

A woman in a white dress and veil is dancing in front of a traditional Maori building. The background is dark and textured, possibly representing a forest or a night scene. The woman is smiling and looking down, and her dress is flowing around her. The building in the background has a distinctive conical roof and decorative patterns.

# *annual report 2007/08*

**NZ  
FILM**  
COMMISSION  
TE TUMU WHAKAATA TAONGA

PO Box 11-546, Wellington | [www.nzfilm.co.nz](http://www.nzfilm.co.nz)

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FILM**  
COMMISSION  
TE TUMU WHAKAATA TAONGA





# Report of the New Zealand Film Commission

for the year ended 30 June 2008

In accordance with Sections 150 to 157 of the Crown Entities Act 2004, on behalf of the New Zealand Film Commission we present the Annual Report covering the activities of the NZFC for the 12 months ended 30 June, 2008.

David Cullwick  
Chairman

Bill Birnie  
Deputy Chairman

October 2008



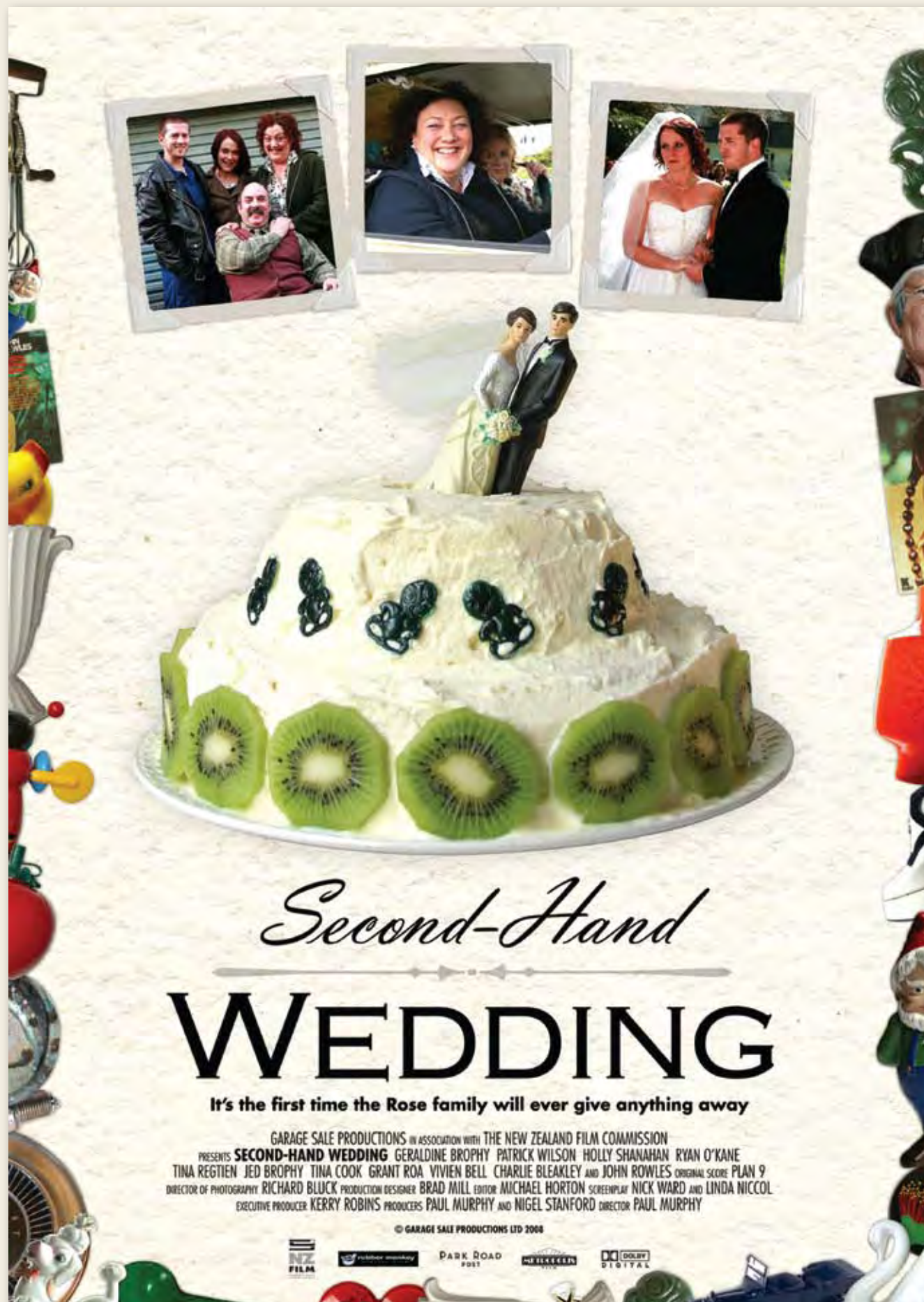
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through the Ministry for Culture and Heritage  
and by the Lottery Grants Board

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## Highlights

### Cultural capital

- The NZFC invests in 12 New Zealand feature films, and allocates post-production support for seven digital features

### Talent pathway

- The NZFC finances nine short films, and invests in the development of 62 feature films
- Te Paepae Ataata is signed with Nga Aho Whakaari, creating a three-year commitment to develop Maori feature projects
- The NZFC supports 14 professional development initiatives with total participation of more than 240 filmmakers
- The NZFC initiates awards for writers: five inaugural awards are made

### Domestic profile

- Local cinema audiences of more than 416,000 view six New Zealand features made with NZFC investment; all the releases receive NZFC financial assistance for their prints and advertising
- The most successful release, *Second Hand Wedding* directed by Paul Murphy, attracts an audience of more than 209,000 people
- A New Zealand home audience estimated at 598,000 views seven New Zealand features with NZFC investment when they are released on DVD
- More than 2.3 million viewers watch NZFC-financed features on free-to-air television
- Four New Zealand features with NZFC production investment and seven digital features with NZFC post-production support are selected for premieres at the 2008 New Zealand film festivals
- The NZFC commits finance for the digital transfer and DVD release of 60 titles from the New Zealand feature film catalogue

### International profile

- The NZFC organises NZ participation in six international film events to promote NZ films and filmmakers
- More than 168,000 people see *Black Sheep* during its British theatrical release
- *Eagle vs Shark* is released in 70 British cinemas
- More than 178,000 DVDs of *The Tattooist* are sold in the United States
- The NZFC organizes screenings of New Zealand feature films in 55 international film festivals
- Vincent Ward's *Rain Of The Children* wins grand prix in Poland
- Sima Urale's short film *Coffee and Allah* is selected for competition at the Venice Film Festival

### Stakeholder relationships

- The NZFC supports nine joint ventures with guilds and associations, which offer talent development opportunities for 598 filmmakers





## Chairman's introduction

I am delighted to introduce this annual report at a time of buoyancy in the New Zealand film industry. After a lean cycle, the screen sector is again highly productive with more large-scale productions able to take advantage of the Large Budget Screen Production Grant and a diverse film slate in the domestic sector as a result of a successful partnership between the NZFC and filmmakers. This strong production activity provides welcome high-quality work for actors and crews as well as opportunities for aspiring practitioners.

It has been an excellent year for New Zealand films: successful domestic releases, strong DVD and television audiences and good international sales results. The NZFC's sales agency NZ Film has been actively involved in marketing these films. Most recently, the NZFC supported the post-production and release of *Second Hand Wedding*. Its success emphasises the reality that a strong cultural story is a critical element in box office success.

Another five films with NZFC investment are lined up for release, with three more in production and three in various stages of completing financing and contracting. These films present a wide range of New Zealand stories of varying scales from first-time filmmakers through to our internationally renowned filmmakers. There is a trend towards an increasing number of co-productions which is consistent with the higher level of international ambition that senior filmmakers are signalling.

Changes in the funding instruments available to the NZFC and filmmakers were announced towards the end of the year under review. The NZFC welcomed the news that significant additional finance was to be made available for film production from [the new Screen Production Incentive Fund \(SPIF\)](#). Finance previously allocated for investment in "Film Fund 2" type films was incorporated in the new Fund. We share the expectation that SPIF grants will help to grow New Zealand's production capability at the same time as they meet the criteria for New Zealand content. The decision to establish SPIF was announced in the May 2008 Budget. It represented a rapid response from the Government to concerns raised by the NZFC and the industry about the effect on the New Zealand screen production industry of new production incentives in Australia.

The NZFC will administer the new Fund according to policy settings and criteria set by Cabinet. SPIF requires substantial New Zealand content and participation for film and television projects seeking its support.

The Board notes with regret that a consequence of SPIF is the termination of funding for the successful "Film Fund 2" production investment approach. Accordingly the work of the NZFC's Film Fund 2 Committee will be phased out. Future production financing decisions for either SPIF co-investments or non-SPIF films will be made by the NZFC Board.

It was a great day in November 2007 when we signed Te Paepae Ataata with Nga Aho Whakari. The purpose of Te Paepae is to support Maori cinema by ensuring that tangata whenua cinema is a dynamic constituent voice within New Zealand film. In the words of filmmaker Barry Barclay, who had been instrumental in creating the initiative: "The house is now restored".

Barry's death three months later was a great loss. He was a passionate advocate of indigenous voices telling their own stories and a pioneer in the development of New Zealand's film culture. His feature *Ngati* was the first dramatic feature film written (by Tama Poata) and directed by Maori. It won international awards and recognition.

Haere atu ra e Barry. Haere ki Hawaikinui, ki te kainga o nga tupuna o nga matua. Kei konei matou te tangi atu nei ki a koe. Moe mai ra e hoa. Haere, oti atu ai. Heoi.

Farewell to you Barry. We farewell you to your ancestral home. We weep for you. Rest the eternal peace. This is our word to you.

The NZFC has continued to work in partnership with industry guilds and organizations which are all vital elements in the development of the industry's capability. These partnerships brought international practitioners to New Zealand to share their knowledge and experience and enabled New Zealanders to take part in international programmes. More than 590 individuals participated in these joint talent development initiatives.

The NZFC is ending its 30<sup>th</sup> anniversary year on an optimistic note with investment in excellent productions, strong development initiatives, enthusiastic audiences and new opportunities represented by SPIF. A book celebrating 30 years of New Zealand films and filmmakers will be launched in October to mark the anniversary.

An unexpected feature of our anniversary year will be the departure of our chief executive Ruth Harley, who is to become the inaugural chief executive of Screen Australia from mid-November. We are proud that the Australians have chosen someone who has led the New Zealand industry with great distinction, but we are sad to lose Ruth from our industry. During her tenure of more than a decade, the NZFC has become a key contributor to the growth of the New Zealand film industry. Ruth's leadership has resulted in new policies which have brought a significant increase in domestic audiences for New Zealand films; substantial enhancement for the international profile of our films; new opportunities for talent development and production financing; and strong political support for New Zealand filmmaking.

I pay tribute to Board members for their valuable insights and commitment to the work of the NZFC. I also acknowledge with gratitude the contribution of the members of the Development Committee, the Large Budget Screen Production Grant Panel, the Sales Agency Advisory Committee and the Film Fund 2 Committee. In particular I thank the independent members of the Film Fund 2 Committee, David Gascoigne and Chris Prowse, whose skill, judgment, patience and generosity have made an incalculable contribution to the work of the NZFC. Finally, the Board is proud to acknowledge the dedicated professional staff of the NZFC and the community of filmmakers whose work we are privileged to encourage.

David Cullwick  
October 2008



## From the Chief Executive

It's been a very positive year for feature-film investment opportunities. The NZFC invested in seven new features and committed additional finance to another five. In addition we supported the post-production of seven digital features, five of them documentaries and all of them selected for premiere screenings in the New Zealand film festivals. Our goal of creating significant cultural capital with quality New Zealand films will be well advanced by this level of production.

It was also a good year for New Zealand audiences. Six NZFC-financed features were released in New Zealand cinemas. All were provided with NZFC support to ensure they could compete with high-profile Hollywood and other international titles. The releases attracted a domestic theatrical audience of more than 416,000 people. The home audience for the first DVD release of seven NZFC-supported titles was more than 590,000. Television audiences who viewed NZFC-financed feature films exceeded 2.3million people.

Two of this year's theatrical releases – *Eagle vs Shark* and *The Tattooist* – contributed to a sequence of seven consecutive New Zealand titles which each attracted local audiences of more than 50,000 people. The three following releases did not reach this level, but then came *Second Hand Wedding* which achieved more than 209,000 admissions. This is the most successful run of New Zealand films ever, and enables the NZFC to exceed its audience targets by a significant margin.

Most of the targets set for 2007/08 were met or exceeded. There were two exceptions. The target of having ten feature film projects suitable for presentation to the Board was not met. Six projects were presented. On reflection, the Board has concluded that the target was overstated. The target that 80 per cent of feature films handled by NZ Film should achieve A-list festival launch assessed on a three-year rolling average was not achieved. A figure of 67 per cent was achieved which the Board considered satisfactory given the extremely competitive international market.

The NZFC has a practice of continuous programme review. This year we completed two major research projects and commissioned a third.

The NZFC and Creative New Zealand commissioned research into the barriers to financing documentaries. The research findings reflected a lack of opportunity for the full range of New Zealand documentary voices. As a result, the NZFC and Creative New Zealand agreed to make changes to the Screen Innovation Production Fund. It was agreed in principle that fewer projects should be financed, enabling a higher level of grants to be offered, especially to senior filmmakers aiming to engage audiences with quality projects. The new approach which will be implemented in June, 2009 will provide three grants of up to \$70,000 each and ten grants of up to \$30,000 each, instead of 36 grants a year averaging \$15,000 each. The fund will be renamed the Independent Filmmakers' Fund (IFF).

In addition the NZFC will invest in occasional feature documentaries with a strong cinematic aesthetic. The NZFC will also continue to support documentaries selected for the New Zealand film festivals or for A-list international festivals.

A communications audit was completed. Selected producers and distributors were asked for their perceptions of the industry and the NZFC's role in it. The independent survey found that geographical distance from markets and the attendant costs were seen as the biggest hurdles for New Zealand filmmakers. A majority of those questioned said the NZFC was critical to the survival and success of filmmaking in New Zealand. There was a desire for the NZFC to increase its professional development work and to become a stronger teller of the New Zealand film "story." Some producers asked for more information about funding decisions and their rationale, as well as information about market successes. We also discovered a gap in the understanding of the NZFC's sales and marketing role.

We have begun an audit of our international sales and marketing programmes which will analyze the value of the NZFC's activities in this area. The research should enable the NZFC to provide better information to the public and the industry about the benefits and outcomes of investing resources in international marketing.

The process of continuous review will ensure the NZFC's programmes are regularly evaluated and refined to ensure they provide the best possible value to filmmakers and government stakeholders.

I would like to end on a personal note. Since the announcement of my appointment to Screen Australia, I have appreciated the goodwill that has been shown in so many messages of congratulation. I am very sad to leave but I feel the industry is in good heart.

We have an outstanding team at the NZFC and I acknowledge all of them for their passion, their skill and their desire to serve the filmmakers. The films awaiting release, and those in various stages of pre- to post-production, have resulted in the strongest NZFC-financed slate I have seen. SPIF will offer a new financing model which from early indications is on track to meet expectations. The last few years have seen the best-ever level of domestic performance. We have two films in official selection at Toronto – *Dean Spanley* and *Apron Strings*. *Rain of the Children* has been honoured by its grand prix in Poland. Three films have been selected for Montreal. There are also at least four projects lining up for production financing. All in all it is a great platform from which New Zealand filmmaking will continue to grow in opportunity, achievement and aspiration.

I have been very fortunate to have been in this role for the past ten years and I will watch with interest and great affection as New Zealand filmmakers and the NZFC continue an extraordinarily productive relationship.

Ruth Harley  
October 2008





## Goal 1/ To create significant cultural capital with quality New Zealand films

### Outputs:

*Funding to enable script development and production financing of a diverse range of quality film projects that meet funding criteria and create cultural capital*

*The NZFC exceeded its first target by investing in 12 feature films from all its funding programmes, with total expenditure of \$20,718,614. (Previous year: \$4,933,421 for seven features). It also supported the completion of seven digital features.*

*Performance measures, targets and achievements: pages 50–51.*

## NZFC investment in seven new feature films

### Dean Spanley

**Official New Zealand-United Kingdom co-production**

**Producers:** Matthew Metcalfe, General Film Corp (Two Dogs) Ltd (New Zealand); Alan Harris, Atlantic Film Productions (Dean Spanley) Ltd (United Kingdom)

**Director:** Toa Fraser

**Writer:** Alan Sharp

**Executive producers:** David Parfitt and Finola Dwyer

This large-budget feature, with a New Zealand director, producer, writer, cinematographer, editor, production designer, composer and star, received minority investment from the NZFC's Film Fund 2 and majority investment from three sources in the United Kingdom: Aramid Capital Partners, Lipsync, and Screen East. A 12-week shoot began in Norfolk in the United Kingdom in November, with Sam Neill, Bryan Brown and Peter O'Toole in the cast. A two-week shoot began in New Zealand in January. Post-production in the United Kingdom began in February.

Transmission in association with Paramount Pictures will be the distributor in New Zealand and Australia.

International sales are handled by NZ Film.

### Matariki (previously Exit 50 and Dick)

**Producer:** Fiona Copland, Filmwork Ltd

**Director:** Michael Bennett

**Writers:** Michael Bennett and Gavin Strawhan

The NZFC made a conditional offer of majority production finance for this debut feature, about intersecting slices of multi-cultural life during five days and nights in South Auckland. Production is due to begin in 2009.

Screenline is to be the New Zealand distributor. International sales will be handled by NZ Film.

### Rubbings from a Live Man

**Producers:** Philippa Campbell and Florian Habicht, Live Man Films Ltd

**Director/writer:** Florian Habicht

After viewing an incomplete roughcut, the NZFC committed finance in October for this documentary feature about the 40-year career of a flamboyant New Zealand actor, performer and director. The film completed shooting in December and began editing in Auckland one month earlier, with further post-production at Park Road Post Production in Wellington in March and April. It was selected for its world premiere in the 2008 New Zealand film festivals.

Arkles Entertainment is the New Zealand distributor.

International sales are handled by NZ Film.

### Second Hand Wedding (previously Garage Sale)

**Producers:** Kerry Robins, Nigel Stanford, Paul Murphy, Garage Sale Productions Ltd

**Director:** Paul Murphy

**Writers:** Nick Ward, Linda Niccol

Production of this debut feature began in August with finance from private investors, and the shoot was completed in September. After viewing a roughcut, the NZFC committed investment in October to enable completion of the film, which carried out post at Rubber Monkey and Park Road Post Production in Wellington. Its successful New Zealand theatrical release began in May.

Metropolis is the New Zealand distributor. International sales are handled by NZ Film.

### Tracker

**Official New Zealand-United Kingdom co-production**

**Producers:** Trevor Haysom, T.H.E. Films Ltd (New Zealand); David Burns, Eden Films (United Kingdom)

**Director:** Ian Sharp

**Writers:** Nicolas van Pallandt and David Burns

The NZFC made a conditional offer of minority production investment for this large-budget project, with majority investment being sought from sources in the United Kingdom. The feature, an action-thriller set in 1906, is to shoot in New Zealand, with a British director, and post-production in England.

Transmission in association with Paramount will be the New Zealand and Australian distributor.

International sales will be handled by NZ Film.

### The Truth About Men

**(previously Separation City and Happy Families)**

**Producers:** Tom Scott, Angela Littlejohn, Mark Overett

**Director:** Paul Middleditch

**Writer:** Tom Scott

**Executive producers:** Anton Smit, San Fu Maltha, Cathy Overett, Molly Hassell

The NZFC's Film Fund 2 committed conditional investment for the production of this feature, a romantic comedy about a mid-life crisis.

Hoyts will be the New Zealand distributor. International sales will be handled by K5 International GmbH of Germany.

### Under the Mountain

**Producers:** Richard Fletcher, Jonathan King, Matthew Grainger, Redhead Films Ltd

**Director:** Jonathan King

**Writers:** Jonathan King and Matthew Grainger, based on the book by Maurice Gee

**Executive producers:** Trevor Haysom, Chris Hampson, Chris Bailey

The NZFC's Film Fund 2 committed investment for this new feature, which began shooting in Auckland in August 2008. Sam Neill heads the cast in this story of teenage twins who discover sinister shape-shifting creatures lurking beneath Auckland's extinct volcanoes. Special effects and creature effects will be created by Weta Workshop.

Disney will be the New Zealand distributor. International sales will be handled by NZ Film.

01\ Director of photography Leon Narbey at work in Auckland on *Dean Spanley*;

02\ Director Paul Murphy during the shoot of *Second Hand Wedding*;

03\ Director Florian Habicht lines up a shot for *Rubbings from a Live Man*. Photo – Frank Habicht





## Additional NZFC investment in five feature films

### Apron Strings

Producer: Rachel Gardner, Apron Strings Film Production Ltd

Director: Sima Urale

Writers: Shuchi Kothari and Dianne Taylor

Executive producer: Trevor Haysom

Production of this debut feature, the first in the Signature programme, began in South Auckland in October with majority investment from the NZFC as well as minority investment from New Zealand On Air and TVNZ. With a story about tensions in two New Zealand families, the film was completed at the end of the year after post-production in Auckland and Wellington. It was selected for world premiere screenings at the 2008 Auckland and Wellington Film Festivals and 14 more New Zealand film festivals.

Rialto will be the distributor in New Zealand and Australia.

International sales are handled by NZ Film.

### Rain of the Children

Producers: Vincent Ward, Margaret Slater, Tainui Stephens, Forward Films Ltd

Director/writer: Vincent Ward

This film, based on actual events, was completed during the year after post-production at Park Road Post Production in Wellington. As well as investment from the NZFC, finance was committed by New Zealand On Air with Te Mangai Paho in partnership with Maori Television. The film's world premiere at the Sydney Film Festival in May was followed by New Zealand premieres at the 2008 Auckland and Wellington Film Festivals and 14 more New Zealand film festivals.

Rialto will be the distributor in New Zealand and Australia.

International sales are handled by NZ Film.

### Show of Hands

Producer: Angela Littlejohn, Endurance Film Production Ltd

Director/writer: Anthony McCarten

Executive producer: Trevor Haysom

Melanie Lynskey heads the cast in this story of a grueling endurance contest centred on a suburban car yard. The film began production in Taranaki in November. It was the second in the Signature series, with NZFC investment alongside minority finance from New Zealand On Air, TVNZ, and Venture Taranaki. Post-production was carried out at Rubber Monkey in Wellington.

Rialto will be the distributor in New Zealand and Australia.

International sales will be handled by NZ Film.

### The Strength of Water

Official New Zealand-Germany co-production

Producers: Fiona Copland, Filmwork (Strength of Water) Ltd (New Zealand); Karl Baumgartner, Raimond Goebel, Pandora Film Produktion GmbH (Germany)

Director: Armagan Ballantyne

Writer: Briar Grace-Smith

This debut feature, about a small boy who can't accept the death of his twin sister and who will do anything to keep her spirit alive, began production in the Hokianga in August, with post-production in Germany and New Zealand beginning in October. Alongside the NZFC's majority investment, the film has minority investment from New Zealand On Air, Maori Television, Filmstiftung NRW in Germany, and Perceptual Engineering.

Hopscotch will be the distributor in New Zealand and Australia.

International sales are handled by NZ Film.

### The Vintner's Luck

Official New Zealand-France co-production

Producers: Robin Laing, Niki Caro, Laurie Parker, Ascension Film (New Zealand); Pascal Judelewicz, Ludi Boeken and Jean-Francois Klein, Kortex sarl (France)

Director: Niki Caro

Writers: Niki Caro and Joan Scheckel, from the novel by Elizabeth Knox

This feature, with a cast including Keisha Castle-Hughes, began shooting in Auckland in February. Principal photography then moved to the Burgundy region in France. Post-production began in Auckland in June. The Film Fund Production Trust, the NZFC's Film Fund 2 and New Zealand On Air are minority investors. A majority of the investment has been committed by the Motion Investment Group of Belgium, OLC Rights Entertainment of Japan, Kortex Cinema of France and Birka Holding of Sweden.

The distributor in New Zealand and Australia will be Icon.

International sales are handled by NZ Film.



## Post-production finance for seven digital features

The NZFC provided post-production grants to assist with the completion of seven digital features (five of them documentaries) all of which were selected for screening at the 2008 New Zealand film festivals. Six of the festival screenings were world premieres.

### The Art Star and the Sudanese Twins

Director: Pietra BrettKelly

An encounter with an art world performer and provocateur, whose works frame western responses to the tragedy in Darfur. The film had its world premiere at the Sundance Film Festival where it won the world cinema documentary editing award.

### Barefoot Cinema

Director: Gerard Smyth

Producers: Gerard Smyth, Alice Shannon Frank Film

The art and life of cinematographer Alun Bollinger, who has been shooting New Zealand films for almost 40 years.

### From Street to Sky

Director/producer: Bryn Evans Bravestar Films

An intimate portrait of a 52-year-old roots musician who waited 27 years to release his first album.

### The Hollow Men

Director/producer Alister Barry Community Media Trust

A chronology of public performances and private strategies in the 2004 election campaign, based on the best-selling book by Nicky Hager.

### Last of the Living

Director/producer: Logan McMillan Silverback Films

Writers: Ashleigh Southam and Logan McMillan.

A sci-fi horror film about the last four people alive who strive to make it through a zombie wasteland and find a cure to their disease.

### Jinx Sister

Director/writer: Athina Tsoulis

Producer: Larry Justice Ample Films

A domestic drama about two sisters who peel back their family secrets and discover the deceptive nature of family myths.

### Trouble Is My Business

Director: Juliette Veber

Producers: Vicky Pope, Juliette Veber Trouble Free Films

Student management and discipline at Aorere College in Mangere, as handled by the assistant principal Mr Peach.

Left:

01\ Sima Urale directing *Apron Strings*.

02\ Vincent Ward directing *Rain of the Children*.

03\ Anthony McCarten directing Melanie Lynskey in *Show of Hands*.

04\ Armagan Ballantyne directing Hato Paparoa in *The Strength of Water*.

05\ Niki Caro directing Keisha Castle-Hughes in *The Vintner's Luck*

Above:

06\ Director Gerard Smyth (left) with Helen Bollinger, Alun Bollinger, sound recordist Tim Brott and director of photography Jake Bryant during a break in shooting for *Barefoot Cinema*.

07\ Director Juliette Veber filming Mr Peach being farewelled for *Trouble Is My Business*



Goal 2/  
To build a talent pathway

Outputs:

*Funding and professional services to create development opportunities for script writers, directors and producers*  
*Specialist script development services*

*The NZFC financed the production of nine short films; the cost, including finance for the Screen Innovation Production Fund (which supported a further 34 projects) was \$1,440,973 (\$1,415,128 the previous year).*

*The NZFC supported script development of 62 feature projects (28 were new) at a cost of \$1,561,387 (\$1,013,326 for 36 projects the previous year).*

*Support continued for devolved development at a cost of \$1,020,000 (\$625,000 the previous year.)*

*New initiatives included awards for five writers and implementation of Te Paepae Ataata. Fourteen NZFC professional development events were attended by 241 people.*

*Performance measures, targets and achievements: pages 50–51.*

NZFC production financing of nine short films

The NZFC achieved its sixth target by committing finance for the production of nine [short films](#). The films were commissioned from more than 300 proposals by three groups of executive producers, each in their second year, to whom the NZFC delegated the process of selecting short film projects. Details of the commissioning groups and the nine short films are in the Appendix on page 53.

The NZFC offered short film executive producer tenders for 2008/09 to:

Big Shorts (Vicki Pope and Rob Sarkies), Kura Shorts (Quinton Hita and Tearepa Kahii), and Robbers Dog Shorts (Mark Foster, Adam Stevens, Kristian Eek.)

The NZFC continued to support [the Screen Innovation Production Fund](#), a partnership with Creative New Zealand which is designed to support a range of moving image projects with an emphasis on innovation, uniqueness and emerging talent. A total of 34 project grants were made by the Fund, to which the NZFC contributed \$350,000 and Creative New Zealand \$250,000. The grants are listed in the Appendix on page 55.

A review of the Fund (detailed in the Chief Executive’s introduction) will result in changes to its name and criteria next year.

Feature film development

The NZFC increased its commitment to supporting autonomous development for experienced filmmakers during the year under review, by introducing a new Writers’ Award.

This is a fund for established screenwriters who have achieved some success and is designed to support them for one year to develop ideas from an early stage without the requirement to attract a producer in order to secure financial support.

The timeliness of the initiative was evidenced by the number of high-quality applications, in response to which the NZFC Board decided to offer five awards (to Michael Bennett, Riwia Brown, Matthew Grainger, Glenn Standring and Nick Ward). It is envisaged that there will be no more than two Writers’ Awards in future years.

Alongside support for devolved development, the levels of direct development spending changed to reflect a different development model.

The new ‘pyramid’ model aims to encourage a range and diversity of films by spreading more money across a larger number of projects at the earliest stage of development, while making producers aware that at each subsequent stage of development projects must demonstrate significant progress in order to attract continuing support.

This approach means that fewer projects will move beyond the staff committee level of funding but is also designed to ensure that the smaller number of projects moving through to the development committee will be in a strong position to compete for production finance.

In addition to the Writers’ Award, the NZFC continued its support for experienced producers through the Producer Overhead Fund and Devolved Development Fund, with an increase in the amount available for the latter to enable producers to raise levels of remuneration.

In the year under review five companies were supported by a DDF. One was a new recipient selected from applications reviewed at the December Board meeting. At the same meeting four producers made

successful applications for Producer Overhead Funds and three producers were offered a one-year extension to an existing POF.

The staff committee under the chief executive’s delegated authority made 38 commitments for early development finance from a total of 46 applications. The total commitment in this first tier category was \$725,500. In the previous year, early development for 16 projects was approved from a total of 25 applications with a commitment of \$271,000.

Twelve additional development commitments totalling \$168,000 were provided by chief executive delegation. In the previous year there were three delegated commitments at a cost of \$28,000.

The development committee approved funding for 12 projects from a total of 17 applications. The total of this second-tier finance was \$294,567. In the previous year the committee provided funding for 17 projects at a cost of \$441,706. It received 21 applications.

The Board made eight offers of advanced development finance with a net cost of \$373,320, in comparison with six offers at a cost of \$346,500 in the previous year.

Details of development finance decisions are in the Appendix on pages 53 and 54.

[Guidelines for the processes followed by the two committees](#) are on the NZFC website.





## Professional development initiatives

### Binger Film Lab

With NZFC financial assistance, New Zealand writers Cushla Dillon and Witi Ihimaera took part in a five-month script development programme organized in Rotterdam by the Binger Institute. The NZFC has supported the participation of New Zealanders in Binger programmes for six years.

*"The Binger process, in my opinion, is an excellent one for the kind of films we make in New Zealand."*

– Witi Ihimaera

### Tom Strudwick

The NZFC continues to organise annual workshops led by this British film marketing consultant. In July he carried out a workshop in for eight emerging producers. He also presented two seminars in Auckland and Wellington on the relationship between producers and writers, with an attendance of 56.

### No Borders

This four-year-old NZFC partnership offers New Zealand producers an opportunity to seek international independent production financing by participating in this annual independent market organized by the Independent Feature Project in New York. The New Zealand project selected for the September market was *Firebird*, and producer Catherine Fitzgerald participated with NZFC support.

### 1<sup>st</sup> Writers Initiative

This September event organized by the NZFC was led by Australian script consultants Claire Dobbin and David Rapsey. The other tutors were Michael Bennett, Robert Sarkies and Catherine Fitzgerald. Guest speakers were Robin Laing, Graeme Tetley and Gaylene Preston. Six writers participated.

### SPAA Fringe

The NZFC assisted three New Zealand short film makers to attend this fringe event presented in Brisbane by the Screen Producers Association of Australia at the same time as the Australian producers' conference. It aims to empower filmmakers to find alternative ways of financing and distributing their films, and includes DigiSpaa for digital filmmakers. The New Zealanders who attended were Brita McVeigh, Libby Hakaraia and Tom Reilly. The NZFC's short film manager Juliette Veber and development assistant Jeremy Macey also attended.

### SPAAMart

The NZFC continued its annual programme of assisting three New Zealand feature projects to participate in this November event in Brisbane. The aim is to enable producers to get a sense of the international viability of their projects. The New Zealand participants were: *How Now Brown Cow* (producer Fiona Copland, writer William Brandt); *The Most Fun You Can Have Dying* (producer Alex Cole-Baker, writer/director Kirstin Marcon) and *The Straggler* (producer Michael Wrenn, writer/director Jonathan Ogilvie.)

*"The preparedness of the three New Zealand teams was impressive."*

– Dale Fairbairn, SPAAMart coordinator.

### CineMart

An annual partnership with the NZFC enables a New Zealand project to participate in this financing market in Rotterdam and assists three producers to attend the Rotterdam Lab. The selected project was *Venice* (producer Michael Wrenn, director/writer Miro Bilbrough) and the three Lab participants were Rachel Gardner, Rachel Jean and Quinton Hita.

### Berlin Talent Campus

The NZFC assisted with the costs of travel to enable three young New Zealand filmmakers to participate in this course for emerging filmmakers which is part of the Berlin Film Festival: those selected were Chelsea Winstanley, Sacha Clelland-Stokes and Kirsten Green.

*"What I valued most at the Talent Campus was making international connections and working relationships"*

– filmmaker Chelsea Winstanley

### IndiVision

The NZFC provided financial assistance to enable a New Zealand filmmaker to take part in this Australian Film Commission workshop which aims to help low budget (below A\$200,000) feature projects. The New Zealander attending in February was director/writer Stefan Harris with *Shakers* (producer John Davies).

### Low Budget seminars

The NZFC was a sponsor of these two seminars which were organized by Michael Wrenn and presented in Auckland and Wellington as part of the annual World Cinema Showcase. The seminars studied the low budget independent Australian film *Boxing Day*. A total of 120 filmmakers attended in the two cities.

### Rewrite workshop

This annual NZFC workshop, again led by Claire Dobbin, took place in Auckland in April. The other tutors were British scriptwriter Rob Ritchie, former literary manager of the Royal Court Theatre and former drama commissioner for Channel 4, Australian screenwriter Andrew Bovell and New Zealand scriptwriters Graeme Tetley and Alan Sharp. Nine people participated representing four feature projects.

### Rob Ritchie seminar

The NZFC contracted this visiting British screenwriter and script consultant to run a seminar on screenwriting mainly aimed at those who had written in other dramatic media, particularly theatre. Eighteen people were selected to participate.

*"Rob Ritchie was awesome. It was especially good that he had such a strong theatre background, and could use examples from here and how they could be adapted to film."*

– writer David Geary

*"Rob Ritchie was incredibly helpful, a mine of information, an engaging, amusing and lively speaker."*

– writer Elisabeth Easter

### Accelerator

The NZFC continued its support for this development programme for short filmmakers whose films have been selected for screening at the Melbourne Film Festival. Mark Albiston and Zia Mandviwalla took part with NZFC assistance.

### Wendall Thomas

The final NZFC professional development initiative for the year was a series of workshops and seminars by this Los Angeles screenwriter, lecturer and script consultant who focused on writing dialogue for films. Thirty-six people participated in Auckland and Wellington.

*"The Wendall Thomas workshop was excellent and stimulating."*

– writer Rebekah Palmer

Another nine professional development initiatives were organized in partnership with industry guilds and associations. Details are on page 28.

01\ At the Binger Screenwriters Lab in Rotterdam: filmmaker Cushla Dillon.

02\ At SPAAFringe in Melbourne: filmmaker Tom Reilly, NZ Film short film manager Juliette Veber, filmmakers Brita McVeigh and Libby Hakaraia

03\ At the Berlin Talent Campus: filmmakers Kirsten Green and Chelsea Winstanley

04\ At the rewrite workshop in Auckland: screenwriter Alan Sharp (Dean Spanley) Photo – Jeremy Macey





At the signing of the agreement for the Te Paepae Ataata:

01\ Nga Aho Whakaari chair Ngamaru Raerino, NZFC chief executive Ruth Harley, NZFC chairman David Cullwick

02\ Producer Rongotai Lomas and actor-writer Robert Mokoraka

03\ Broadcaster Oriini Kaipara and filmmaker Quinton Hita.

04\ Hineani Melbourne and Mabel Wharekura-Burt

05\ NZFC development executive Hone Kouka, Ruth Harley, and filmmaker Barry Barclay

06\ Barry Barclay and producer Ella Henry

07\ Actor Noa Campbell and director Katie Wolfe

## Maori responsiveness strategy

Developing Maori story telling and story tellers is fundamental to the NZFC's purpose. The NZFC welcomes the increasing number of Maori filmmakers who are building successful careers in the industry and is committed to continuing to support them. In recognition of the need to expand and develop the base of Maori filmmaking talent, the NZFC has continued to focus on initiatives which address:

- The development of Maori talent and projects
- The cultural integrity of films with Maori content
- Industry infrastructure support for Maori film makers.

### Te Paepae Ataata

The agreement for Te Paepae Ataata, the initiative for Maori filmmakers in partnership with Nga Aho Whakaari, was signed in Auckland in November. The paepae, with NZFC finance, aims to support Maori cinema by ensuring that tangata whenua cinema is a dynamic constituent voice within New Zealand film.

The agreement was signed by the chair of Nga Aho Whakaari Ngamaru Raerino and the chairman of the NZFC David Cullwick. Board member Andrew Cornwell and chief executive Ruth Harley also attended, with development executive Hone Kouka.

Among the guests, filmmaker Barry Barclay said: "The house is now restored."

Since the agreement was signed, there have been two programmes to promote the paepae. Nga Aho Whakaari's executive director Pita Turei joined Hone Kouka in workshops in five centres, in association with Script to Screen, titled Writing Your First Feature. Then Nga Aho Whakaari organized a roadshow to other centres including Ruatoria and the Hokianga.

Application packs for the initiative became available in April and the first round attracted 120 registrations of interest, with 15 full length screenplays being received.

The NZFC Board appointed Tainui Stephens as its representative on the paepae.

The NZFC looks forward to continuing to work with Nga Aho Whakaari on Te Paepae Ataata. The initiative is a positive step in NZFC support of the development of Maori films and filmmakers.

### Nga Aho Whakaari

The NZFC continues to fund the overhead and activities of Nga Aho Whakaari, which is widening its net to include smaller centres with short film workshops which were held in Gisborne (24 attended) and Ruatoria (62 attended).

### Wairoa Maori Film Festival

The NZFC was a sponsor of this film festival held in May.

### NZFC support for Maori writers and/or directors

- Writer award to Michael Bennett
- Writer award to Riwia Brown
- Development funding for *A Gift to Zion* – writer/director Tearepa Kahi
- Development funding for *Prey of Birds* – co-writer/director Michael Bennett
- Development funding for *This Little Light* – writer/director Paula Whetu Jones
- Development funding for *La Bora* (aka *Fiasco*) – writer/director: Stefen Harris
- Development funding for *The Little People* – co-writer/director Jane Shearer
- Development funding for *The Volcano* – writer/director Taika Waititi
- Development funding for *Tu* – writer Wiremu Grace
- Development funding for *Strange Resting Places* – co-writer Rob Mokoraka
- Development funding for *The Matriarch* – writer Witi Ihimaera
- Development funding for *Behind the Tattooed Face* – writer Rena Owen
- Development funding for *Uncle's Story* – writer Albert Belz
- Development funding for *Cousins* – writer Patricia Grace

### NZFC support for Maori producers

- Development funding for *A Gift to Zion* – producer: Quinton Hita
- Development funding for *The Matriarch* – producer: Paora Maxwell
- Development funding for *Moana* – producers: Cliff Curtis, Kara Paewai, Merata Mita
- Development funding for *Behind the Tattooed Face* – producer Rena Owen
- Development funding for *The Volcano* – producers Ainsley Gardiner & Cliff Curtis

- Development funding for *Heaven's Promise* – producer Rhonda Kite
- Development funding for *Cousins* – co-producer Rhonda Kite

### NZFC-financed short films with Maori key creatives

The NZFC continues to encourage successful short-film tenderers to include in their allocations a film or films with at least one of the key creative positions held by a Maori filmmaker. Christina Milligan (Ngati Porou) and Rawiri Paratene (Ngapuhi/Te Rarawa) were members of one of the Short Film Executive Producer Groups appointed for a second year.

*Warbrick*. Director/writers: Meihana and Pere Durie; producer Mina Mathieson.

### Screen Innovation Production Fund projects with Maori key creatives

*River to the Sea* (16mm experimental film) Nova Paul

*Ngatahi – Know the Links part 5* Dean Hapetu

### NZFC travel assistance to international film festivals

Gregory King to Rotterdam for the competition premiere screening of *A Song of Good*

Tearepa Kahi and Quinton Hita to Berlin for the competition screening of *Taua*

### Cultural integrity of films with Maori content

All Maori led projects are assessed by Maori practitioners. Where appropriate, Staff and Development Committees advise teams with projects that have a significant level of Maori content to seek the appropriate support for their projects from Iwi.

### Infrastructural support

The NZFC requires all organisations funded through its Industry Support programmes to report on their actions to address the needs of Maori filmmakers.



Goal 3/  
To maximize the domestic profile of NZ films  
and the NZ public’s access to them



At the 2008 Auckland Film Festival for the world premiere of *Apron Strings*: co-writer Shuchi Kothari, actor Jennifer Ludlam, the Prime Minister Helen Clark, producer Rachel Gardner, director Sima Urale.

Outputs

Funding and promotional support for the domestic releases of NZ films

The NZFC sales agency NZ Film provided strategic, logistical and financial support in the form of prints and advertising grants for marketing and promoting six new features with NZFC investment which were released in New Zealand cinemas during the year.

The most popular feature attracted more than 209,000 people, making a total of six NZFC-financed features over three years with cinema audiences of more than 100,000<sup>1</sup>. Two of the year’s releases were seen by more than 50,000, making three features over three years with cinema audiences of more than 50,000<sup>2</sup>.

Audience exposures on a film-by-film basis were measured on a new database which was updated throughout the year. The estimated audience for the first release of seven NZFC-financed features on DVD exceeded 590,000.<sup>3</sup> The free-to-air television audience who viewed NZFC-financed features exceeded 2.3 million.

Measures, targets and achievements: pages 50–51.

1 2008: Second Hand Wedding, 209,000. 2007: Out of the Blue, 118,000; Eagle vs Shark, 101,000. 2006: Sione’s Wedding, 428,000; River Queen, 105,000; The World’s Fastest Indian, 741,000.  
2 2007: The Tattooist, 51,000; Black Sheep, 72,000. 2006: No 2, 80,000.  
3 Estimated home audience calculated by industry formula based on DVD unit sales for rental (13 viewings per unit, each seen by 2.5 people) and retail (3 viewers per unit sold).



Eagle vs Shark

Director/writer: Taika Waititi

Producers: Ainsley Gardiner and Cliff Curtis

In terms of a contract negotiated by NZ Film, this debut feature began its New Zealand theatrical release in August after premiering in the 2007 Auckland and Wellington Film Festivals. “A hilarious, endearing look at life on the geek side,” wrote Bianca Zander in the film festival programme. With 27 prints, the Icon/Hoyts release ran for five months and was seen by 101,000 people with a box office of \$946,000. The release, with prints and advertising support from the NZFC, was in the box office top-ten list for ten weeks. “A miniature marvel and the best local film of a busy year,” wrote Russell Baillie in the New Zealand Herald. He said Loren Horsley’s performance was “mesmerizing ... remarkable.” The Dominion Post review said: “Sweet-natured ... and almost defiantly whimsical.” The DVD release began in February, and after four months 11,570 units had been sold, representing an estimated home audience of 177,000 people.

www.eaglevsshark.net



The Tattooist

Director: Peter Burger

Producer: Robin Scholes

Writers: Matthew Grainger and Jonathan King

In terms of a contract negotiated by NZ Film and the producer, this debut feature began its New Zealand theatrical release in August, via Buena Vista International. The release was assisted by a prints and advertising grant from the NZFC. With 40 prints, the film was in the NZ box office top-ten list for the first three weeks of its release, which was seen by 51,000 people with a box office of \$575,000. “A superbly crafted horror ... a remarkable cinematic experience,” wrote Sam Edwards in the Waikato Times. The DVD release began in January, and the home audience from sales of 6,050 units was 116,000 people.

www.thetattooistmovie.com



Perfect Creature

Director/writer: Glenn Standring

Producers: Tim Sanders (NZ), Russell Fischer, Haneet Vaswani, Michael Cowan and Jason Piette (UK)

In terms of a contract negotiated by NZ Film, Magna Pacific began the New Zealand theatrical release of this feature (an official co-production between New Zealand and the United Kingdom) in October with 24 prints after the film premiered in the 2007 Wellington and Dunedin Film Festivals. With a grant from the NZFC to assist with prints and advertising costs, the film opened in fifth position in the top-ten list. Its release was seen by 19,500 people with a box office of \$220,000. “Much praised for its dynamic action sequences and stark, moody production design,” wrote Bianca Zander in the film festival programme. The Press praised the film’s “great use of Auckland, Oamaru and Dunedin locations.” The DVD release began in February with sales of 3,660 units equaling a home audience of 10,900 people.



The Devil Dared Me To

Director: Chris Stapp

Producers: Matt Heath and Karl Zohrab

Writers: Matt Heath and Chris Stapp

In terms of a contract negotiated by NZ Film and the producers, Rialto Distribution began the New Zealand theatrical release in October, with 35 prints. The NZFC provided a grant to assist with costs of prints and advertising. The film was number six at the box office for the first week of its release. It ran for 11 weeks, screened in 55 venues and was seen by 20,400 people with a box office of \$226,000. “The movie’s DIY spirit is infectious enough to get past the sometimes ropery two leads” wrote the New Zealand Herald which gave four stars for the film’s “inspired lunacy.” Real Groove wrote: “The funniest film produced here in some time.” The DVD release began in February, and with sales of 3,990 units the home audience totaled 69,000 people.

www.devildaredmeto.com





### We're Here To Help

Director/writer: Jonothan Cullinane  
Producers: John Barnett and Paul Davis

The New Zealand theatrical release by South Pacific Pictures and Sony of this debut feature began in November with 25 prints, after a world premiere in Christchurch. The NZFC provided a grant to assist with the costs of prints and advertising. The film, which was in the box office top-twenty list for its first three weeks, was seen by 15,300 people with a box office of \$170,000. "It is a very good movie," wrote Simon Sweetman in the Lumiere Reader. "Features some very good work from a posse of under-rated actors," wrote the Dominion Post. The DVD release began in April, with sales of 2,600 units representing a home audience of 54,500.

[www.heretohelp.co.nz](http://www.heretohelp.co.nz)



### Second-Hand Wedding

In terms of a contract negotiated by NZ Film, Metropolis Film began the New Zealand theatrical release of this debut feature in May, with 45 prints. The NZFC provided a grant to assist with the cost of prints and advertising. The film became the most popular New Zealand feature of the year. After 16 weeks it had attracted more than 209,000 people with a box office of more than \$1.88million. The New Zealand Herald wrote: "Unabashed homeliness somehow becomes *Second-Hand Wedding's* chief virtue ... it hits the spot with its affectionately-drawn main characters." The Listener review said: "Proudly, if defiantly, a local story for the home audience ... It has a killer finale, whose emotionally strong if predictable payoff will send you away with a big smile and maybe a tear or two."



### Rain Of The Children

After receiving substantial New Zealand media coverage from its world premiere in the Sydney Film Festival, the film attracted a full house (including 300 Tuhoe people) in the Civic Theatre for its NZ premiere at the 2008 Auckland Film Festival. The theatrical release by Rialto was scheduled to begin in September after screenings in 14 more film festivals. Film festival director Bill Gosden wrote: "The imagery is as striking as any the prodigiously visual imagination of Vincent Ward has given us. And here his imagery is powered by a conjunction of narrative energy and emotional force fit to explode ... You are bound to be amazed and shaken by the spectacular fusion of documentary, myth and personal history." The NZFC provided assistance for the world premiere, and made a grant to assist Rialto's release.

[www.rainofthechildren.co.nz](http://www.rainofthechildren.co.nz)



### The Ferryman

Director: Chris Graham  
Producers: Matthew Metcalfe (NZ), Alan Harris (UK)  
Writer: Nick Ward

The distributor Magna Pacific, with a contract negotiated by NZ Film, decided to release this feature in New Zealand direct to DVD. The release began in March and by the end of the year under review there had been sales of 1,330 units, representing a home audience of 16,000 people.

[www.theferryman-movie.com](http://www.theferryman-movie.com)



### Apron Strings

This debut feature was selected for its world premiere at opening night of the 2008 Auckland Film Festival, with screenings to follow at the Wellington Film Festival and 14 more New Zealand film festivals. The Prime Minister was the guest of honour at the premiere with the producer, director and cast. The New Zealand theatrical release by Rialto – with a contract negotiated by NZ Film - was scheduled to begin in August 2008, assisted by a grant from the NZFC for prints and advertising.



### A Song Of Good

Director/writer: Gregory King  
Producer: Mark Foster

This feature was selected for its New Zealand premiere in the 2008 Auckland and Wellington Film Festivals and two other New Zealand film festivals. "A superb cast venture gamely into the tonal minefield" wrote Bill Gosden in the Auckland programme. "Danielle Cormack and Ian Mune ... respond with some of their best-ever screen work." The New Zealand festival screenings will be followed by a DVD release via its distributor Rialto.

### Black Sheep

Director/writer: Jonathan King  
Producer: Philippa Campbell

Released by Icon on DVD in New Zealand in March, after its successful theatrical release in 2007, the film sold more than 11,800 units, representing a home audience of 156,000 people.

[www.blacksheepthemovie.com](http://www.blacksheepthemovie.com)

### Sione's Wedding

Director: Chris Graham  
Producers: John Barnett and Chloe Smith  
Writers: James Griffin and Oscar Kightley

This 2006 feature had its first New Zealand telecast in September on TV3. It attracted an audience of 343,000. The film sold a further 6,800 DVDs during the year to make a total of 67,858 copies representing a home audience of 420,000.

[www.sioneswedding.com](http://www.sioneswedding.com)

### Out of the Blue

Director: Robert Sarkies  
Producers: Tim White and Steven O'Meagher  
Writers: Graeme Tetley with Robert Sarkies

This 2006 feature had its first New Zealand telecast on TV3 in November, and attracted 339,000 viewers. After selling 10,800 DVDs in the first two months of its local release, the feature achieved sales of 14,500 units by the end of the year in review, representing a home audience of 197,000 people.

### Other New Zealand television broadcasts

The 1999 feature *Savage Honeymoon* (director/writer Mark Beesley, producer Steve Sachs) was broadcast in a late-night slot on TV2 in February, with an audience of 109,000. The 2003 feature *The Locals* (director/writer Greg Page, producer Steve Sachs) attracted more than 50,000 viewers during two after-midnight broadcasts on TV2. Two other features with NZFC finance had their first New Zealand telecasts in late-night slots on TV3. *Fifty Ways Of Saying Fabulous* (director/writer Stewart Main, producer Michele Fantl) was first broadcast in December with an audience of 42,400, and then in June when it was seen by 66,900; *Fracture* (director/writer Larry Parr, producer Charlie McClellan) had its first broadcast in October with an audience of 65,600; it was repeated in May and seen by 39,400.

*Kombi Nation* (director Glenn Standring, producers Larry Parr and Ainslie Gardiner) attracted 25,800 viewers on C4 in December.

Eight New Zealand features broadcast over a three-month period by Maori Television attracted a total audience of 69,000, with the most popular title being the 1981 feature *Smash Palace* (director/producer/writer Roger Donaldson) which was viewed by more than 20,000 people. *Pictures* (director Michael Black, producer John O'Shea, writers Robert Lord and John O'Shea) from 1980 attracted 14,000 viewers.

### River Queen

Director: Vincent Ward  
Producers: Don Reynolds (NZ) Chris Auty (UK)  
Writers: Vincent Ward and Toa Fraser

This 2006 feature had its New Zealand television premiere on TV3 in December, attracting 357,000 viewers which was the highest total for any New Zealand feature broadcast during the year. It sold another 1,760 DVDs, to make total sales of 13,420 units representing a home audience of 174,000.

[www.riverqueenthemovie.com](http://www.riverqueenthemovie.com)

### No 2

Director/writer: Toa Fraser  
Producers: Philippa Campbell, Tim White, Lydia Livingstone

This 2005 feature had its television premiere on TV2 in February, and attracted 348,000 viewers. The film has sold 10,680 DVDs in New Zealand, equaling a home audience of 184,000.

[www.namingnumbertwo.com](http://www.namingnumbertwo.com)

### Digitisation

The NZFC agreed to finance the archival restoration and digitisation of 60 New Zealand features over the next two financial years.

### Study guide

The NZFC published a teachers' study guide on its operations which is available on the NZFC website. Two study guides for *Rain of the Children* and a study guide and case study on *Black Sheep* were published. These publications exceeded the relevant target.

### Websites

The NZFC agreed to establish a website to promote NZ short films and make them available for internet viewing. It also agreed that its [www.nzfilm.co.nz](http://www.nzfilm.co.nz) website will be optimised to increase the number of visitors.

### The World's Fastest Indian

Director/writer: Roger Donaldson  
Producers: Roger Donaldson and Gary Hannam

This 2005 feature had its second telecast in December and attracted a TVOne audience of 306,000. With sales of more than 148,000 DVDs, the film has become one of New Zealand's most popular home entertainment titles. The sales equal a home audience of more than 700,000, with an estimated 100,000 people viewing the film on DVD during the year under review.

[www.worldsfastestindian.com](http://www.worldsfastestindian.com)

### In My Father's Den

Director/writer: Brad McGann  
Producer: Trevor Haysom

Icon's New Zealand DVD sales of this 2004 feature continued for a third year. A total of 17,200 units have now been sold, representing a home audience of 122,900. Telecast by TVOne for a second time in April, it attracted 150,000 viewers.

### Short films

The NZFC-financed *Taua* (director/writer Tearepa Kahi, producer Quinton Hita) won best short film at the 2007 Auckland Film Festival.

Five short films financed by the NZFC were selected for the Homegrown programme in the 2007 New Zealand International Film Festivals: *Taua*, *Run*, (director Mark Albiston, producer Robin Murphy, writer Louis Sutherland), *Fog*, (director Peter Salmon, producer Rachel Gardner, writer Nick Mayow), *Clean Linen* (director Zia Mandviwalla, producers Shuchi Kothari and Sarina Pearson) and *The Lethal Innocents* (director/writer Kirsty Cameron, producers Michele Fantl and Michelle Driscoll). Four short films screened before feature films in the festivals: *Fog*, *Run*, *Taua* and *The Word*. (director/writer Quentin Parr, producer Simon Ranginui).

A series of New Zealand short film screenings were presented at the New Zealand Film Archive. NZ Film organized short film screenings at another 25 events including classic short films which have screened at the Wellington Fringe Festival in the past 20 years, Auckland, Wellington and Nelson Film Society screenings, and Maori shorts for the Wairoa Maori Film Festival.

Eighteen titles were licensed to the Rialto Channel for pay tv in New Zealand.





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## Goal 4/ To maintain a high international profile for New Zealand films and filmmakers

### Outputs

#### Marketing and sales of New Zealand films at major international markets and festivals

Participation at six major international film events for the marketing and sales of New Zealand films was organized by the NZFC and its sales agency NZ Film. The direct cost of these events was \$181,702 excluding sales costs covered by NZ Film. (Previous year \$166,992 for seven events).

The NZFC organized screenings of New Zealand feature films at 55 international film festivals (previous year 49) and screenings of short films in 114 festivals (112). Feature film participation at international film festivals cost \$101,937 (\$70,575). Short film participation cost \$98,652 (\$86,657).

#### The NZFC's sales agency NZ Film

generated income of \$6,002,075 from its feature film sales (previous year \$6,251,240) and income of \$172,513 from short film sales (\$205,675).

Commissions retained from these sales earned the NZFC \$820,712 (previous year \$1,564,197).

Income received from other sales agents was \$398,078 (previous year \$807,915).

As a collection agent, the NZFC now administers income accounts for 148 features (previous year 142) and 436 short films (408.) Gross income of \$6,572,666 (previous year \$7,264,830) was received during the year.

As an investor, the NZFC's share of income was \$2,819,578 (previous year \$2,616,686). Income distributed to other investors was \$1,895,861 (previous year \$3,199,807).

Measures, targets and achievements:  
pages 50-51.

#### Australian Movie Convention

The NZFC was represented by its head of sales and marketing Kathleen Drumm at this four-day industry convention on the Gold Coast, where she promoted New Zealand feature films to distributors and exhibitors.

#### American Film Market

NZ Film organized New Zealand's eighteenth consecutive participation at the American Film Market in November. It screened two New Zealand features for international distributors: *The Tattooist* (its market premiere) and *Eagle vs Shark*. Another five new features were promoted. Participating with the NZFC's chief executive were the head of sales and marketing, business affairs executive James Thompson and development executive Timothy O'Brien. Two New Zealand producers participated with NZFC assistance. The market attracted a record 8,343 participants and 537 feature films were screened.

#### Clermont Ferrand Short Film Festival and Market

NZ Film organized New Zealand's 13<sup>th</sup> consecutive participation at this premiere short film market in February. *Taua* (director Tearepa Kahi, producer Quinton Hita) was selected for competition, with the filmmakers in attendance. The short film manager Juliette Veber, assisted by Hayley Weston, supported the competition screenings and also organized a market screening of eight new New Zealand short films which attracted an audience of 70. Twelve more New Zealand shorts were available for viewing on DVD.

#### Rotterdam Film Festival

NZ Film represented by its short film manager organized New Zealand participation at this festival to support the world premiere of *A Song of Good* in official selection. The feature was sold out for its first two screenings, which were introduced by director Gregory King and executive producer Leanne Saunders.

Also in official selection was the short film *Taua*, with producer Quinton Hita attending to introduce the film.

#### Berlin Film Festival and Market

NZ Film's participation at the Berlin Film Festival was organized by the short film manager in support of four NZFC-financed short films which were officially selected for competition in the Generation section of the festival, where Roseanne Liang's *Take 3* received a special mention. With NZFC assistance, six short film directors and producers attended the festival for their official screenings: Roseanne Liang and producer Owen Hughes, Quinton Hita and Tearepa Kahi (*Taua*), Justine and Paul Simeil-Barton (*The Trophy*). NZ Film also organized market screenings of two NZFC-financed features, *A Song of Good* and *The Tattooist*. Producer Alex Cole-Baker participated in the market with NZFC assistance.

#### Cannes Film Festival and Market

In May, the NZFC and NZ Film organized New Zealand's 29<sup>th</sup> consecutive participation at the Cannes Film Festival with a high-profile sales and marketing office. Twenty-one New Zealand filmmakers and four New Zealand distributors were based in the NZFC office; seven of the producers received NZFC financial assistance to come to the event. The New Zealand participation was led by the NZFC's chief executive and the head of sales and marketing, with the head of development Marilyn Milgrom and the head of business and legal affairs Sarah Cull. Judith McCann, chief executive officer of

Film New Zealand also participated in the NZFC office, as did David Gascoigne, chair of the Film Production Fund Trust and the NZFC's Film Fund 2 Committee. The New Zealand Ambassador to France took part, as did a representative of Investment New Zealand and two representatives of Park Road Post Production.

The NZFC's Cannes participation succeeded in delivering:

- Diverse networking opportunities for the participating New Zealand filmmakers, who met international producers, financiers and distributors
- Positioning of new films with key distributors, and agreement on international sales strategies with co-investors
- Pitching of new projects to targeted distributors and festivals, using new marketing materials
- Market screenings of *Second Hand Wedding*, *The Tattooist* and *A Song of Good* and promotion of eight forthcoming titles with trailers and promo-reels
- General promotion with a new issue of the NZFC magazine NZ Film

Staff held meetings with film organizations from seven small countries (Sweden, Denmark, Norway, Finland, Switzerland, Ireland, Israel) with subsidized film industries. The discussions included funding systems, strategic objectives, domestic market shares, training schemes and co-productions.

Among special events held in the New Zealand office was an event to celebrate the ratification of the New Zealand/Ireland co-production treaty and a function for distributors and investors who have committed to *The Vintner's Luck*. This event was attended by Elizabeth Knox, who wrote the novel on which the film is based.

The Cannes market attracted 10,709 participants from 97 countries.

01\ At the Berlin Film Festival for screenings of their films: Quinton Hita, Tearepa Kahi, Gregory King.

02\ At the Berlin Film Festival where their short film *Take 3* won a special mention in competition: producer Owen Hughes and director Roseanne Liang.

03\ At the Berlin Film Festival for competition screenings of her short film *The Trophy*: Justine Simeil-Barton.

In the NZFC office at the Cannes Film Festival:

04\ From left: Arrowtown exhibitor Phillipa Archibald, *Dean Spanley* producers Alan Harris and Matthew Metcalfe, NZFC chief executive Ruth Harley, and office assistant Kim Baker.

05\ Director Anthony McCarten and producer Angela Littlejohn, representing their feature *Show of Hands*.

06\ Ruth Harley with the chief executive of the Irish Film Board, Simon Perry.

07\ Richard Payten and Andrew Mackie, whose company Transmission will distribute *Dean Spanley* in New Zealand and Australia.

08\ Actor Gaspard Ulliel with Pascal Judelewicz, one of the French co-producers of *The Vintner's Luck*.

09\ Tokyo exhibitor Yukiko Nakamura and producer Masaharu Inaba, one of the executive producers of *The World's Fastest Indian*.

10\ New Zealand producer Barrie Osborne with Kathleen Drumm of NZ Film.



## International releases and sales – features



### Black Sheep

The British theatrical release by Icon, negotiated by NZ Film, grossed \$US1.6million in four weeks and was seen by 168,000 people, close to the 187,000 who saw *The World's Fastest Indian*. The British DVD release sold 26,000 copies in its first week, entering the charts at number six. "Full of black humour and what might be called shear terror," wrote veteran critic Philip French in the Guardian.

The US theatrical release by IFC was paralleled by a video-on-demand release which earned four times as much as the theatrical screenings. The DVD release by the Weinstein Company sold 148,900 copies.

The German theatrical release took the film to eight cities as opening-night attraction in the annual Fantasy Film Fest. After winning the Public Audience award at the Neuchatel Fantastic Film Festival, it was sold to the Swiss television station TSR, who had sponsored the award. The German-language DVD release began in October, and 25,000 units were sold. A German reviewer said the film was the successor to Peter Jackson's *Braindead*.

A Spanish-language version was released in Spanish cinemas in August, followed by a November DVD release which sold an initial 3,400 copies. In Greece, the United Arab Republic and Lebanon, the film began its theatrical release in the top ten list.

In Australia, the theatrical box office was \$A527,242 and 22,278 DVDs were sold.

During the year, NZ Film licensed the comedy-horror for release in 21 territories, making a total of 71 countries where the film is being released. The film was selected for the Trieste Film Festival and the Taipei Golden Horse Film Festival.



### Eagle vs Shark

The United Kingdom release by Optimum, negotiated by NZ Film, began in August. The film screened in 70 venues with a box office of more than £143,000 (\$US299,000). "Quaintness abounds. . . I kind of liked it," wrote a reviewer in the Guardian. "Wellington Dynamite: a geeky-girl-meets-geeky-boy story from New Zealand," wrote a reviewer in the Independent, which named the film as one of the five best of its week. "Despite being made in New Zealand, it has a quirky sensibility found in the oddball fringes of American independent cinema," wrote the Times. "A sweetly oddball feature with some lovely performances," wrote the Cardiff Mail. The British DVD release began in January and sold more than 23,000 units.

After Miramax's US theatrical release, more than 62,000 DVDs were sold to home viewers.

NZ Film completed sales to 36 territories.

The film won best feature at the Winnipeg Aboriginal Film Festival and a special jury prize at the Vladivostok Film Festival. It also screened at festivals in Leipzig, Stockholm, Zagreb, Athens, Istanbul, St Tropez and Tokyo.



### Out of the Blue

Metrodome's UK theatrical release, negotiated by NZ Film, began in London in March at the Apollo West End where the film was the top-grossing title for its first weekend. The Observer wrote: "A memorable account of a community uniting under pressure." Time Out wrote: "Tense, shocking and unexpected." The UK DVD release sold an initial 6,800 units and the film attracted 3,600 downloads when made available for video-on-demand.

The US theatrical release began in October with a review from the New York Times: "An inspiring film on a bleak subject." New York magazine wrote: "Robert Sarkies expertly creates a quiet, slow-burning sense of dread." The film screened in New York, Los Angeles and two other cities before beginning its US DVD release which sold 1,573 units.

In Germany, the DVD release sold 4,180 units.

The film screened at the Sydney and Melbourne Film Festivals, the Shanghai Film Festival, the Golden Horse Film Festival in Taipei, and at film festivals in Estonia and the Indian city of Goa; the director was a guest of the Indian festival..



### The Tattooist

The film was licensed by NZ Film to a total of 30 international territories, with a marketing campaign starting with screenings at the American Film Market, then in the markets at the Berlin Film Festival and Cannes.

In the United States it was released in May by Sony Home Entertainment direct to DVD, with sales of more than 178,000 units.

The film screened in film festivals in Pusan in South Korea, Sitges and San Sebastian in Spain, Oporto in Portugal, Tokyo, Hof, Ravenna, and Amsterdam.



### The Ferryman

NZ Film has licensed the film for release in 38 territories, with 14 of these sales finalized during the year under review.

The United States DVD release by First Look sold 95,000 units. The UK DVD release by Revolver sold an initial 1,267 units. The Australian DVD release by Magna Pacific sold an initial 619 rental units. In the United Arab Republic the film opened at number four at the box office, with ticket sales of \$US125,000 in two weeks. In Singapore and Malaysia it ran for six weeks.

The film screened at festivals in Pusan, Sitges, San Sebastian, Malaga, Fantasporto, Ravenna and St Tropez.

### The Devil Dared Me To

NZ Film licensed the film for release in the United Kingdom. German rights were sold by the film's international sales agent Boll AG of Germany which represents the rest of the world.

### We're Here to Help

The film's London-based sales agent Target announced plans to begin international sales and marketing in October 2008.

### Second Hand Wedding

The film screened at the Shanghai Film Festival. Director Paul Murphy was a guest of the festival with two of his leading actors: Geraldine Brophy and Holly Shanahan. NZ Film promoted the film and organized market screenings at Cannes, with the director and executive producer Kerry Robins attending.

### In My Father's Den

The German DVD release negotiated by NZ Film sold another 395 units, making a total of 9772 units since the release began. The film has been licensed for telecasting on the BRT network. NZ Film has completed international sales to 24 territories.

### The Vintner's Luck

NZ Film promoted the film at the AFM and Cannes, and negotiated pre-sales to five territories. Producer Robin Laing was in the New Zealand delegation at Cannes.

### Dean Spanley

NZ Film promoted the film at the AFM and Cannes and negotiated pre-sales to three territories. Producer Matthew Metcalfe was in the NZ delegation at Cannes. The world premiere was scheduled for a gala screening at the Toronto Film Festival.





## Rain of the Children

The NZFC supported the film's world premiere in June at the Sydney Film Festival, where Variety wrote that it was "a moving portrait of an extraordinarily eventful life," making discoveries that are "compelling and heart-wrenching." The Hollywood Reporter said the film was stunning and visually poetic ... "a haunting historical epic." The director of the Sydney Film Festival wrote that the film was "deeply personal and incredibly moving."

The feature won the Grand Prix in competition at the Era New Horizons Film Festival in the Polish university city of Wroclaw. The festival also showed a New Zealand retrospective which included all of Vincent Ward's earlier films. The director was in attendance as a festival guest. The new film also screened in the Melbourne, Brisbane and Karlovy Vary Film Festivals, and was selected for the Montreal Film Festival, the Bangkok Film Festival, the Hof Film Festival and for competition at the Chicago Film Festival.

NZ Film, which is handling international sales, promoted the film in the market at Cannes.



## River Queen

Director: Vincent Ward

Producers: Don Reynolds (NZ), Chris Auty (UK)

Writers: Vincent Ward and Toa Fraser

The UK theatrical release licensed by the film's London-based international sales agent began in February at the Apollo West End in London. On BBC Radio 5, Mark Kermode said the film (an official NZ-UK co-production) was "poetic and brilliantly shot ... breathtaking and beautiful" with a script that was "brilliant." In the Guardian, Peter Bradshaw praised "the handsome location photography and fervent performances." He noted: "What is interesting about Ward's story is that the dividing lines [between the indigenous peoples and their imperial oppressor] are not as clear as they seem." The film screened in six other British venues, before beginning a DVD release in June with initial sales of 2,700 units.

The United States release is scheduled for November 2008 on DVD.

The film was released in South African cinemas in October, with the Sunday Times commenting that it is "steeped in legend and traditional culture, with a cast of top Maori actors."

## Film festivals

The NZFC supported the New Zealand Consulate-General in Hong Kong by providing seven feature films for a New Zealand film festival. The most popular titles were *Black Sheep* and *Eagle vs Shark*. Air New Zealand provided sponsorship.

The NZFC provided prints of three feature films for a New Zealand film festival presented in Singapore by New Zealand Trade and Enterprise. The four-day event aimed at showcasing New Zealand achievements and cultural diversity.

The NZFC provided five features and five short films for a New Zealand film festival

presented in three cities in China by the Auckland-based Pacific Culture and Arts Exchange Centre with financial backing from the Asia New Zealand Foundation.

The NZFC again supported the Cinema Des Antipodes film festival in the French city of St Tropez. The programme included five New Zealand features including *Eagle vs Shark*, and *Event 16* with director Derek Pearson as a festival guest.

The NZFC provided 27 features and 48 short films for the retrospective of New Zealand films presented by the Era New Horizons Film Festival in the Polish city of Wroclaw.

The retrospective, which attracted more than 15,000 people, included the complete works of Vincent Ward, who was one of nine NZ filmmakers at the event. *Rain of the Children*, in competition, won the grand prix. Others at the event included Roger Donaldson, David Blyth, Peter Wells, Robert Sarkies, Christine Parker and Leon Narbey. The retrospective was curated by Dr Ian Conrich, director of the Centre for New Zealand Studies at the University of London. The New Zealand Ambassador to Poland was among the official guests.





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04

## International festivals and sales — short films

Short films financed by the NZFC had 114 screenings at international film festivals and special events, all organized as a result of initiatives by NZ Film.

A survey of short films completed during the three-year period ended June 30 2007 showed that 13 of 26 had been selected for A-list film festivals, representing 50 per cent, exceeding the target of 30 per cent.

Two New Zealand short films were honoured by selection for competition at the 2007 Venice Film Festival: the NZFC-financed *Coffee and Allah* (director Sima Urale, producers Sarina Pearson and Shuchi Kothari, writer Shuchi Kothari) and the independently-financed short *Cargo* (director/writer Leo Woodhead, producers Vanessa Alexander and Leo Woodhead) which received NZFC post-production finance. The producer of *Coffee and Allah* and the director of *Cargo* attended the festival for their official screenings, with assistance from the NZFC.

A record four New Zealand short films were selected for the Generation section of the 2008 Berlin Film Festival. *Take 3* (director Roseanne Liang, producer Owen Hughes) competed in the 14-plus section and received a special mention from the jury. *Run* (director Mark Albiston, producer Robin Murphy, writer Louis Sutherland), *Taua* (director Tearepa Kahi, producer Quinton Hita) and *The Trophy* (director Justine Simey-Barton, writers/producers: Justine and Paul Simey-Barton) screened in the Kplus competition. The directors and producers of *Taua*, *Take 3* and *The Trophy* attended the festival with assistance from the NZFC. *The Trophy* was financed by the Screen Innovation Production Fund, a partnership between the NZFC and Creative New Zealand. The other three short films were financed by the NZFC.

*Taua* premiered in official selection at the 2007 Edinburgh Film Festival, and won awards at two international indigenous film festivals: best short film at the National Geographic All Roads Film Festival (which screened in three US cities) and an honourable mention for best short drama at the ImagineNative Film and Media Arts Festival in Canada. It was also selected for screening at Rotterdam and in competition at Clermont-Ferrand and the Aspen Shortsfest.

*Cargo* was selected for competition at the Tribeca Film Festival in New York, one of 79 short films selected from 2497 submissions. It also screened in the London Film Festival.

*Coffee & Allah* screened in competition of the Valladolid Film Festival in Spain, the San Francisco Film Festival and the Women Directors Film Festival in Creteil, France. It was selected for the Seattle Film Festival.

*Run* won the audience award at the Dresden Film Festival. It was selected for the Bilbao Festival of Documentary and Short Film, the Flickerfest Short Film Festival in Sydney, the Los Angeles Film Festival and the Seattle Film Festival as well as screening in 21 French cities as part of Les Nuits En Or du Courts Metrage organized by the Academie des Arts et Techniques du Cinema.

The Melbourne Film Festival selected two NZFC-financed short films for its competition: *Run* and *Fog*. *Clean Linen*, funded by the Screen Innovation Production Fund with NZFC post-production finance, was also selected for the competition. Mark Albiston and Zia Mandviwalla took part in the festival's Accelerator programme.

*Fog* and *The Lethal Innocents* (director/writer Kirsty Cameron, producers Michele Fantl and Michelle Driscoll) were selected for the Stockholm Film Festival. *Shadow Over the Sun* (director/writer Rachael Douglas, producer Michelle Turner) was selected for competition at the Shanghai Film Festival.

Three New Zealand short films were selected for the 2008 Edinburgh Film Festival: NZFC-financed *This Is Her* (director Katie Wolfe, producers Felicity Letcher and Rachel Lorimer, writer Kate McDermott) and independently-financed shorts *Careful with that Axe* (director/writer/producer Jason Stutter) and *Canaries In Colour* (director Jill Kennedy).

Matt Meikle, director of photography for the NZFC-financed *Hawaiiki* (director Mike Jonathan, producer Libby Hakaraia, writer Tere Harrison) won the gold award for the film's cinematography at the NSW/ACT Australian Cinematographers Society Awards in November.

The NZFC-financed *The Man Who Couldn't Dance* (director/writer Barry Prescott, producer Jan Haynes) won best short drama and best of festival at the Picture This Festival in Canada, and best short drama at the Abilities Arts Festival in the United States.

*Nature's Way* (director Jane Shearer, producer Leanne Saunders, writers Jane Shearer and Steve Ayson) won best short film at the Paris International Film Festival. It also toured in the Nuits En Or programme.

### Clermont-Ferrand short film festival and market

NZ Film organized New Zealand's thirteenth consecutive participation at this international short film event. Short Film Manager Juliette Veber presented a market screening of nine NZFC-financed NZFC short films, and had meetings with distributors and festival directors. *Taua* screened in competition. The producer and director attended the festival screenings, with NZFC assistance.

The films which screened in the New Zealand market programme were: *The Graffiti of Mr Tupaia* (writer Paul Ward, director Chris Dudman, producer Vicky Pope), *Take 3*, *The Word* (writer/director Quentin Parr, producer Simon Ranginui), *Noise Control* (writer-director Phill Simmonds, producer Huia Lambie), *Run*, *Cargo*, *Coffee & Allah*, *Fog* and *Careful with that Axe*.

### Short film sales

NZ Film's sales of short films included:

*Hawaiiki* to ZDF/Arte for exclusive pay tv, free and pay on demand for France and Germany;

*Fog* to L'Agence du Court Metrage for an eight-print 35mm theatrical release in France;

01\ Roseanne Liang directing *Take 3*, which won an honourable mention at the Berlin Film Festival.

02\ Leo Woodhead at the Venice Film Festival for competition screenings of his short film *Cargo*.

03\ Juliette Veber and Quinton Hita on the New Zealand stand at the Clermont Ferrand Short Film Festival.

04\ Tearepa Kahi and Quinton Hita at the National Geographic All Roads Film Festival in Los Angeles where their film *Taua* won the best short film award. In the centre is the festival director Francene Blythe.

*Nature's Way* to France's largest television station France 3 for exclusive free tv rights;

*Chop Off* to Arte for television in France and Germany;

*The French Doors*, *Kitchen Sink* and *Eau de la Vie* to NBC Universal Global Networks Italia for television, mobile and IPTV in Italy;

*Fog*, *The Lethal Innocents*, *The King Boys* to Sveriges Television in Sweden;

*Careful with that Axe* to Canal + in France, Canal + Horizons in Monaco, Mauritius and Africa and to Sogecable Spain Canal Satellite Digital;

*Taua* and *Careful with that Axe* to SBS TV for Australia.

*Taua* to ZDF/Arte for television in Germany and France;

*Fog*, *Nature's Way* and *Truant* to MTV Italy;

*Kitty* to Pacific Voice in Japan for exclusive pay tv, pay per view, cable, satellite, theatrical, non-theatrical, internet, video on demand, mobile phones and videogrammes;

*Careful with that Axe* and *Chop Off* to Kurzfilmagentur for theatrical release in Germany, Austria and Switzerland.

*Truant* to Southwest Alternate Media Project for US television.

## Administration of Large Budget Screen Production Grant scheme

The NZFC continued to provide administrative services for the government's Large Budget Screen Production Grant scheme which is now in its fifth year. [Details of the scheme and its criteria](#) are on the NZFC website.

The NZFC continued to be responsible for convening and chairing meetings of a panel which assesses applications for grants. The panel met on five occasions to approve, decline or adjust the applications, to ensure that the application process runs in a transparent, consistent and timely fashion and to work with and develop the criteria. The panel comprises a representative of the Ministry of Economic Development, up to three industry practitioners (Tim Sanders, Chloe Smith, David Madigan, Catherine Madigan) and the NZFC chief executive or deputy chief executive as chair of the meetings. A representative of Inland Revenue attends each meeting.

During the year a total of five grants were approved and paid to:

Prince Caspian (interim)	\$6.684m	Wimbleweather Limited
The Waterhorse	\$2.734m	Waterhorse Productions Limited
Power Rangers:		
Operation Overdrive	\$2.823m	Ranger Productions Limited
30 Days of Night	\$5.937m	30 Days of Night NZ Limited
Avatar (interim)	\$10.61m	880 Productions Limited

In accordance with the target timeframe, four of the applications were processed within three months of receipt. The processing of one application took more than three months because the applicant failed to provide the required information within the timeframe.

In October, the NZFC Board congratulated staff on the positive feedback received by the Ministry of Economic Development and Investment New Zealand on the NZFC's efficient and timely administration of the Grant scheme.

The NZFC's head of business affairs Sarah Cull spent three days in Los Angeles participating in talks (organized by Investment New Zealand and Film New Zealand) with US studios who were seeking a detailed explanation of changes to the Grant, which became effective in July and which include an incentive for post digital visual effects.





Philippa Campbell is the chair at the NZFC's Auckland evening where New Zealand filmmakers met United States independent producer Christine Vachon.

Mairi Gunn, WIFT Auckland

## Goal 5/ To maintain strong stakeholder relationships

### Outputs

*Funding support for infrastructure such as guilds, associations, film festivals and the NZ Film Archive*

*Provision of industry and market information and services*

*The NZFC provided funding support for nine joint ventures with guilds and associations, with an attendance of 598. It also supported the screen awards and SPADA's annual conference, and continued a joint venture with the NZ Film Archive.*

*Performance measures, targets and achievements: page 50–51.*

### Distribution seminars

Seminars on high-definition distribution were held in Auckland, Wellington and Christchurch in August, with NZFC support and in partnership with the Screen Council. About 90 people attended.

### Judith Weston

In September and October, this Los Angeles directing consultant conducted workshops for directors in Auckland and Wellington, organized by the Screen Directors' Guild with NZFC financial support. Twenty-eight directors participated. Judith Weston has been a consultant on major films, and has been on the faculty of the American Film Institute and the Los Angeles Film School.

### Stephen Cleary

The former head of Arista (a British script development company) presented a two-day workshop in Auckland on script development for low-budget features. The event was supported by the NZFC in partnership with Script to Screen. It was attended by 75 people. He presented a second workshop in Wellington, aimed at producers seeking to learn script development techniques. Ten producers attended.

### Ilann Girard

In November, WIFT Auckland organized a second visit (fully funded by the NZFC) by this French producer and film consultant. He participated in one-on-one meetings with 16 producers to assess the viability of their projects in the international market and to help them develop strategies. He also attended a WIFT networking event attended by more than 30 filmmakers.

### Moteatea film workshop

This December workshop, financed by the NZFC, was a continuation of a Nga Aho Whakaari workshop where writers wrote short film screenplays based around a moteatea (proverb). All scripts are in te reo Maori. The long term concept is to develop six short film scripts based on the single moteatea which can be screened as single films or as a 90-minute feature film.

### Christine Vachon

In partnership with WIFT Auckland, the NZFC organized industry evenings in Auckland and Wellington with this distinguished American independent producer. More than 300 filmmakers attended, to hear her being interviewed and then answering questions. Christine Vachon's most recent credits are *I'm Not Here*, *Savage Grace*, and *Then She Found Me*. Her other productions include *Boys Don't Cry* and *Far From Heaven*. Her book *Shooting To Kill* was a Los Angeles Times best-seller.

### DocNZ contest

Prize money from the NZFC was provided for a pitching contest at the DocNZ Documentary Forum in Auckland in September. The winners, with a project titled *Lost In Wonderland*, were director Zoe McIntosh and producer Costa Botes. They spent the prize money on participation at the Australian International Documentary Conference in Fremantle in February. As a result of this participation, they raised finance (via a presale advance from SBS) to complete their project and for Botes to shoot another.

### Editors' seminar

In April, the Screen Directors Guild with assistance from the NZFC presented a two-day seminar on practical narrative skills for editors. Ten people took part. Award-winning editor Margot Francis assisted by Peter Roberts used examples from features and television dramas and topics included characterization, the editor/director relationship, the visual style, and sound and music.

### Miranda Harcourt workshops

In partnership with the Screen Directors Guild, the NZFC financed workshops in May in Auckland and Wellington on the subject of directing child performers. The workshops were led by Miranda Harcourt, recently returned from work as child acting coach on the Jane Campion film *Bright Star* and the Peter Jackson feature *The Lovely Bones*. The workshops were attended by 25 people.

### Partnership with Film Archive

The NZFC continued its joint venture with the New Zealand Film Archive to digitise New Zealand features. Digitisation of *Bread and Roses* (director Gaylene Preston, producers Gaylene Preston and Robin Laing) was completed.

## Joint ventures with government partners

The NZFC participated in three joint ventures with government partners, one more than the target for the year.

In partnership with the Ministry of Foreign Affairs and Trade and the Ministry for Culture and Heritage, it negotiated co-production treaties with Spain and Ireland.

In a joint venture with New Zealand Trade and Enterprise, the NZFC's deputy chief executive Mladen Ivancic participated in a forum in Los Angeles where changes to the government's Large Budget Screen Production Grant scheme were explained.

In partnership with the Ministry of Foreign Affairs and Trade, the NZFC supported a major retrospective of New Zealand films held in Poland.

## Communication and consultation initiatives

The NZFC website, which was regularly updated with news of NZFC decisions and industry events, received 390,609 visits during the year, 20,000 more than the previous year. Of these, 56 per cent were from North America and 14 per cent were from New Zealand. One of the most popular pages was the latest feature film section, which received 19,094 views. The most-visited section was the feature film catalogue, which received 28,245 visits.

The NZFC took steps to ensure search-engine optimization of the website.

Funds were allocated to create a NZ Film shorts website, to make New Zealand shorts available for internet viewing.

The NZFC published two editions of its [NZ Film magazine](#), one for the AFM in November and one for Cannes in May. They were distributed to international distributors, and made available on the NZFC website. Six bi-monthly [briefing notes](#) newsletters were sent to an email subscriber list of 1785 people. An additional 33 briefing notes were emailed for events or announcements.

A redesigned logo was introduced in May. It continues to be based on the original design created for the NZFC 30 years ago by Gordon Walters.

The NZFC achieved its target of implementing at least five communication and consultation initiatives with filmmakers.

In October, it convened a meeting in Wellington to discuss the effect on New Zealand screen production of a new funding scheme introduced in Australia. At the SPADA conference in November it co-sponsored a session on the definition of New Zealand films and presented the results of its New Zealand audience research. Also in November, NZFC development staff took a scriptwriting roadshow to five centres in association with Script to Screen, and development executive Hone Kouka presented lectures in three centres. In December SPADA delegates accepted an invitation to attend an NZFC Board meeting to discuss industry issues. In June, the NZFC participated in briefings with filmmakers in Auckland and Wellington to discuss the new SPIF programme.

Senate Communications was commissioned to undertake a strategic audit of NZFC communications.

To mark its 30<sup>th</sup> anniversary, the NZFC commissioned a book about New Zealand films to be published by Random House in October 2008. It will be titled: *Coming Of Age – 30 Years of NZ Film*.





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02

## Goal 6/ To maintain standards of good governance, business practice and accountability

### Outputs

#### *Efficient and accountable administration of public funding*

*Total expenditure on  
administration costs not  
otherwise allocated to specific  
operations was \$2,572,169  
(\$2,486,133 the previous year).*

*Performance measures,  
targets and achievements:  
pages 50–51.*

The NZFC held six regular Board meetings in its new Wellington premises. Four were two-day meetings. Two were one-day meetings. There were three meetings by conference call, and three votes by email. The Development Committee met six times. The Finance and Audit Committee met three times. The Sales Agency Advisory Committee had two meetings. The Film Fund 2 Committee had 17 meetings; six of these were joint meetings with the Film Fund Production Trust. Twelve of the Film Fund meetings involved conference calls.

Barrie Everard resigned from the Film Fund 2 committee and from the Sales Agency Advisory Committee. Andrew Cornwell was appointed to the Film Fund 2 committee. Distributor Mark Croft was appointed to the Sales Agency Advisory Committee.

At its August meeting, the Board heard a presentation from economist Brian Easton about the economic contribution of the cultural film sector to the wider screen production industry. The Board also participated in a governance seminar led by Juliet McKee.

In December, the Board commissioned a report from Brian Easton on the impact on the New Zealand industry of the newly-introduced Australian producer offset scheme, which was considered to be a threat to the New Zealand screen production industry. The report was provided to the Minister for Arts, Culture and Heritage in February. In May the Government announced the new Screen Production Incentive Fund.

The Board accepted an invitation from the Minister for Arts, Culture and Heritage to administer the new SPIF Fund. Guidelines were published on the NZFC website.

The chairman, chief executive and deputy chief executive appeared before Parliament's Government Administration Committee in February, as part of a formal financial review of the NZFC. Before the meeting, the NZFC provided answers to 108 questions. After the meeting, the NZFC provided written answers to 25 supplementary questions. When the review was published, it stated: "We were pleased to note that the Commission performs well in sales compared to Australia, the country it benchmarks itself against."

Board and staff participated in a two-day strategic planning session in Wellington in February. The session was facilitated by Kim Wicksteed of Advice Ltd. Agreement was reached to implement a new script development strategy, to expand the professional development programme, and to expand New Zealand distribution support mechanisms.

One of the subjects discussed at the planning session was the level of recoupment from NZFC feature film investments. (Current guidelines for NZFC production investment are on the NZFC website.) The planning session was told that the Film Fund Production Trust is on target to achieve an average 35 per cent recoupment of its production investments in larger-budget films, compared to an average 25 per cent achieved by the NZFC over the same five years from investments in smaller-scale productions. It was also noted that the NZFC has collected film income totaling \$34,400,000 in its first 29 years, representing more than 11 per cent of its total income over the period.

### Board financing commitments and funding

The Board made 12 commitments for feature film investment. Seven of the projects were new, and the remainder had received previous NZFC investment. Three features which received investment from the NZFC's Film Fund 2 attracted international partners. The Board supported seven digital features by making grants for post-production.

In July, a Lottery Board decision resulted in the NZFC receiving an extra one-off \$3million from unallocated lottery funds. The windfall amount was allocated directly for production.

After investing in three projects, the Board agreed to end the Headstrong programme. After investing in two projects, it agreed to end the Signature programme.

The Board received a number of documentary financing proposals. It resolved that it would finance documentaries only if they had an extraordinary topic, significant audience appeal, and a cinematic aesthetic.

### Revision of rules

The June meeting of the Board approved revisions to the NZFC rules prepared by the Finance and Audit committee. The revisions include new conflict of interest provisions, provision for execution of some documents by power of attorney, and new reporting rules for committees.

### Film Fund Production Trust

The trustees of the Film Fund Production Trust advised the NZFC that they have extended the life of the trust by two years to June 2010. Its three independent trustees are David Gascoigne, Chris Prowse and Barrie Everard. The NZFC Board extended the term of its two appointees on the trust – Wendy Palmer and Ruth Harley – till June 2010.

The Trust continued to provide quarterly reports to the NZFC Board. The NZFC continued to provide administrative assistance for the Trust in accordance with a service agreement.

### Film Fund 2

The NZFC's Film Fund 2 Committee had 17 meetings; six of these were joint meetings with the Film Fund Production Trust. The Board renewed its appointments of Wendy Palmer and Andrew Cornwell to the committee for the next financial year.

The Government re-allocated funding previously allocated to Film Fund 2 and specified that the funding will become part of the appropriation for the new Screen Production Incentive Fund. [Criteria and guidelines for SPIF](#) are on the NZFC website.

### Partnership relationships with Government

The chief executive and the chairman represented the NZFC at meetings of the government's Screen Co-Ordination Group chaired by the Ministry for Culture and Heritage. The chief executive continued to attend meetings of cultural sector chief executives.

For a fourth year, the NZFC assisted overseas posts with plans for New Zealand film festivals in terms of the government's cultural diplomacy programme. (Details page 25.) The NZFC continued to be represented at meetings of the government's cultural activities co-ordination group.

In association with the Ministry of Foreign Affairs and Trade and the Ministry for Culture and Heritage, the NZFC assisted in the negotiation of [two co-production agreements](#): an agreement between New Zealand and Ireland and an agreement between New Zealand and Spain. The NZFC continued to work with the Ministries on negotiations with India, South Africa, and South Korea.

### Partnership relationships with filmmakers, key industry participants and organisations

The NZFC signed an agreement with Nga Aho Whakaari for the Te Paepae Ataata initiative, aimed at supporting Maori cinema by ensuring that tangata whenua cinema is a dynamic constituent voice within New Zealand film. (Details page 15.)

In partnership with seven industry organisations, the NZFC supported nine professional development initiatives in which more than 500 filmmakers participated. (Details page 28.)

The chairman and four Board members attended the annual SPADA conference in Wellington in November. At the conference the NZFC co-sponsored a session on the definition of New Zealand films, and co-sponsored a pre-dinner reception with Film New Zealand. The SPADA Board accepted an invitation to meet the NZFC Board at its December meeting.

### Developing financing and co-production opportunities

The co-production agreement with Ireland came into force in January. The text is on the NZFC website. The co-production agreement with Spain was signed in January and was ratified by the Spanish Cabinet.

A draft text of a co-production agreement with South Africa is under discussion. Indian officials have responded to a draft text provided from New Zealand in September. Preliminary discussions have begun in Seoul between New Zealand Embassy officials and Korean bureaucrats, with support from the NZFC.

The NZFC agreed with the Australian Film Commission that the reciprocal nationality scheme for official co-productions be extended for a year to 31 March 2009.

### Capability

The NZFC continued to deliver all core services and met all levels of compliance. Improvements in terms of the second year of the three-year ICT strategic plan were carried out ensuring the uninterrupted continuation of all business as usual activities. The senior management team was maintained, apart from the resignation of one team member. Recruitment policy was followed in recruiting her successor from the international film industry. Preparations were made for a salary review to be carried out in the next financial year. Three staff members participated in professional development training. All reporting to the Minister was provided as agreed.

### Premises

The NZFC completed its move to new Wellington offices in Ghuznee Street. The Auckland office which had been opened during the previous year was closed.

At the NZFC office at the Cannes Film Festival:  
01\ Ruth Harley with Auckland producer Robin Scholes.

02\ Sarah Cull with the chair of the NZFC's Film Fund 2 Committee, David Gascoigne.



## Structure Board

David Cullwick completed his second year as NZFC chairman. Bill Birnie completed his seventh year as deputy chair.

The NZFC continued to have five key decision-making bodies.

### 1. The full Board

The NZFC is a statutory body and the Board meets on average six times a year to decide on policy matters and major production investment for all projects except short films. Board members are appointed by the Minister for Arts, Culture and Heritage.

Members for the year to 30 June 2008 were:

David Cullwick (chair), Bill Birnie, (deputy chair), Vanessa Alexander, Andrew Cornwell, Wendy Palmer, Shane Simpson, William Somerville, Tainui Stephens.

### 2. The Development Committee

This committee decides on applications for feature film script development and follows rules formulated by the Board. Chaired by the Chief Executive, its members at each meeting include one Board member and two representatives of the independent production industry. The Board was represented by Tainui Stephens or Vanessa Alexander. Independent industry professionals who participated were Jonathan King, Philippa Campbell, Trevor Haysom, Briar Grace-Smith, Fiona Copland, Nick Ward, Sue Rogers, Robert Sarkies, Tim White and Taika Waititi.

## Staff

The Chief Executive attended a strategic leadership course organized by the Institute for Strategic Leadership in Queenstown.

In August, Marilyn Milgrom was appointed as Head of Development. She comes from a background in script consultancy, screenwriting and development in the United Kingdom where she was external examiner to the MA Screenwriting Course at the London Film School and previously at the National Film and Television School, and senior tutor at The Script Factory, a screenplay development organization for whom she devised and ran training courses in a number of countries. She has been a reader-consultant for seven British organizations including Working Title. Marilyn Milgrom succeeded Caroline Grose, who was thanked for the talent, professional skills and dedication which she contributed during three years in the position.

During the three-month parental leave of Timothy O'Brien, Christina Milligan and Rachael Mansfield were temporary development executives.

### 3. The Finance and Audit Committee

This committee of Board members takes responsibility for financial issues and risk management to maximize the time available for policy and production financing decisions at full Board meetings. The committee works in accordance with rules formulated by the NZFC. Members for the year to 30 June 2008 were:

Bill Birnie (chair), William Somerville, David Cullwick.

### 4. The Film Fund 2 Committee

This committee was appointed by the Board. It makes decisions on applications for investment in larger-budget New Zealand feature films. Finance for Film Fund 2 comes from the NZFC investment allocation. Committee members for the year to 30 June 2008 were:

David Gascoigne (chair), Barrie Everard (till December) Andrew Cornwell (from December) Chris Prowse, Wendy Palmer.

### 5. The Sales Agency Advisory Committee

This committee, appointed by the Board and working to rules formulated by the Board, is responsible for advising on sales strategies and targets, reviewing the sales agency's annual business plan, budget and performance and approving the annual marketing plan on a market by market basis. Its members for the year to 30 June 2008 were: Paul Davis (chair), Barrie Everard (till December), Mark Croft (from April), Wendy Palmer, Andrew Cornwell, Ruth Harley, Kathleen Drumm.

The NZFC continued to observe its human resources policies and procedures which are formally recorded in its updated Policies and Procedures Manual. This states a commitment to equal employment opportunities by the elimination of all aspects of policies, procedures, practices and any institutional barriers that may cause or perpetuate inequalities in respect of employment opportunities of any person or groups of persons. Equal employment opportunities are incorporated in staff selection and management, to achieve as diverse personnel as possible given the small size of the NZFC. Policies on being a good employer as outlined in the Crown Entities Act 2004 are operational. Procedure is specified in the Policy and Procedures Manual. It includes ensuring that all employees have opportunities to achieve their potential, recognizing and valuing employees' different skills, talents, experiences and perspectives, and their different cultural values and beliefs, recognition of the aims and aspirations of Maori, and recognition of the aims, aspirations and employment requirements of ethnic or minority groups, women, and persons with disabilities.

## Statement of Responsibility

for the year ended 30 June 2008

Pursuant to the Crown Entities Act 2004, the New Zealand Film Commission and the management of the New Zealand Film Commission accept responsibility for:

- The preparation of the financial statements and the Statement of Service Performance and for the judgements used therein;
- The establishment and maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the New Zealand Film Commission and the management of the New Zealand Film Commission, the financial statements and Statement of Service Performance for the year ended 30 June 2008 set out on pages 34 to 51 fairly reflect the financial position and operations of the New Zealand Film Commission.

David Cullwick  
Chairman

Bill Birnie  
Deputy Chairman

31 October, 2008



Statement of Financial Position
for the year ended 30 June 2008

	Notes	2008 Actual \$	2008 Budget \$	2007 Actual \$
Equity				
Accumulated funds		11,403,851	427,000	12,856,156
Total Equity	2	11,403,851	427,000	12,856,156
Represented by:				
Current Assets				
Cash and cash equivalents	3	7,117,097	870,000	8,467,806
Investments	4	20,200,000	15,130,000	16,100,00
Trade and other receivables	5	1,929,193	750,000	1,976,368
Total Current Assets		29,246,290	16,750,000	26,544,174
Non Current Assets				
Property, Plant & Equipment	6	792,671	400,000	97,915
Intangible Assets	7	63,315	100,000	111,830
Total Non-Current Assets		855,986	500,000	209,745
Total Assets		30,102,276	17,250,000	26,753,919
Less Liabilities:				
Current Liabilities				
Trade and other payables	8	2,010,543	1,348,000	1,625,145
Employee Entitlements	9	71,567	0	85,943
Film Income Account	10	188,876	1,225,000	558,521
Project Commitments	11	16,414,202	14,250,000	11,606,560
Finance Lease	17	8,357	0	8,357
Total Current Liabilities		18,693,545	16,823,000	13,884,526
Non-Current Liabilities				
Finance Lease	17	4,880	0	13,237
Total Non-Current Liabilities		4,880	0	13,237
Total Liabilities		18,698,425	16,823,000	13,897,763
Net Assets		11,403,851	427,000	12,856,156

The accompanying notes on pages 37 to 49 form part of these financial statements.

Statement of Financial Performance
for the year ended 30 June 2008

	Note	2008 Actual \$	2008 Budget \$	2007 Actual \$
Income				
Crown Revenue		11,057,000	10,111,000	10,111,187
Lottery Board Grant		12,027,500	9,009,000	9,009,455
Income from Films	10	2,819,578	1,500,000	2,618,686
Distribution Fee	10	820,712	300,000	1,564,197
Interest		2,274,247	1,200,000	1,549,246
Writebacks		122,392	0	294,685
Other Income		59,474	50,000	59,872
		29,180,903	22,170,000	25,207,328
Expenditure				
Development	12	2,924,107	2,750,000	1,939,408
Production	13	21,808,837	14,740,000	6,387,880
Professional Development and Industry Support	14	1,542,535	900,000	1,201,187
Marketing & Sales	15	1,785,560	1,685,000	1,203,334
Corporate	16	2,572,169	2,800,000	2,486,133
		30,633,208	22,875,000	13,217,942
Net Surplus / (Deficit)		(1,452,305)	(705,000)	11,989,386

Explanations of significant variances against budget are detailed in note 28.
The accompanying notes on pages 37 to 49 form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2008

	2008 Actual \$	2008 Budget \$	2007 Actual \$
Equity at 1 July	12,856,156	1,132,000	866,770
Surplus / (Deficit) for the year	(1,452,305)	(705,000)	11,989,386
Total recognised income / (expense) for the year	(1,452,305)	(705,000)	11,989,386
Equity at 30 June	11,403,851	427,000	12,856,156

The accompanying notes on pages 37 to 49 form part of these financial statements.



Notes to the Financial Statements
for the year ended 30 June 2008

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2008

Reporting Entity

Pursuant to the New Zealand Film Commission Act 1978, the New Zealand Film Commission (the NZFC) was established on 13 November 1978 as a Crown Entity in terms of the Crown Entities Act 2004.

These are the New Zealand Film Commission’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 also participate and assist in the making, promotion and exhibition of films and has been established exclusively for charitable purposes in New Zealand. Accordingly, the NZFC has designated itself as a public benefit entity for the purposes of NZ equivalents to IFRS (NZ IFRS).

The financial statements of the NZFC are for the year ended 30 June 2008. The financial statements were authorised for issue on 31 October 2008.

Basis of preparation

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

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity and surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 29.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the NZFC is New Zealand dollars.

Foreign currency transactions are translated into 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 are recognised in the statement of financial performance.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

There are no standards, interpretations and amendments that have been issued, but are not yet effective, that the NZFC has applied.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements and in preparing an opening NZ IFRS balance sheet as at 1 July 2006 for the purposes of transition to NZ IFRS.

Revenue

Revenue is measured at the fair value of considerations received or receivable Crown Revenue The NZFC is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the NZFC meeting its objectives as specified in the statement of intent.

Other grants Non-government grants are recognised as revenue when they become receivable.

Interest Interest income is recognised using the effective interest method. Returns from Film Investments Returns from film investments are recognised as revenue when either a sales contract is executed or in the case of film royalty “overages”, when the royalties have been reported and become receivable.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established on a case by case basis, when there is objective evidence that the NZFC will not be able to collect amounts due according to original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The carrying amount of the asset is reversed and written off against the unpaid invoices account in the Film Income Account. Overdue invoices that have been renegotiated are reclassified as current (i.e.not past due).

Loans are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/ investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance.

Property, Plant & Equipment

Property, Plant & Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the NZFC and the cost of the item can be measured reliably.

Disposals Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance.

Subsequent Costs Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the NZFC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight -line basis on all property, plant and equipment at rates that will write off the cost of the assets totheir estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Table with 3 columns: Asset Class, Useful Life (years), Depreciation Rate (%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

There was a change in the depreciation rate and the useful life of leasehold alterations (2007 = 10 years or 10.00%), due to the relocation of the NZFC offices during the year under review.

Intangible Assets

Software acquisition and development Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the NZFC, are recognised as an intangible asset.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the maintenance of the NZFC’s website are recognised as an expense when incurred.

Amortisation The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Table with 3 columns: Asset Class, Useful Life (years), Amortisation Rate (%)

Statement of Cash Flows
for the year ended 30 June 2008

Table with 4 columns: Note, 2008 Actual \$, 2008 Budget \$, 2007 Actual \$

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. The accompanying notes on pages 37 to 49 form part of these financial statements.



Investments and Advances

Funding for film development and production, while in the nature of an investment, is treated as expenditure because of its high-risk nature. This expenditure is recognised at the time the commitment is approved and includes funds committed but not paid out at year-end. The exceptions to this policy are:

- (i) Investments for which a certain level of income is contracted and reasonably assured. Such investments are treated as assets and valued at the minimum level of expected income.
- (ii) Short term advances made on a fully recourse basis where the payment is secured by some means so as to give a reasonable expectation of repayment.

Investment classification includes transferable certificates of deposit and short term deposits. Investments are valued at the lower of cost or market value. Interest has been accrued at year-end.

Project Commitments

This amount represents financial commitments and advances for film development and production committed by the NZFC, but not paid out at year-end.

Writebacks

Writebacks represent commitments for investments and advances treated as expenditure in previous years and subsequently revised or cancelled and therefore written back to the current year’s income.

Prepayments

Expenses for future film markets and festivals incurred in the current year are shown as prepayments.

Foreign Currencies

Any bank deposits held in foreign currencies at balance date are valued at the quoted mid-rate at the close of business on 30 June. The unrealised gain or loss resulting from the valuation is adjusted against income and expenditure.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee Benefits

Employee benefits that the NZFC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. The NZFC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the NZFC anticipates it will be used by staff to cover those future absences. NZFC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Superannuation Schemes

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of financial performance as incurred.

Financial Instruments

The NZFC is party to financial instruments as part of its everyday operations and these have been recognised in the statement of financial position. These instruments include cash on hand, bank balances, short term deposits, accounts receivable, accounts payable and project commitments.

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Leases

*Finance Leases*  
A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, the NZFC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the NZFC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term or its useful life.  
*Operating Leases*  
Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Term deposits represent deposits and other instruments with maturities of more than three months from acquisition date.

*Operating activities* includes all activities other than investing and financing activities. The cash inflows include all receipts from the sale of goods and services and other sources of revenue that support the NZFC’s operating activities. Cash outflows include payments made to employees, suppliers and taxes.

*Investing activities* are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

*Financing activities* are those activities relating to changes in equity and debt capital structure of the NZFC and those activities relating to the cost of servicing the NZFC’s equity capital.

Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, except for receivables and payables, which are stated GST inclusive. Where GST is irrecoverable 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.

Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year and are reported in the SOI. The budget figures have been prepared in accordance with NZ IFRS and are consistent with the accounting policies adopted by the NZFC for the preparation of the financial statements.

Taxation

The NZFC is exempt from income tax in accordance with Section 29 of the New Zealand Film Commission Act 1978.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the audited financial statements for the year ended 30 June 2007, other than the impact of adoption of NZ IFRS.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Property, plant and equipment useful lives and residual value:*

At each balance date the NZFC reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the NZFC to consider a number of factors such as the physical condition of the asset and expected period of use of the asset by the NZFC.

The NZFC has reviewed the depreciation rate and the useful life of Leasehold Alterations, due to the relocation of the NZFC offices during the year under review.

*Film Income Account*

Note 10 provides an explanation in relation to estimates and uncertainties surrounding the Film Income Account Liability.

Critical judgements in applying the NZFC’s accounting policies

Management has exercised the following critical judgements in applying the NZFC’s accounting policies for the period ended 30 June 2008:

*Lease classification*

Determining whether a lease agreement is a finance or operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the NZFC.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

The NZFC has exercised its judgement on the appropriate classification of equipment leases and, has determined one lease arrangement is a finance lease.

Notes to the Financial Statements (continued)

2. EQUITY	2008 \$	2007 \$
a. Accumulated funds		
Balance at 1 July	12,856,156	866,770
Surplus/(deficit)	(1,452,305)	11,989,386
Total Equity as 30 June	11,403,851	12,856,156

3. CASH AND CASH EQUIVALENTS	2008 \$	2007 \$
Cash at bank and in hand	7,117,097	5,217,806
Term Deposits maturing three months or less from date of acquisition	0	3,250,000
	7,117,097	8,467,806

The carrying value of term deposits with maturity dates of three months or less approximates their fair value. Refer to note 3 for weighted average effective interest rate for cash and cash equivalents.

4. INVESTMENTS	2008 \$	2007 \$
Term Deposits with maturities of 4-12 months	20,200,000	16,100,000
	20,200,000	16,100,000

There were no impairment provisions for investments.

Maturity Analysis and effective interest rates of term deposits

The maturity dates and weighted average effective interest rates for term deposits are as follows:

	2008 \$		2007 \$
Term Deposits (with maturities of 3 months or less; average maturity 82 days)	0	Term Deposits (with maturities of 3 months or less ; average maturity 82 days)	3,250,000
weighted average effective interest rate	0.00%	weighted average effective interest rate	7.97%
Term Deposits (with maturities of 4-12 months; average maturity 141 days)	20,200,000	Term Deposits (with maturities of 4-12 months; average maturity 98 days)	16,100,000
weighted average effective interest rate	8.59%	weighted average effective interest rate	8.02%
	20,200,000		19,350,000

The carrying value of term deposits with maturity dates less than 12 months approximates their fair value. Term deposits are invested at fixed rates ranging from 8.46% to 9.04%. As these deposits are at a fixed interest rate and measured at amortised cost,an increase or decrease in interest rates during the period would not impact the measurement of the investments and hence there would be no impact on the surplus/(deficit) of equity.



5. TRADE AND OTHER RECEIVABLES	2008 \$	2007 \$
Trade Debtors	1,382,043	1,761,372
Prepayments	47,803	41,214
Star Loans	713,586	448,003
Less: Provision for impairment	(214,239)	(274,221)
	<b>1,929,193</b>	<b>1,976,368</b>

The carrying value of receivables approximates their fair value. The carrying amount of receivables that would otherwise be past due, but not impaired whose terms have been renegotiated is Nil (2007 = Nil).

As at 30 June 2008 and 2007, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2008			2007		
	Gross \$	Impairment \$	Net \$	Gross \$	Impairment \$	Net \$
Current	716,667	0	716,667	376,170	0	376,170
Past due 31-60 days	44,798	0	44,798	718,392	0	718,392
Past due 61-90 days	151,406	0	151,406	111,932	0	111,932
Past due →91 days	1,230,561	(214,239)	1,016,322	495,653	(274,221)	769,874
	<b>2,143,432</b>	<b>(214,239)</b>	<b>1,929,193</b>	<b>1,702,147</b>	<b>(274,221)</b>	<b>1,976,368</b>

The provision of impairment has been calculated based on expected losses for the NZFC’s pool of debtors. Expected losses have been determined based on the review of specific debtors. Those specific debtors that are insolvent are fully provided for. As at 30 June 2008 the NZFC has identified 2 debtors (2007 = nil) totalling \$62,629 (2007 = nil) that are insolvent.

#### 6. PROPERTY, PLANT & EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	Leasehold Alterations \$	Computer Equipment Hardware \$	Office Equipment \$	Furniture & Fittings \$	Total \$
<b>Cost or Valuation</b>					
Balance at 1 July 2006	509,403	243,309	139,102	151,641	1,043,455
Additions	0	23,257	35,476	9,512	68,245
Disposals	(509,403)	(6,199)	(55,761)	0	(571,363)
Balance at 30 June 2007	0	260,367	118,817	161,153	540,337
Balance at 1 July 2007	0	260,367	118,817	161,153	540,337
Additions	495,630	75,286	59,840	224,934	855,690
Disposals	0	(86,671)	0	(51,922)	(138,593)
Balance at 30 June 2008	495,630	248,982	178,657	334,165	1,257,434
<b>Accumulated Depreciation</b>					
Balance at 1 July 2006	492,474	215,204	110,493	131,004	949,175
Depreciation Expense	8,406	16,696	16,795	4,722	46,619
Eliminate on Disposal	(500,880)	0	(52,492)	0	(553,372)
Balance at 30 June 2007	0	231,900	74,796	135,726	442,422
Balance at 1 July 2007	0	231,900	74,796	135,726	442,422
Depreciation Expense	54,522	33,128	29,974	35,988	153,612
Eliminate on Disposal	0	(85,394)	0	(45,877)	(131,271)
Balance at 30 June 2008	54,522	179,634	104,770	125,837	464,763
<b>Carrying amounts</b>					
As at 1 July 2006	16,929	28,105	28,609	20,637	94,280
As at 30 June and 1 July 2007	0	28,467	44,021	25,427	97,915
As at 30 June 2008	441,108	69,348	73,887	208,328	792,671

The net carrying amount of office equipment held under finance leases is \$13,237 (2007 = \$21,594)  
There are no restrictions over the title of the NZFC’s property, plant and equipment, nor are any items of property, plant and equipment pledged as security for liabilities. Based on our annual review of the useful life of the NZFC’s property, plant and equipment, we have assessed that there is no indication of impairment.

#### 7. INTANGIBLE ASSETS

Movements for intangible assets are as follows:

	Computer Equipment Acquired Software \$
<b>Cost or Valuation</b>	
Balance at 1 July 2006	409,873
Additions	92,545
Disposals	0
Balance at 30 June 2007	502,418
Balance at 1 July 2007	502,418
Additions	24,538
Disposals	(170,286)
Balance at 30 June 2008	356,671

#### Accumulated Amortisation

Balance at 1 July 2006	314,809
Amortisation Expense	75,779
Eliminate on Disposal	0
Balance at 30 June 2007	390,588
Balance at 1 July 2007	390,588
Amortisation Expense	73,054
Eliminate on Disposal	(170,286)
Balance at 30 June 2008	293,356

#### Carrying amounts

As at 1 July 2006	95,064
As at 30 June and 1 July 2007	111,830
As at 30 June 2008	63,315

There are no restrictions over the title of the NZFC’s intangible assets, nor are any intangible assets pledged as security for liabilities. Based on our annual review of the useful life of the NZFC’s intangible assets, we have assessed that there is no indication of impairment.

8. TRADE AND OTHER PAYABLES	2008 \$	2007 \$
Trade Creditors	1,341,158	1,132,888
Sundry Accruals	390,926	231,715
Net GST Payable	195,943	136,253
PAYE	29,496	0
Money held on Co-investor’s behalf	53,020	124,289
	<b>2,010,543</b>	<b>1,625,145</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

9. EMPLOYEE ENTITLEMENTS	2008 \$	2007 \$
Accrued Salaries and Wages	8,000	7,500
Annual Leave	63,567	78,443
	<b>71,567</b>	<b>85,943</b>



Notes to the Financial Statements (continued)

10. FILM INCOME ACCOUNT

The film income account is used to collect and distribute to investors film proceeds received by the Film Commission in its role as sales agent and / or trustee of certain films. The balance at 30 June represents film income receivable but not yet distributed and unpaid film sales invoices.

	2008 \$	2007 \$
Opening Balance 1 July	558,521	2,308,895
Income from Sales	6,572,666	7,264,830
<b>Total Film Income</b>	<b>7,131,187</b>	<b>9,573,725</b>
Less: NZFC Distribution Fees	(820,712)	(1,564,197)
Less: Marketing & Other Expenses	(455,740)	(295,907)
<b>Net Earnings</b>	<b>5,854,735</b>	<b>7,713,621</b>
Less: Distributed to Investors	(1,895,861)	(3,199,807)
Less: Distributed to NZFC	(2,819,578)	(2,618,686)
Less: Loan Repayment to NZFC	(1,031,880)	(647,214)
	107,416	1,247,914
Provision for Unrecouped Expenses Increase/(Decrease)	245,326	(123,450)
Balance 30 June	352,742	1,124,464
Unpaid Invoices Increase / (Decrease)	(163,866)	(565,943)
<b>Balance (including unpaid invoices)</b>	<b>188,876</b>	<b>558,521</b>

The preparation of the film income account in conformity with NZ IFRS requires judgements, estimates and assumptions which are based on historical experience. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

11. PROJECT COMMITMENTS	2008 \$	2007 \$
Feature Films	14,391,285	9,700,538
Short Films	988,668	934,274
Devolved Development and Producer Overhead Funds	1,034,249	971,748
	<b>16,414,202</b>	<b>11,606,560</b>

Project commitments represent commitments for investments and advances for film development and production committed by the NZFC , but not paid out at year end.

12. DEVELOPMENT	2008 \$	2007 \$
Feature Films - Development	2,561,387	1,638,326
External Services	47,962	21,560
Personnel Costs	314,758	279,522
	<b>2,924,107</b>	<b>1,939,408</b>

13. PRODUCTION	2008 \$	2007 \$
Feature Films - Production Financing	7,794,363	1,468,329
Film Fund 2 Films	12,497,350	2,300,000
Short Films - Production Financing	1,090,223	1,065,128
Signature Films	25,884	1,165,202
Screen Innovation Production Film Fund	350,000	350,000
<b>Other Costs</b>	<b>51,017</b>	<b>39,221</b>
	<b>21,808,837</b>	<b>6,387,880</b>

14. PROFESSIONAL DEVELOPMENT & INDUSTRY SUPPORT	2008 \$	2007 \$
Festivals and Awards	205,000	93,037
Creative Development	562,535	386,929
Industry Support	775,000	721,221
	<b>1,542,535</b>	<b>1,201,187</b>

15. MARKETING AND SALES	2008 \$	2007 \$
Features Marketing	519,578	293,320
Shorts Marketing	101,103	97,549
Market Attendance	181,702	166,992
Sales Agency - Features	545,916	222,559
Sales Agency - Shorts	53,274	48,968
Personnel Costs	383,987	373,946
	<b>1,785,560</b>	<b>1,203,334</b>

16. CORPORATE	2008 \$	2007 \$
Personnel Costs	950,449	923,961
Board Costs	249,532	197,027
Communications	95,200	133,456
Office Overheads	251,054	510,178
Depreciation:		
Leasehold Alterations	54,522	8,406
Computer Equipment - Hardware	33,128	98,673
Computer Equipment - Software	73,054	0
Office Equipment	29,974	16,796
Furniture & Fittings	35,988	4,722
Rent	205,102	140,977
Audit Fees		
For the audit of the financial statements	35,833	34,348
For NZ IFRS transition	7,895	0
Other Costs	548,945	416,967
Interest Paid on Finance Lease	1,493	622
	<b>2,572,169</b>	<b>2,486,133</b>



Notes to the Financial Statements (continued)

17. ANALYSIS OF FINANCE LEASES	2008	2007
	\$	\$
Minimum lease payments payable:		
Less than one year	9,852	9,852
Between one and two years	5,747	9,852
Between two and five years	0	5,747
More than five years	0	0
Total minimum lease payments	15,599	25,451
Less: Future Finance Charges	(2,362)	(3,857)
Present Value of minimum lease payments	13,237	21,594
Present value of minimum lease payments payable:		
Less than one year	8,357	8,357
Between one and two years	4,880	8,357
Between two and five years	0	4,880
More than five years	0	0
Total Present Value of minimum lease payments	13,237	21,594
Current portion of finance lease	8,357	8,357
Non-current portion of finance lease	4,880	13,237
	13,237	21,594

Description of leasing arrangement

The NZFC has entered into a finance lease for an item of plant and equipment. The net carrying amount of the leased items within each class of property, plant and equipment is shown in note 6. The finance leases can be renewed at the NZFC’s option, with rents set by reference to current market rates for items of equivalent age and condition. The NZFC does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the NZFC by any finance leasing arrangements.

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Subsequent to balance date the NZFC terminated the lease in August 2008.

18. CAPITAL COMMITTMENTS AND OPERATING LEASES

The NZFC had no capital commitments as at 30 June 2008 (2007 = Nil).

*Operating Leases as a lessee.*

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2008	2007
	\$	\$
Not later than one year	218,138	199,959
Between one and two years	218,138	218,138
Between two and five years	654,414	654,413
Later than five years	0	218,138
	1,090,690	1,290,648

The NZFC leases two floors of an office building. The lease expires on 2 July 2019, with an option to vacate the premises at the renewal dates of 2 July 2013 and 2 July 2016.

The NZFC has assumed it will not vacate the premises at the lease renewal date of 2 July 2013. The NZFC does not have the option to purchase the asset at the end of the lease term.

19. CONTINGENCIES

**Contingent liabilities**

There were no contingent liabilities at balance date (2007 = NIL).

**Contingent assets**

There were no contingent assets at balance date (2007 = NIL).

20. FINANCIAL INSTRUMENT RISK

The NZFC’s activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The NZFC has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

*Market risk* The interest rates on the NZFC’s investments are disclosed in note 3.

*Fair value interest rate risk* Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The NZFC’s exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest.

*Credit risk* In the normal course of business the NZFC incurs credit risk from trade debtors and financial institutions.

Due to the timing of its cash inflows and outflows, the NZFC invests surplus cash with registered banks. The NZFC’s Investment policy limits the amount of credit exposure to any one institution.

The NZFC’s maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 3), trade debtors (note 5) and short term deposits (note 4).

There are no major concentrations of credit risk with respect to trade debtors and exposure to them is monitored on a regular basis. The NZFC does not require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

*Currency risk* The NZFC is not exposed to any significant currency risk. If the NZFC has reasonable assurance that a foreign exchange debtor will pay on a due date and the sum is material then the NZFC will use a foreign currency contract to manage the foreign currency exposure.

The forward exchange contracts outstanding at 30 June 2008 amounted to NIL (2007=NIL). The NZFC enters into foreign currency forward contracts to hedge currency transactions. Any exposure to gains or losses on those contracts is generally offset by a related loss or gain on the item being hedged. Apart from foreign currency forward contracts, all financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. The estimated fair values of the NZFC’s financial assets and liabilities are as per disclosed in the financial statements.

21. CAPITAL MANAGEMENT

The NZFC’s capital is its equity, which is accumulated funds. Equity is represented by net assets.

The NZFC is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The NZFC manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the NZFC effectively achieves its objectives and purpose, whilst remaining a going concern.

22. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

*Related party transactions*

The NZFC is a wholly owned entity of the Crown. The government significantly influences the role of the NZFC in addition to being a major source of revenue.

The NZFC enters into transactions with government departments, state-owned enterprises and other Crown Entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the NZFC would have adopted if dealing with that entity at arm’s length in the same circumstances have not been disclosed as a related party transaction.

The following transactions were carried out with related parties other than those described above:

All related party transactions have been entered into on an arms length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction Value		Balance Outstanding	
		Year Ended 30 June		Year Ended 30 June	
		2008	2007	2008	2007
		\$	\$	\$	\$
Transaction					
Tainui Stephens – production financing	i)	766,668	644,153	0	707,096
Vanessa Alexander – post production financing	ii)	38,119	0	0	0
Juliette Veber – post production financing	iii)	\$25,000	0	0	0

i) Tainui Stephens is a director of Forward Films Ltd as well as co-producer on the project Rain of the Children.

ii) Vanessa Alexander is director of Soliloquy as well as producer of the short film Cargo.

ii) Juliette Veber is a director of Trouble Free Films as well as director and one of the producers on the digital feature Trouble Is My Business

No provision has been required nor any expense recognised for impairment of receivables from related parties (2007 = nil).



Notes to the Financial Statements (continued)

Key Management Personnel	2008	2007
	\$	\$
Salaries and other short-term employee benefit	924,234	828,937
Post-employment benefit	0	0
Other long-term benefit	0	0
Termination benefit	0	0
	924,234	828,937

Key management personnel include all Board members, the Chief Executive, Deputy Chief Executive, Head of Development, Head of Sales and Marketing and Head of Business Affairs.

23. BOARD MEMBER REMUNERATION

The total value of remuneration paid or payable to each Board member during the year was:

	2008	2007
	\$	\$
David Cullwick (Chairman)	40,000	40,000
Bill Birnie	16,000	10,000
William Somerville	16,000	10,000
Tainui Stephens	16,000	10,000
Andrew Cornwell	16,000	10,000
Vanessa Alexander	16,000	9,500
Shane Simpson	15,600	10,000
Wendy Palmer	16,000	10,000
	151,600	109,500

\$15,648 (2007 = \$7,500) was paid to the chair of the Sales Agency Advisory Committee who was not a member of the Board.  
\$22,500 (2007 = \$16,875) was paid to the Chair of the Film Fund 2 Committee who is not a member of the Board.  
No other payments have been made to Committee members appointed by the Board who are not Board members.  
The NZFC has provided a deed of indemnity to Directors for certain activities undertaken in the performance of the NZFC's functions.  
The NZFC has effected Directors and Officers Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees

24. EMPLOYEE REMUNERATION

During the year, the number of employees of the NZFC, not being members, who received remuneration and other benefits in excess of \$100,000 were:

Remuneration	Number of Employees	
	2008	2007
\$230,000 - \$240,000 (Chief Executive)	1	1
\$160,000 - \$170,000	1	0
\$150,000 - \$160,000	0	1
\$140,000 - \$150,000	0	0
\$130,000 - \$140,000	0	0
\$120,000 - \$130,000	1	0
\$110,000 - \$120,000	2	2
\$100,000 - \$110,000	0	1
	5	5

During the year ended 30 June 2008, no employees received compensation and other benefits in relation to cessation (\$2007 = \$8,800 to one employee). No Board members received compensation or other benefits in relation to cessation (2007 = 0)

25. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES WITH THE NET SURPLUS FOR THE YEAR	2008	2007
	\$	\$
Net Surplus	(1,452,305)	11,989,386
Add back: Non Cash Items		
Loss on Disposals	4,124	11,793
Depreciation and Amortisation	226,666	128,597
	(1,221,515)	12,129,776

Movements in Working Capital

(Decrease) Increase in Accounts Receivable after excluding Capital Items	(47,175)	469,162
Decrease (Increase) in Accounts Payable after excluding Capital Items	(584,735)	(562,366)
Decrease (Increase) in Employee entitlements	14,376	(8,396)
Decrease (Increase) in GST Payable	(59,690)	73,253
Decrease (Increase) in Film Income Account	369,645	1,750,374
Decrease (Increase) in Project Commitments	(4,807,641)	2,862,623
Total Movements in Working Capital	(5,115,220)	4,584,650
Net Cash Flows from Operating Activities	3,893,705	7,545,126

26. EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

27. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	2008	2007
	\$	\$
Loans and receivables		
Cash and cash equivalents	7,117,097	8,467,806
Trade and other receivables	1,929,193	1,976,368
Investments - term deposits	20,200,000	16,100,000
	29,246,290	26,544,174
Financial liabilities measured at amortised cost		
Trade and other payables	2,010,543	1,625,145
	2,010,543	1,625,145

28. MAJOR BUDGET VARIANCES

Income was 31% above budget, mainly as a result of a one-off windfall grant from the Lottery Grants Board, higher than projected average cash-on-hand and high interest rates. In addition, collections from film sales and the associated commissions were higher than anticipated.

Total expenditure was 33% over budget due mainly to large production financing committments. Corporate costs were 8.1% below budget due to communication costs and other overheads being more streamlined. As a result of higher than projected total expenditure in the year, the NZFC recorded a deficit of \$1,452,305 instead of the budgeted deficit of \$705,000.



Notes to the Financial Statements (continued)

29. EXPLANATION OF TRANSITION TO NZ IFRS

Transition to NZ IFRS

As stated in Note 1, these are the NZFC’s first financial statements to be prepared in accordance with NZ IFRS. The NZFC’s transition date is 1 July 2006 and the opening NZ IFRS balance sheet has been prepared as at that date.

The NZFC’s NZ IFRS adoption date is 1 July 2007.

Exemptions from full retrospective application elected by the NZFC

In preparing these financial statements in accordance with NZ IFRS 1, the NZFC has not applied any optional exemptions to full retrospective application of NZ IFRS.

The only mandatory exemption from retrospective application that applies to the NZFC is the requirement for estimates under NZ IFRS at 1 July 2006 and 30 June 2007 to be consistent with estimates made for the same date under previous NZ GAAP.

Reconciliations of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2006 and 30 June 2007.

	Note	Previous NZ GAAP \$	1 July 2006 Effect on transition to NZ IFRS \$	NZ IFRS \$	Previous NZ GAAP \$	30 June 2007 Effect on transition to NZ IFRS \$	NZ IFRS \$
Equity							
Accumulated funds		866,770	1,060,141	1,926,911	11,681,269	1,174,887	12,856,156
Total Equity		866,770	1,060,141	1,926,911	11,681,269	1,174,887	12,856,156
Represented by:							
Current Assets							
Cash and Cash Equivalents	a	2,641,156	0	2,641,156	5,217,806	3,250,000	8,467,806
Short Term Deposits	a	14,800,000	0	14,800,000	19,350,000	(3,250,000)	16,100,000
Trade and other receivables		1,227,954	0	1,227,954	1,976,368	0	1,976,368
Total Current Assets		18,669,110	0	18,669,110	26,544,174	0	26,544,174
Non Current Assets							
Property, Plant & Equipment	b	189,344	(95,063)	94,281	209,745	(111,830)	97,915
Intangible Assets	b	0	95,063	95,063	0	111,830	111,830
Total Assets		18,858,454	0	18,858,454	26,753,919	0	26,753,919
Less Liabilities:							
Current Liabilities							
Trade and other payables	c	1,213,606	739,196	1,952,802	1,012,748	612,397	1,625,145
Employee Entitlements	d	0	77,547	77,547	0	85,943	85,943
Finance Lease		0	0	0	8,357	0	8,357
Film Income Account	c	2,308,895	(1,876,885)	432,010	2,431,748	(1,873,227)	558,521
Project Commitments		14,469,183	0	14,469,183	11,606,560	0	11,606,560
Total Current Liabilities		17,991,684	(1,060,141)	16,931,543	15,059,413	(1,174,887)	13,884,526
Non-Current Liabilities							
Finance Lease		0	0	0	13,237	0	13,237
Total Liabilities		17,991,684	(1,060,141)	16,931,543	15,072,650	(1,174,887)	13,897,763
Net Assets		866,770	1,060,141	1,926,911	11,681,269	1,174,887	12,856,156
Equity							
Accumulated Funds	e	866,770	1,060,141	1,926,911	11,681,269	1,174,887	12,856,156
Total Equity		866,770	1,060,141	1,926,911	11,681,269	1,174,887	12,856,156

Explanatory notes - Reconciliation of Equity

a. Cash and cash equivalents and investments

Those term deposits with maturities less than three months have been reclassified as cash and cash equivalents.

b. Property, plant, equipment and intangible assets

Computer software has been reclassified as an intangible asset. It was previously classified as property, plant and equipment.

c. Trade and other payables and Film Income Account

Under previous NZ GAAP the NZFC recognised film income only once it was collected and distributed. NZ IFRS requires returns from film investment to be recognised as revenue or due to investors when either a sales contract is executed or in the case of royalty “overages”, when the royalties have been reported and are receivable. The impact of this change has been an increase in distribution fees, income from films and trade payables (investors’ share). As a consequence the balance of the Film Income Account has been reduced. In addition, employee entitlements are now disclosed separately.

d. Employee Entitlements

Employee entitlements comprise accrued annual leave, accrued salaries and wages and bonuses and are now disclosed separately from trade payables.

The impact of this change has been an increase in distribution fees, income from films and trade payables (Investors’ share). As a consequence the balance of the Film Income Account has been reduced.

e. Equity

The adjustments to equity are as follows:

	1 July 2006 \$	30 June 2007 \$
Film Income Account	1,060,141	1,174,887
Total Adjustment to Equity	1,060,141	1,174,887

Reconciliation of Surplus for the year ending 30 June 2007

The following table shows the changes in the NZFC’s surplus, resulting from the transition from previous NZ GAAP to NZ IFRS for the year ending 30 June 2007.

	Note	Previous NZ GAAP 2007	Effect on transition to NZ IFRS	NZ IFRS 2007
Income				
Government Grant		10,111,187	0	10,111,187
Lottery Board Grant		9,009,455	0	9,009,455
Income from Films	a	1,725,789	892,897	2,618,686
Distribution Fee	a	1,122,064	442,133	1,564,197
Interest		1,549,246	0	1,549,246
Writebacks		294,685	0	294,685
Other Income		59,872	0	59,872
		23,872,298	1,335,030	25,207,328
Expenditure				
Feature Film Development		1,939,408	0	1,939,408
Production		6,387,880	0	6,387,880
Professional Development and Industry Support		1,201,187	0	1,201,187
Marketing & Sales	a	1,043,191	160,143	1,203,334
Corporate		2,486,133	0	2,486,133
		13,057,799	160,143	13,217,942
Net Surplus / (Deficit)		10,814,499	1,174,887	11,989,386

Explanatory notes - Reconciliation of Surplus

a. Income from Films, Distribution Fee and Marketing & Sales

Previously under NZ GAAP the NZFC recognised film income only once it was collected and distributed. NZ IFRS requires returns from film investment to be recognised as revenue or due to investors when either a sales contract is executed or in the case of royalty “overages”, when the royalties have been reported and are receivable.

This change has resulted in an increase of distribution fees, income from films and marketing expenses.

Statement of Cash flows

On transition to NZ IFRS the statement of cash flows presents the increase and decrease in short term deposits with maturities of 4-12 months on a gross rather than net basis, and short term deposits with maturities less than 3 months are now included as part of cash and cash equivalents. This change and the reclassification of some term

deposits to cash and cash equivalents has impacted on the statement of cash flows for the year ended 30 June 2007 as follows:

- i) The net increase in short term deposits of \$4,550,000 has changed to a gross increase of \$25,250,000 and a gross decrease of \$21,150,000.
- ii) The amount of cash and cash equivalents has increased from \$5,217,806 to \$8,467,806.

On transition to NZ IFRS the time of recognition of film income has changed and this has impacted on the statement of cash flows for the year ended 30 June 2007 as follows:

- i) The increase in the film income account of \$122,853 has changed to a net decrease of \$1,754,374 and the decrease of \$127,578 in accounts payable has changed to an increase of \$562,366.

There have been no other material adjustments to the statement of cash flows for the year ended 30 June 2007 on transition to NZ IFRS.



# Statement of Objectives and Service Performance

for the year ended 30 June 2008

GOALS	OUTPUTS	PERFORMANCE MEASURES	TARGETS 07/08	Achievements 07/08
1. To create significant cultural capital with quality New Zealand films	1. Funding to enable script development and financing of a diverse range of quality film projects that meet funding criteria and create cultural capital	1. Number of quality NZ feature-length films	1. Investment in at least 4 feature-length films from NZFC funding programmes including debut, Signature, digital, specialist and larger-budget/FF2 features	Exceeded. Investment in 12 features.
				Larger-budget and FF2: 1. Under the Mountain 2. Separation City 3. Dean Spanley 4. Tracker 5. Vintner's Luck (additional)
				Debut: 6. Matariki 7. Second Hand Wedding 8. Strength of Water (additional)
				Signature: 9. Apron Strings (additional) 10. Show of Hands (additional)
				Specialist: 11. Rain of the Children (additional)
				Digital: 12. Rubbings from a Live Man
		2. Quality measured against the decision matrix	2. 80 per cent of films to meet expectations set when the production was greenlit, assessed on a rolling 3-year average	Achieved. 83% of films met all or most expectations. Seven features met all expectations and four of these exceeded NZ box office expectations; three met most, two met one
		3. Films produced reflect cultural diversity of NZ or sense of place	3. All films to reflect NZ culture or interests	Achieved. (Dean Spanley meets the target by being an official co-production)
		4. Level of participation by Maori measured by annual survey	4. Maintain number of Maori key creatives	Achieved. One feature with a Maori cast and writer; one feature with a Maori director, co-writer and part-Maori cast; one feature with a Maori producer and predominantly Maori cast. Survey: page 15
		5. Audience focus demonstrated by third-party market endorsements	5. All films to have third-party market endorsement	Achieved. Pages 6–8
2. To build a talent pathway	2. Funding and professional services to create development opportunities for scriptwriters, directors and producers 3. Specialist script development services	6. Number of successful short films	6. Funding for 9 short films, with 40% earning selection in A list festivals assessed on a rolling 3-year average	Achieved. Nine short films funded; 13 of 26 short films selected for A-list festivals: 50 per cent
		7. Number of opportunities for emerging filmmakers to tell long-form stories	7. Funding to include 2-3 entry-level long-form filmmaking opportunities	Exceeded 1. Matariki 2. Rubbings 3. Apron Strings 4. Strength of Water 5. Second Hand Wedding
				Not achieved. Six projects presented for Board and FF2 consideration
		8. Size of pool of high quality feature film projects suitable for funding against decision matrix criteria	8. Develop at least 10 projects a year to a quality suitable for NZFC Board and FF2 consideration	Achieved: signed Nov 21 2007
		9. Number of developed projects driven by Maori voice	9. Implement Te Paepae Ataata	Exceeded. 14 initiatives supported. Page 12–13
		10. Number of professional development opportunities	10. Support 10 professional development initiatives	Exceeded. Six films with NZ cinema audiences in excess of 100,000 in 3 years. Three films with NZ cinema audiences in excess of 50,000 in 3 years. Page 16
		11. Number of films with theatrical success in NZ	11. Two films every 3 years with NZ cinema audiences in excess of 100,000, and an additional two with audiences in excess of 50,000	Achieved. Details pages 6–8
		12. Strength of relationships with distributors and exhibitors as shown by NZ marketplace attachments	12. All cinema features to have NZ theatrical market attachment prior to greenlight	Achieved: grants provided to all six features released. Pages 17–18
		13. Visibility of NZ films in theatrical marketplace as measured by P&A grants	13. P&A grants appropriate to each film released	Achieved. Database created and in use
		14. Audience exposures on a film-by-film basis measured by new tracking system	14. Create database to record penetration of films in ancillary NZ markets	Exceeded: a) Study guides on Black Sheep, Rain of the Children, and NZFC completed b) Case study on Black Sheep completed. On website
3. To maximise the domestic profile of New Zealand films and the NZ public's access to them	4. Funding and promotional support for the domestic releases of NZ films	15. Publication of study guides and case study	15. Two study guides, one case study	Achieved. NZ Film launches new films at AFM, Rotterdam, Clermont Ferrand and Cannes. Pages 20–21
		16. Positive feedback on NZ Film as monitored by Sales Agency Advisory Committee	16. Effective launch of each film handled by NZ Film at relevant international markets	Not achieved: eight out of twelve achieve A-list festival launch = 67%
		17. Number of productive relationships with A list festivals	17. 80% of feature films handled by NZ Film to achieve 'A' list festival launch assessed on a 3-year rolling average	Exceeded: 12 producers assisted to participate at four markets. Page 54
		18. Number of producers assisted	18. Assistance to enable 5 producers to participate at markets	Achieved. Film NZ confirms that exit surveys show no issues with administration of the LBSPG
		19. Effective administration of LBSPG as measured by positive feedback from Exit Surveys and MED	19. Positive response on LBSPG from all exit surveys	Exceeded. Nine joint ventures. Details page 28 Joint venture with NZ Film Archive. Page 29
		20. Number of joint ventures with guilds and associations	20. At least 3 joint ventures with guilds and associations including NZ Film Archive	Achieved. Three joint ventures. Page 29
		21. Number of joint ventures with government partners	21. At least 2 significant joint ventures with government partners	Achieved. Five initiatives. Page 29
		22. Number of communications and consultation programmes reported to the Board	22. Implement at least 5 communication and consultation initiatives with filmmakers	
		23. Governance and best practise demonstrated by a) audit report b) risk management strategies are effective	23. a) Clean audit report b) annually reviewed risk management strategy demonstrates that strategy is effective	Achieved. October 2007 Not achieved. Review not completed by June 2008
		c) effective operation of Board committees (FF2, SAAC, F&A, Development)	c) annual commentary from Board Committee chairs reporting satisfactory performance	Satisfactory reports from Committee chairs to NZFC Chairman
4. To maintain a high international profile for New Zealand films and filmmakers	5. Marketing and sales of NZ films at major international markets and festivals	d) government accountability requirements met	d) MCH satisfied NZFC has met reporting requirements	Achieved. Reporting completed August 2008
		24. Research demonstrates NZFC efficacy	24. Publish research on the contribution of film to cultural capital	On target. Random House publishing book on NZ film history in October 2008
		25. Adequate resourcing	25. Prepare budget bid by December 07	No budget bid. (Domestic grant initiative instead)
5. To maintain strong stakeholder relationships	6. Funding support for infrastructure such as guilds, associations, film festivals and the NZ Film Archive. 7. Provision of industry and market information services			
6. To maintain standards of good governance, business practise and accountability	8. Efficient and accountable administration of public funding			



Audit Report

TO THE READERS OF THE NEW ZEALAND FILM  
COMMISSION’S FINANCIAL STATEMENTS AND  
STATEMENT OF SERVICE PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of New Zealand Film Commission (the Commission). The Auditor General has appointed me, John O’Connell, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Commission for the year ended 30 June 2008.

Unqualified Opinion

- In our opinion:
- The financial statements of the Commission on pages 34 to 49:
    - comply with generally accepted accounting practice in New Zealand; and
    - fairly reflect:
      - the Commission’s financial position as at 30 June 2008; and
      - the results of its operations and cash flows for the year ended on that date.
  - The statement of service performance of the Commission on pages 50 to 51:
    - complies with generally accepted accounting practice in New Zealand; and
    - fairly reflects for each class of outputs:
      - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
      - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 31 October 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader’s overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;

- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Commission as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Commission’s standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board’s responsibilities arise from the Crown Entities Act 2004 and the New Zealand Film Commission Act 1978.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Commission.

*John O’Connell*

John O’Connell  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

**Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance**

This audit report relates to the financial statements and statement of service performance of the New Zealand Film Commission for the year ended 30 June 2008 included on the New Zealand Film Commission’s website. The New Zealand Film Commission’s Board is responsible for the maintenance and integrity of the New Zealand Film Commission’s website. We have not been engaged to report on the integrity of the New Zealand Film Commission’s website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 31 October 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Appendix

<b>A/ New feature films with investment from the NZFC</b>	
Dean Spanley	
Matariki (aka Exit 50, Dick)	
Rubbings from a Live Man	
Second-Hand Wedding (aka Garage Sale)	
The Truth about Men (aka Separation City, Happy Families)	
Tracker	
Under the Mountain	

<b>B/ Feature films with additional investment from the NZFC</b>	
Apron Strings	\$547,000
Rain of the Children	\$ 60,000
Show of Hands	\$612,974
The Strength of Water	\$ 50,000
The Vintner’s Luck	

<b>C/ Digital features with post-production grants from the NZFC</b>	
The Art Star and the Sudanese Twins	\$15,000
Barefoot Cinema	\$ 25,000
From Street to Sky	\$ 13,290
The Hollow Men	\$ 24,850
Last of the Living	\$ 6,500
Jinx Sister	\$ 25,000
Trouble Is My Business	\$ 25,000

D/ NZFC development finance for feature film projects

<b>Staff Committee</b>	
<b>The Apology</b>	<b>\$20,000</b>
Producer: Rachel Gardner, Great Southern Film	
Writer: Jodie Molloy	
<b>Bluebill (aka The Tunnel)</b>	<b>\$25,000</b>
Producers: Jeff and Robert Hayward	
Writers: Jeff Hayward and Sam Snape	
<b>La Bora (aka Fiasco, aka Shakers)</b>	<b>\$20,000</b>
Producer: John Davies, La Bora Productions	
Writer/director: Stefen Harris	
<b>bro’Town: the Movie</b>	<b>\$25,000</b>
Producer: Elizabeth Mitchell, Firehorse Films	
Writers: David Fane, Mario Goao, Shimpal Lelisi, Oscar Kightley and Elizabeth Mitchell	
<b>Capsized</b>	<b>\$25,000</b>
Producer: James Heyward, Phone Box	
Writer: Ken Duncum	
<b>The Cook</b>	<b>\$25,000</b>
Producers: Sue Thompson, Charlie McClellan, Savuti Films	
Writer: Charlie McClellan	
<b>Crime Script</b>	<b>\$10,000</b>
Producer: David White, White Balance Pictures	
Writers: Shane Mannell and David White	
<b>Dare</b>	<b>\$20,000 and \$5,000</b>
Producer: Karl Zohrab, Kapiti Films	
Writer/director: Jesse Warn	
<b>Death or Milton</b>	<b>\$20,000</b>
Producer: Rhys Cain, Certain Scenes	
Writers: Scott Boswell and Derryn Beath	
Director: Scott Boswell	
<b>Down Under</b>	<b>\$40,000</b>
Producers Jay Cassells and John Clarke, Huntaway Films	
Writers: Peter Tait, Jay Cassells, John Clarke	
Director: John Clarke	
<b>A Gift to Zion</b>	<b>\$20,000</b>
Producer: Quinton Hita, Kura Productions	
Writer/director: Tearepa Kahi	
<b>Go Barkway!</b>	<b>\$20,000 and \$20,000</b>
Producer: Sue Rogers, Midnight Film Productions	
Writer/director: Jason Stutter	
<b>Hearts on Fire</b>	<b>\$20,000</b>
Producer: Rachel Jean, Isola Productions	
Writer: Joss King	
Director: Geoffrey Cawthorn	

<b>Here at the End of the World We Learn to Dance</b>	<b>\$25,000</b>
Producer: Dan Hennah, Deep Pond	
Writer: Kathryn Burnett	
<b>The Insatiable Moon</b>	<b>\$20,000</b>
Producer: Tim Sanders, Crimbil Equities	
Writer: Mike Riddell	
Director: Gillies McKinnon	
<b>The Knockoff</b>	<b>\$20,000</b>
Producer: Dave Gibson, The Gibson Group	
Writer: David Brechin-Smith	
<b>The Lazy Boys</b>	<b>\$7,500 and \$14,000</b>
Producer: Michael Wrenn, Firesign	
Director: Brendan Donovan	
Writer: Carl Shuker	
<b>The Little People</b>	<b>\$20,000</b>
Producer: Matthew Horrocks, Reservoir Films	
Writers/directors: Steve Ayson and Jane Shearer	
<b>This Little Light</b>	<b>\$20,000</b>
Producer: Mark Overett, New Holland Pictures NZ	
Writer/director: Paula Whetu Jones	
<b>The Man in the Dark (aka A Thousand Words)</b>	<b>\$20,000</b>
Producer: Rachel Jean, Isola Productions	
Writer/director: Damon Fepulea’i	
<b>The Matriarch</b>	<b>\$20,000</b>
Producer: Paora Maxwell, Aratai Film and Television Productions	
Writer: Witi Ihimaera	
<b>The Most Fun You Can Have Dying</b>	<b>\$10,000</b>
Producer: Alex Cole-Baker, Chocolate Fish Pictures	
Writer/director: Kirstin Marcon	
<b>My Linoleum Dream (aka Happy and Bleeding)</b>	<b>\$20,000</b>
Producer: Rachel Gardner, Great Southern Film	
Writer/director: Belinda Schmid	
<b>O Jerusalem</b>	<b>\$20,000</b>
Producer: Rachel Jean, Isola Productions	
Writer/director: Fiona Samuel	
<b>Untitled project</b>	<b>\$40,000</b>
Producers: Robin Laing and Sam Neill, Blindside Productions	
Writer: Graeme Tetley	
Director: Mark Joffe	
<b>Pearse</b>	<b>\$20,000</b>
Producers: Arthur Baysting and Costa Botes, Lone Pine Film & TV Productions	
Writers: Arthur Baysting and Costa Botes	
Director: Costa Botes	
<b>Prey of Birds (aka Mayhem Marae)</b>	<b>\$10,000</b>
Producer: Gavin Strawhan, Spoken Word	
Writers: Gavin Strawhan and Michael Bennett	
Director: Michael Bennett	
<b>Punch (aka Flight)</b>	<b>\$10,000</b>
Producer: Michele Fantl, MF Films	
Writer/director: Welby Ings	
<b>Responsibility</b>	<b>\$14,000</b>
Producer: Michael Wrenn, Firesign	
Writers: Brendan Donovan, Shane Danielson	
Director: Brendan Donovan	
<b>Soul Mates</b>	<b>\$15,000 and \$15,000</b>
Producer: Robin Scholes, Touchdown Productions	
Writer: Nick Ward	
Director: Scott Reynolds	
<b>Southern Style</b>	<b>\$20,000</b>
Producer: Paul Davis	
Writer: Craig Marriner	
Director: Simon Pattison	
<b>Strange Resting Places</b>	<b>\$20,000</b>
Producers: Gemma Gracewood and Fraser Brown, Quarter Acre Pictures	
Writers: Paolo Rotondo and Robert Mokoraka	
Director: Paolo Rotondo	
<b>Ten Thousand Days</b>	<b>\$20,000</b>
Producer: Nik Beachman, Second Cine	
Writer/director: Michael Duignan	
<b>Tu</b>	<b>\$10,000</b>
Producer: Matthew Horrocks, Reservoir Films	
Writer: Wiremu Grace	



Chief Executive delegations

**After the Waterfall (aka The Paraffin Child)**..... \$15,000  
Producer: Trevor Haysom, T.H.E Film  
Writer/director: Simone Horrocks

**Behind the Tattooed Face** ..... \$5,000  
Producer: Rena Owen, Polywood Productions  
Writer: Rena Owen

**Bollywood Boys** ..... \$15,000 and \$5,000  
Producers: Matthew Horrocks and Richard Fletcher, Reservoir Films  
Writer: Matthew Saville  
Director: Peter Salmon

**Death of a Superhero** ..... \$5,000  
Producers: Angela Littlejohn and Anthony McCarten, Miracleman Productions  
Writer/director: Anthony McCarten

**Here at the End of the World We Learn to Dance** ..... \$20,000  
Producer: Dan Hennah, Deep Pond  
Writer: Kathryn Burnett

**Matariki (previously Exit 50 and Dick)** ..... \$20,000  
Producer: Fiona Copland, Filmwork  
Writers: Michael Bennett, Gavin Strawhan  
Director: Michael Bennett

**Moana** ..... \$5,000  
Producers: Merata Mita, Cliff Curtis, Kara Paewai, Moana Productions  
Writer/director: Sima Urale

**My Linoleum Dream (aka Happy and Bleeding)** ..... \$20,000  
Producer: Rachel Gardner, Great Southern Film

Writer/director: Belinda Schmid

**Predicament** ..... \$3,000  
Producer: Sue Rogers, Midnight Film Productions  
Writer/director: Jason Stutter

**Project L** ..... \$40,000  
Producers: Steven O’ Meagher and Tim White, Condor Encore  
Writers: Graeme Tetley, Robert Sarkies  
Director: Robert Sarkies

**Shopping** ..... \$15,000  
Producer: Robin Murphy  
Writers: Louis Sutherland and Mark Albiston  
Directors: Mark Albiston and Louis Sutherland

Development Committee

**Belinda’s Notes** ..... \$20,000  
Producer: Michele Fantl, MF Films  
Writer/director: Dorthe Scheffmann

**Bloodlines** ..... \$14,100  
Producer: Trevor Haysom, T.H.E Films  
Writer/director: Rene Naufahu

**Bring Me Justice** ..... \$23,500  
Producer: Tim Sanders, Crimbil Equities  
Writer: Helene Wong

**The Denniston Rose** ..... \$15,000  
Producers: Geoff Husson and Marty Behrens, Denrose  
Writer: Kelly Kilgour

**Goodbye Patience (previously Venice)** ..... \$15,000  
Producer: Michael Wrenn, Firesign  
Writer/director: Miro Bilbrough

**Heaven’s Promise (aka Heavenscent and Heavens 2 Die 4)** ..... \$20,000  
Producer: Rhonda Kite, Kiwa Media  
Writers: Rhonda Kite and Felicity Morgan-Rhind  
Director: Felicity Morgan-Rhind

**Marshal** ..... \$17,500  
Producer: Paul Swadel, Supercollider  
Writer: Glenn Standring  
Director: James Cunningham

**The Most Fun You Can Have Dying.** ..... \$27,260  
Producer: Alex Cole-Baker, Chocolate Fish Pictures  
Writer/director: Kirstin Marcon

**The Straggler (previously Now Is the Hour)** ..... \$32,500  
Producer: Michael Wrenn, Nom de Guerre Films  
Director: Jonathan Ogilvie  
Writers: Jonathan Ogilvie and Robin Neate

**Stonedogs** ..... \$20,000  
Producer: Jackie Dennis, Mushroom Pictures  
Writer/director: Hamish Rothwell

**Uncle’s Story** ..... \$25,000  
Producer: John Givins, Uncle’s Story  
Writers: Victor Rodger and Albert Belz

**The Volcano** ..... \$64,707  
Producers: Ainsley Gardiner and Cliff Curtis, Whenua Films  
Writer/director: Taika Waititi

Board development decisions

**After the Waterfall (previously The Paraffin Child)** ..... \$19,800  
Producer: Trevor Haysom, T.H.E Film  
Writer/director: Simone Horrocks

**Bollywood Boys** ..... \$15,000  
Producers: Matthew Horrocks and Richard Fletcher, Reservoir Films  
Writer: Matthew Saville  
Director: Peter Salmon

**Cousins.** ..... \$15,000 and \$23,500  
Producers: Rhonda Kite and Robin Laing, Pairama Pictures  
Writer: Patricia Grace

**Home by Christmas.** ..... \$65,900 and \$185,970  
Producers: Gaylene Preston and Nigel Hutchinson, Doublehead Films  
Writer/director: Gaylene Preston

**Untitled Project** ..... \$48,150  
Producer: Matthew Metcalfe, General Film Corporation  
Director: Roger Donaldson  
Writers: Roger Donaldson, Matthew Metcalfe, Alan Sharp  
(Director/writer at time of application: Robert Sarkies)

E/ Devolved development funds

Filmwork ..... \$190,000 ..... Fiona Copland

F/ Producer overhead funds

Gibson Group ..... \$50,000 ..... David Gibson  
Crimbil Equities ..... \$50,000 ..... Tim Sanders  
Elevenmedia ..... \$50,000 ..... Karl Zohrab  
MF Films ..... \$50,000 ..... Michele Fantl  
Desert Road ..... \$50,000 ..... Steven O’ Meagher  
Headstrong (Meaty Films) ..... \$50,000.. Leanne Saunders and Ant Timpson  
Liberty Films. .... \$50,000..... Richard Fletcher

G/ Writer awards

Michael Bennett ..... \$50,000  
Riwi Brown ..... \$50,000  
Matthew Grainger ..... \$50,000  
Glenn Standring ..... \$50,000  
Nick Ward ..... \$50,000

H/ Producers’ market assistance

**To the AFM**  
Jonathan Dowling and Andrew Beattie..... \$10,000

**To Sundance**  
Pietra Brettkelly..... \$5,000

**To Berlin**  
Alex Cole-Baker..... \$5,000

**To Cannes**  
Jackie Dennis ..... \$7,500  
Angela Littlejohn ..... \$7,500  
Paul Murphy ..... \$7,500  
Kerry Robins ..... \$7,500  
Steven O’ Meagher ..... \$7,500  
Tim Sanders ..... \$7,500  
Michael Wrenn ..... \$7,500  
Nicola Olsen ..... \$2,500

I/ Festival travel assistance for feature film directors

Gregory King ..... Rotterdam ..... \$1,000  
Paul Murphy ..... Shanghai..... \$ 300

J/ Festival travel assistance for short film makers

Leo Woodhead ..... Venice ..... \$5,000  
Sarina Pearson..... Venice ..... \$3,159  
Tearepa Kahi ..... Clermont Ferrand and Berlin ..... \$5,000  
Quinton Hita ..... Clermont Ferrand and Berlin ..... \$5,000  
Justine and Paul Simei-Barton ..... Berlin ..... \$7,482  
Roseanne Liang and Owen Hughes... Berlin ..... \$6,700  
Jill Kennedy..... Edinburgh..... \$4,635

K/ Short film projects with production finance from the NZFC

Executive producers

**Nomadz Unlimited – Sarina Pearson and Shuchi Kothari:**

**Preferably Blu** ..... \$100,000  
Producer: Glen Real  
Director: Wain Ching  
Writer: Alan Dickson

**6 dollar 50 man.** ..... \$100,000  
Producer: Wendy Cuthbert  
Director: Mark Albiston  
Writer: Louis Sutherland

**Sinebada \*** ..... \$100,000  
Producer: Catherine Fitzgerald  
Director: Veialu Aila-Unsworth  
Writer: Albert Belz  
\* conditional

Executive producers

**Shorts Conbrio – Christina Milligan, Roger Grant, Rawiri Paratene:**

**Roof Rattling.** ..... \$100,000  
Producer; Robin Murphy  
Director/writer: James Blick

**Poppy** ..... \$100,000  
Producer: Paul Swadel  
Director: James Cunningham  
Writer: David Coyle

**Often Licked Never Beaten** ..... \$100,000  
Producer: Philippa Campbell  
Director: Dan Salmon  
Writers: Miriam Smith and John Dryden

Executive producer

**Reservoir Films – Matthew Horrocks:**

**Brave Donkey** ..... \$100,000  
Producer: Nikki Walker  
Director: Gaysorn Thavat  
Writer: Greg King

**Zero.**..... \$100,000  
Producer: Jackie Dennis  
Director/writer: Leo Woodhead

**Warbrick** ..... \$100,000  
Producer: Mina Mathieson  
Directors/writers: Pere Durie and Meihana Durie

L/ Grants from the Screen Innovation Production Fund (a joint venture between the NZFC and Creative New Zealand)

Alister Barry ..... documentary ..... \$25,000  
Stephen Ballantyne and Carla Brereton . short film ..... \$19,884  
Daniel Borgman, Katja Adomeit ..... short drama ..... \$25,000  
Angela Colbert ..... short film ..... \$ 707  
Double Cove ..... dance film..... \$16,667  
Gary Davies ..... short film ..... \$6,000  
Shahir Daud, Andrew Brettell..... short film ..... \$19,150  
Elena Doyle ..... experimental short film . \$15,000  
Alex Dron ..... animated comedy ..... \$14,805  
Environmentally Hazardous Films ..... short film ..... \$25,000  
Natalie Glubb, Andie Spargo ..... short film ..... \$15,000  
Simon Good ..... short film ..... \$20,000  
Dean Hapeta ..... documentary ..... \$10,000  
Ben Holmes..... experimental installation . \$6,300  
Simone Horrocks..... documentary ..... \$12,910  
Human Garden ..... short film ..... \$1,655  
Jill Kennedy..... experimental animation . . \$9,185  
Hye Rim Lee ..... animation ..... \$25,000  
Stefen Lewis ..... digital feature ..... \$25,000  
Lone Pine Film and TV ..... short film ..... \$15,000  
Adam Luxton..... short film ..... \$10,430  
Kirsty MacDonald ..... documentary ..... \$24,300  
David Mamea..... short film ..... \$25,000  
Nova Paul..... experimental 16mm..... \$25,000  
Playhouse Pictures..... stop-motion horror short \$14,395  
Point of View Productions ..... experimental..... \$22,210  
Susan Potter ..... documentary research ..... \$6,595  
Tara Riddell ..... short film ..... \$23,950  
Serena Stevenson ..... multimedia ..... \$13,765  
Bridget Sutherland ..... experimental short film . \$11,005  
Peter Wareing..... documentary ..... \$18,210  
Jack Woon ..... short musical ..... \$14,970  
Errol Wright, Abi King-Jones ..... documentary feature..... \$23,485  
Gabriel Wright..... videos ..... \$3,100

M/ Professional development

NZFC initiatives

Binger FilmLab script development programme ..... \$18,700  
Tom Strudwick workshops ..... \$13,938  
No Borders partnership..... \$14,018  
1st Writers Initiative ..... \$44,490  
SPAA Fringe ..... \$ 2,885  
SPAAMart ..... \$38,841  
CineMart ..... \$46,213  
Berlin Talent Campus ..... \$ 8,890  
IndiVision ..... \$25,847  
Low Budget Seminars..... \$ 6,000  
Rewrite Workshop..... \$36,594  
Rob Ritchie seminar ..... \$30,958  
Wendall Thomas workshops and seminars..... \$20,222

Joint ventures

Distribution seminars..... \$10,550  
Judith Weston workshops ..... \$35,000  
Stephen Cleary workshops ..... \$39,857  
Ilann Girard meetings..... \$16,000  
Moteatea Film Workshop..... \$ 7,000  
Christine Vachon evenings..... \$13,302  
DocNZ pitching award..... \$ 4,000  
Editors’ seminar..... \$10,000  
Miranda Harcourt workshops..... \$ 7,398  
Accelerator ..... \$16,573  
Te Paepae script workshop ..... \$20,300

N/ Industry infrastructure support

NZ Writers Guild..... \$ 80,000  
Script to Screen ..... \$120,000  
Screen Directors Guild of NZ ..... \$100,000  
WIFT (Auckland and Wellington) ..... \$ 60,000  
Nga Aho Whakaari ..... \$ 60,000  
SPADA..... \$ 85,000  
Film New Zealand ..... \$ 40,000  
New Zealand Film Archive ..... \$230,000  
New Zealand Film Festivals Trust..... \$ 75,000  
Wairoa Maori Film Festival ..... \$ 20,000  
New Zealand Screen Awards ..... \$ 45,000  
Show Me Shorts Film Festival ..... \$ 5,000  
DocNZ Festival ..... \$ 15,000  
48 Hour Film Festival ..... \$ 10,000  
New Zealand Federation of Film Societies ..... \$ 15,000

O/ Grants to assist New Zealand theatrical distribution

Icon/Hoyts for Eagle vs Shark..... \$75,000  
Buena Vista for The Tattooist ..... \$75,000  
Magna Pacific for Perfect Creature ..... \$48,000  
Metropolis Films for Second Hand Wedding ..... \$40,000  
Rialto Distribution for The Devil Dared Me To ..... \$66,667  
South Pacific Pictures and Sony for We’re Here to Help ..... \$75,000

P/ Certification as New Zealand film for the purposes of Section e04 of the Income Tax Act 1994

Final

Rain of the Children. 35mm feature film.  
Forward Films Ltd

Provisional

Maori on Mars. 26-episode television series.  
Magimation Ltd

Q/ Productions certified as official co-productions

Final

The Tattooist. 35mm feature film.  
Eyeworks Touchdown Films Ltd

Provisional

The Strength of Water. 35mm feature film.  
Filmwork (Strength of Water) Ltd

Dean Spanley. 35mm feature film.  
General Film Corporation [Two Dogs] Ltd

Time Hackers. 13-episode television series.  
Gibson Group

Racer Dogs. 52-episode television series.  
Huhu Studios Ltd

The Vintner’s Luck. 35mm feature film.  
Ascension Film Ltd



NZFC operational units  
and staff as at 30 June 2008

Corporate	
Ruth Harley	Chief Executive
Mladen Ivancic	Deputy Chief Executive
Sarah Cull	Head of Business Affairs
James Thompson	Business Affairs Executive
Janka Palinkas	Accountant
Lauren Granshaw	Accounts Assistant
Dominique Fromont	Film Income Manager
Shane Green	Executive Manager and assistant to the Chief Executive
Erin Banks	Receptionist and Business Affairs Assistant

Production and development	
Marilyn Milgrom	Head of Development
Tim O'Brien	Development Executive
Hone Kouka	Development Executive
Jeremy Macey	Development Assistant

Marketing and sales	
Kathleen Drumm	Head of Sales and Marketing
Juliette Veber	Short Film Manager
Jasmin McSweeney	Marketing Executive
Daniel Story	Distribution Manager
Jason Cook	Distribution Assistant
Eloise Veber	Marketing Assistant (temp)

Consultants	
Henrietta Hall	ICT
Catherine Juniot	Co-production analyst
Lindsay Shelton	Communications

[www.nzfilm.co.nz](http://www.nzfilm.co.nz)

