTENT FUNDERS

INTRODUCTION

The New Zealand Film Commission (NZFC) is an Autonomous Crown Entity; however, it recognises its position within government. It is our role to provide quality information on all parts of the screen sector we touch and to give impartial advice to the government. Accordingly, this submission will not be prescriptive but rather factual in response to the media reform discussion document.

We look with interest at all proposals presented in the discussion document, however, we are focused here on responding to draft proposal five: streamlining Crown content funders.

THE NEW ZEALAND FILM COMMISSION

An Autonomous Crown Entity operating under the New Zealand Film Commission Act 1978. NZFC's statutory responsibility is to encourage, participate and assist in the making, promotion, distribution and exhibition of films. We are funded by:

- Ministry for Culture and Heritage (MCH)
- Ministry of Business, Innovation and Employment (MBIE)
- New Zealand Lottery Grants Board (LGB)
- Returns on Film Equity Investments
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The New Zealand Film Commission's role is to:

- FUND the development and production of New Zealand films.
- SUPPORT career and business development and industry bodies across the New Zealand screen industry.
- PROMOTE New Zealand films and creators domestically and internationally
- MARKET the New Zealand screen production industry overseas and attract international productions (film and television) to New Zealand
- ADMINISTER the New Zealand Screen Production Rebates
- CERTIFY official co-productions

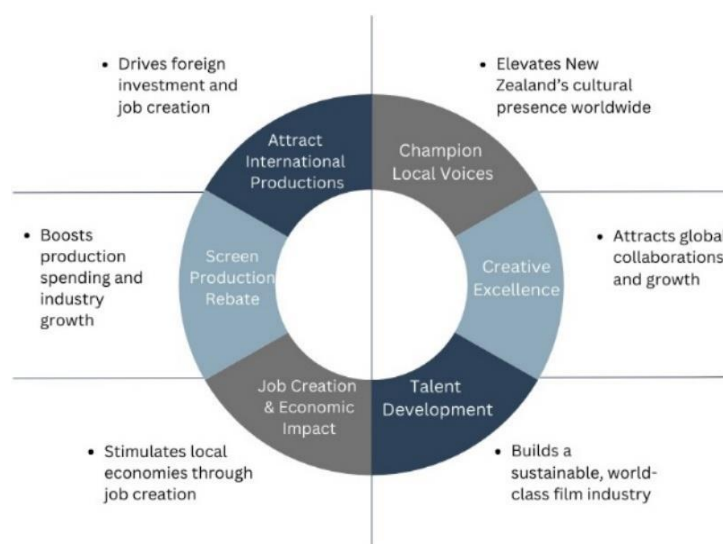


Figure 1: NZFC Outcomes Framework

CULTURAL ROLE

Funded by MCH and LGB under Vote: Arts, Culture and Heritage

There is enormous breadth to the work of NZFC. We are involved in all aspects of the local film sector from development to production, distribution and marketing as well as talent and career development, industry support, certifying co-productions and administering the rebate.

NZFC supports New Zealand filmmaking from end to end including initiating the creative development of scripts, supporting productions and the businesses behind them, through to marketing and distribution support, sales income collection and archiving.

In the screen sector more broadly, NZFC supports the industry guilds and associations and sponsors festivals and events showcasing films and creators with the goal of building cultural awareness.

We attend - and support creators to attend - international festivals to promote New Zealand films. We support attendance at market & trade shows to drive sales and export opportunities as well as new inward investment and business growth.

Whilst broad, the functions outlined above all tie back to supporting the government's goal of assisting the creation of New Zealand stories to be seen and valued, helping showcase and reflect our culture to ourselves and to the world.

NZFC's work enhances New Zealand's cultural visibility, global recognition, and fosters diplomatic ties through storytelling. All of which contributes to the industry's sustainability and New Zealand's soft power.

International co-productions also provide a means for producers to create projects of scale that draw on a range of local and international resources. This includes the sharing of creative and technical expertise, access to local and foreign incentives and subsidies, and access to the domestic market of co-production partners.

NZFC supports filmmakers at international film markets such as Cannes Film Market, Toronto Film Festival and the upcoming Annecy International Animation Film Market to connect with sales agents, producers and financiers and to explore potential co-productions.

International activity under the Cultural Vote ensures that New Zealand stories are visible in key global markets, and supports filmmakers to build international contacts in filmmaking, financing, sales and distribution. This work positions New Zealand as a proactive and visible force in the global film industry.

ECONOMIC ROLE

Funded by MBIE under Vote: Economic Development

For the past decade advancing New Zealand's reputation as a premier screen production destination has become a core function of the agency. New Zealand is rightly famous for quality screen production, highly skilled creatives and exceptional production facilities. NZFC's international screen attraction work supports tens of thousands of people who work in the screen sector and its production pipeline, and hundreds of businesses including those in the weightless digital export sectors of VFX, animation and sound/music post-production.

NZFC promotes New Zealand's screen production industry to international studios, streamers and independent producers who are considering New Zealand as a production base. Our role is to ensure international production teams experience the best of New Zealand's remarkable creative community.

In addition to the exceptional creative talent, New Zealand's diverse and accessible locations, favourable exchange rates, competitive incentives, regulatory factors, business integrity and lifestyle considerations contribute to the New Zealand advantage story. In 2023/24, this resulted in 13 international productions starting principal photography in New Zealand including *Avatar 3* and *The Minecraft Movie*, *The Wrecking Crew*, *Chief of War*, *Spartacus: House of Ashur* and *Day vs Night*.

At a local level, activating and attracting screen production in New Zealand leads to more sustainable screen businesses, global networks, jobs for screen sector workers and wider economic benefits including for the tourism, hospitality and technology industries.

NZFC's screen attraction role dovetails efficiently with our complementary roles of administering the New Zealand Screen Production Rebate (NZSPR) and certifying official co-productions made according to one or more of New Zealand's 18 co-production arrangements.

While NZFC's cultural and economic functions are funded separately, they are synergistic. For example, creatives gain experience on inbound international production and bring their highly developed skill sets to New Zealand stories, benefiting both parts of the sector. Businesses servicing inbound production invest in personnel, equipment and technology which is then put to work on New Zealand films. The local screen sector trains and develops talented creatives who go on to work globally. Hence the international and the domestic parts of New Zealand's screen sector are symbiotically linked as two sides to the same coin.

AREAS OF FOCUS

NZ On Air and NZFC both have storied and stellar histories, supporting New Zealand culture for decades. Both agencies play crucial and complementary roles in the New Zealand screen sector, and each has distinct areas of focus. What follows is a summary of NZFC's areas of focus that we believe must be maintained and cherished whether NZFC remains a standalone agency, in the case of a full consolidation, or in a scenario that falls somewhere in between.

While there are some areas of overlap between NZ On Air and NZFC, there are also distinctly different functions which are important to retain in any consolidated entity:

- The 'voice' of New Zealand film – the unique and distinct stories that can come from nowhere else and are made primarily for cinema. Currently \$20 million per annum is allocated by NZFC to ensure approximately eight culturally significant feature films are made and seen locally and globally.
- Attracting International Investment – NZFC undertakes considerable international activity to support New Zealand films and film makers. The presence of a government agency in the international market is important to maintain market confidence that New Zealand is an excellent, reliable and safe place to do business, and supports the financing of New Zealand films with international partners without the need for substantial new investment from New Zealand.

- Co-production Certification – this is a crucial growth area for the NZ sector that provides a means for producers to create projects of scale and access to foreign investment and markets. NZFC undertakes Co-production administration on behalf of New Zealand’s co-production arrangements with 18 countries and jurisdictions.
- NZ Screen Production Rebate Administrator. The NZSPR continues to be a powerful tool in enabling local productions, securing foreign investment and providing economic and industry development benefits for New Zealand. NZFC administers the rebate for both domestic and international production and does so highly efficiently and effectively. We are confident that we provide the most efficient rebate service in the world, which is a crucial selling point for inbound production.
- International Screen Attraction – NZFC was the conduit for \$1.3 billion of inward investment last financial year and 82% of cast and crew employed on these productions were New Zealanders. NZFC has an expert team working highly effectively in the international market to attract and maintain this pipeline of production activity. The focus of this team is to attract international production to New Zealand, with each production then quickly devolved to industry, including the four major Regional Film Offices (Auckland, Wellington, Canterbury, Otago/Southland). NZFC’s attractions function is closely linked to the rebate administrator role and is funded by MBIE.
- Filmmaker Career and Business Development – NZFC invests in development, education and work opportunities both locally and globally for NZ creatives. We also connect NZ based filmmakers with expatriate New Zealanders working around the world with a view to accelerating careers, expanding businesses and encouraging co-production.
- Industry Support – NZFC provides core funding to ten peak industry bodies, all of which play a part in sector cohesion. Major NZ wide film festivals are also supported.

The above areas of focus are what we think need to be retained in the case of any consolidation to ensure a thriving screen industry that contributes to New Zealand’s cultural identity and economic growth.

MAHI TAHI: CLOSER COLLABORATION

After the success of the ‘Premium Fund’ (Te Puna Kairangi Premium Productions for International Audiences) a collaboration between NZ On Air, NZFC and Te Māngai Pāho, we initiated ‘Mahi Tahi’ (translated as ‘working as one’) a joint discovery project which aims to create alignment and consistency across the three screen funding agencies, sharing resources and finding efficiencies. This collaboration is a visible demonstration of prudent use of taxpayer funds, with any savings able to be redirected into creative projects.

Currently we are achieving alignment through joint research projects, industry development programmes and cross-agency principles and policies, however there is scope to expand and deepen the Mahi Tahi collaboration, which could look like:

1. Co-Funds

Bespoke joint funding rounds (like the TMP and NZ On Air Co Fund or the Premium Fund) with a focus on premium projects for local and international markets.

2. Nurturing talent

Combined industry and talent development programmes (masterclasses, career placements, story labs) managed jointly to avoid duplication and address gaps, combine resources, and deliver high quality training outcomes. Leveraging NZFC's international relationships to expand the horizon for creative talent.

3. Career Pathways

More structured pathways enabling seamless career development from emerging content creation (social media, user generated short form, digital series) to premium international content (feature films, series drama). Build on existing workforce development planning to establish formal education programmes for creatives both above and below the line.

4. Back Office Efficiencies

Combine a range of back office functions to create greater alignment, reduce duplication and achieve savings.

SUMMARY

The way audiences consume media has changed enormously since NZFC's inception in 1978, and NZ On Air's in 1989. Changing technology has brought new options into the market and audiences now have significantly more choice around where and how they watch screen stories, and the types of stories they want to watch.

All working in the New Zealand screen sector, including the funding agencies, are looking at how best to support New Zealand screen stories in a way that is appropriate now and in the future.

The New Zealand Film Commission (NZFC) is performing strongly and is well positioned for any future developments. Following some recent organisational changes, NZFC is leaner and more agile – enhancing our capacity to deliver both economic and cultural returns effectively. We continue to attract significant international productions, driving substantial inbound investment (\$1.3 billion in the past year) while also supporting authentic New Zealand storytelling for screen here and overseas.

Our robust administration of the New Zealand Screen Production Rebate, effective international outreach, and expertise in co-production certification have established NZFC as a trusted partner in global markets. Internally, we are proactively enhancing our technological infrastructure, including a new website and digital experience launching in June 2025, to better serve stakeholders and staff.

Through the successful 'Mahi Tahi' collaboration, alongside NZ On Air and Te Māngai Pāho, we have demonstrated prudent sensible financial stewardship and resource sharing. This model positions us well to adapt smoothly to any potential consolidation decisions arising from the Media Reform Proposal. We are equally capable of expanding this successful collaboration further.

Overall, NZFC remains focused, efficient, and prepared to embrace future opportunities, ensuring the continued vitality and international competitiveness of New Zealand's screen sector.