Review of the New Zealand Film Commission

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Mike Preece

As a former senior executive of Hollywood giants like Fox, PolyGram and Universal Pictures I have considerable and proven experience in the business of film and video (DVD). I would emphasise that my background centres on the MOST lucrative of filmed entertainment exploitation with the International sales, marketing, licensing and distribution of programming for home entertainment.

The film industry has doubled in size over the last 8 years to an annual gross in sales of US$65bn of which roughly 55% is returned to the studios. Over this period, three quarters of the average annual 10% revenue growth was attributed to sales of DVD.

Theatrical (cinema) revenues only account for about 25% of total film-industry revenues, with video (including DVD) taking about 40%; television accounting for 28% and ancillary revenues the final 7%.

DVD growth contributed 137% of MGM's overall revenue growth from 1999-2004, with DVDs growing an average 60% annually, offsetting VHS declines of 20% and positioning home entertainment to comprise 64% of MGM's overall revenue.

At Universal, home entertainment came to contribute 81% of the studio's average annual revenue growth by 2003, generating about $1 billion in revenue and more than $600 million in profits for an incremental margin of 63%. This was the business I was involved with establishing on a global basis. I enclose a ‘biography’ to elucidate and cannot emphasise enough how my career was based on the sharp-end of commercial exploitation of an ‘end product’ and not the creative miasma of production.

With this focus in mind, I have noted with interest how Screen Australia has been established to condense fractured, State led, film organisations (that were cannibalising a single ‘Film Australia’ message and competing with each other for the Federal buck) into a more strategic business unit for the benefit of the Industry as a whole. I am sure you will have seen Australia’s Governmental mandate of “expectation” for Screen Australia but here is a link just in case:-

You will note that the expectation for Screen Australia is to become far more pro-active with the commercialisation of generating revenue from film and in promoting Australia both internationally and domestically, as a Country where producers, distributors and film financiers will be nurtured and their labours incentivised via a co-ordinated and profit-led industry interface.

I wouldn’t say New Zealand had quite the same issues as Australia, despite awkwardly created franchises like the now defunct Screen Council but it has been my experience to note how the N.Z. Film Commission seemed to operate under the auspices of a “member’s club” where the delivery of
commercial focus has seemed tantamount to a distasteful parasite gnawing away at the core of cultural creativity.

I note with interest National’s policy for arts, culture and heritage Paragraph 4. ‘Update the Film Commission Act and reform the commission’. Following a change of government and the coincidental departure of current CEO Ruth Hartley, it would appear to be a perfect time to review the film commission’s position as the voice of New Zealand for the generation and sustainability of a globally recognised film industry and set about ‘raising the bar’ in terms of International promotion of NZ as a creative hub and the sales, marketing and distribution of New Zealand’s repertoire to a global audience.

Best regards

Mike
Hi

I am a New Zealand Director of Photography who has been freelancing in the film business for the last twenty nine years. In that time I have only had two jobs that have lasted as long as 6 months. The rest of my income has been on short term work lasting no more than 3 months at a time. This is not unusual as consistent work in New Zealand for DOP's is rare. NZ Film Commission features are fairly limited in number and usually use the same old names. Local TV drama is also limited and usually underfunded. Big off shore features inevitably bring in there own DOP's and the best a Kiwi can hope for on those shows is 2nd Unit DOP. Local commercial work is sporadic and producers often use Australian DOP's, especially if they have a reasonable budget. Off shore commercial productions usually bring in their own DOP's.

The number of New Zealand DOP's is steadily growing as more and more crew work their way up through the ranks. I have been lucky enough to make a living from my work but I have been frustrated that New Zealand does not attract more lower budget US features and more US TV series as these are the shows that will use NZ DOP's and directors and provide continuity of work.

Two years ago, I gave up on trying to survive in the NZ film industry and moved to Vancouver BC because of the brighter work prospects here. Canada attracts a lot of US work because of it tax subsides and these are geared to encourage producers to use local talent and crew by giving tax rebates for every BC resident employed. Long running TV series are the bread and butter work that allow crews to develop their skills as well as giving them some stability in a highly competitive market. I don't think Lord of the Rings would have been possible if it were not for the experience and confidence gained by so many people after the 'Hercules' and Xena' series.

Lack of long term work is hampering growth. If you were considering investing a million dollars to set up a lighting truck, two months work on a feature with nothing concrete lined up after that would make the banks nervous. Most NZ TV series don't go more than two seasons but US series often shoot for six years or more and each season lasts at least six months. These shows not only bring in millions of dollars but use mostly local talent, provide continuity of work and typically pay better. This one of the reasons some local producers argue against attracting these shows as they fear that crew rates will go up. That is a myth as crew rates are set for commercials and are always scaled down for longer term work and crew don't expect to get the top dollar on New Zealand dramas.

I would like to see the Film Commission actively promoting New Zealand to US TV producers and have people based in LA that can chase up every new show that has the potential to be shot in New Zealand and encourage them to consider New Zealand as an option. This would mean attracting them down to New Zealand with tax incentives for their pilot shows and creating a tax
environment that will encourage these smaller US productions especially the ones that have the potential to turn into long term work.

I believe that this area of our industry has been largely overlooked by the Government and too much emphasis is placed on cultural content. International TV work has the potential to be a major revenue earner for New Zealand and will provide much needed continuity of employment. With this review coming up, it is time to look at how New Zealand can do more to attract US Pilots, MOW's and TV series just as they do here in Canada.

Best regards,

Neil
Angela Parker

In February this year I completed a Master of Arts in NZ Literature from Victoria University. My topic was the adaptation of NZ literature into film. The content of my studies could bear some relation to no. 2 of the terms of reference for the forthcoming review of the NZ Film Commission.

Although not explicitly stated in my thesis, one avenue for contemplation that arose from my research was this:

* Could the Film Commission establish a new funding bracket for adaptations of NZ literature as the adaptations would easily meet NZ cultural content objectives?

I have attached the final of my thesis (which has been accepted) for the use of Peter Jackson and his team of reviewers in case there is some interest in that question.

Angela Parker
Hi. May I first of all congratulate those who have taken this decision to conduct the review, as I feel it is long overdue.
At last years Screen Production Industry election forum I asked a question in relation to one area of the film financing process. Unfortunately this forum was attended by representatives of only 4 parties and paled in comparison to the previous elections forum, where there was healthy debate and discussion, and my question regarding the potential for back end tax incentives for private investment in low budget digital film making was greeted with a unanimous "no we would rather give the money directly via the NZFC as tax incentives are always ripped off".
My vision is that NZ film makers are provided with tools to attract private finance.
In particular this would take the form of a tax incentive for investors. From personal experience I know that there are wealthy people in our society who would be willing to invest in low budget (this could be under NZ$500,000) digital features if they had some small incentive themselves.
These investors don't want to just take a blind punt, but based on a good pitch, both in terms of the film and the business model being used, they are interested in being involved in the film industry.
The films I am referring to would not be competing for screenings in major cinema multiplexes which obviously require massive marketing budgets, instead they would be marketed into the international DVD and online distribution arenas.
This process can provide projects with a profitable financial return. A great example of this being Ketzal Stirlings High Octane series of DVDs, the 5th of which sold 500,000 copies worldwide to a niche market of boy racers.
Within the music industry Fat Freddies Drop created another great example of independent creative industry. This form of production/distribution ensures that most of the money made from a project is returned to NZ and enables the creatives to focus on their craft. It also gives a greater chance of a profitable return for local investors.
I think the NZFC could play a role in establishing marketing opportunities for independent film makers to distribute these projects, outside of the major festival circuit that is currently used.
Another area I feel that has been over looked is the backing up of the various people involved in creating successful projects. A major example was the astounding opportunity that was created by Peter Jackson, Fran Walsh et al with Lord Of The Rings. It seemed that there was a wonderful 3 year window for the NZFC to get the profiles of the key creatives, crew and cast, out into the global film making arena, be it through networking them with established contacts offshore during the awards seasons etc when many of the crew/cast were travelling to experience and capitalise on the success of the films.

I'm not sure whether or not I have been able to get across what I was meaning however, again it is great to know that this review is happening. All the best for the journey ahead!

Bruce Hopkins
Amit Tripuraneni, Unkreative Artists Ltd

Hi there,

This is my comment on the NZFC review that was sent across to all members of SDGNZ. To provide a context and background to where I am coming from while answering the questions let me introduce myself. My name is Amit Tripuraneni and I consider myself an independent film maker since I've made 2 self-funded digital features that have been distributed in NZ/Australia as well as internationally. I've had no support or financing from any government funded bodies organizations for making those movies and I am still on the fringes with no real support or interest from NZFC in any of my future projects. I am currently making my third digital feature - again self funded.

Now onto the questions- that have been put forward for the NZFC review.

**How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?**

I have a problem with this question in the sense that whenever the question of NZ cultural content comes into question NZFC has a rather undefined view of what cultural content means. NZ is now has a very broad cultural demographic and the definition of culture depends on who is assessing it. To me - culture is not just about what happened with different ethnicities in the past but also on what’s happening in the country right now and when you are making a movie cultural content should be a secondary factor. The primary factor for the success of any movie is **the story**. A good story is what makes a good movie and a good movie is what sells nationally and internationally. A case in the example is one of NZFC's own funded films - 'Black Sheep' - I am hard pressed to find any cultural content in the movie but it sold very well domestically as well as internationally. In such a case would you say that NZFC met its cultural content objective? There are a variety of other examples that fall into the same category and the problem is that cultural content is used as an excuse to reject stories or concepts that don't fit well into NZFC's scheme of things. Also going back to the question about NZFC being a facilitator - at this point - NZFC is more of a controller than a facilitator. The process is not transparent and the channels for getting NZFC's attention are very limited, especially for independent film makers like me.

**What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?**

I am not well placed at all to answer this question as both the schemes are beneficial only to big productions wanting to shoot movies in NZ. Such schemes create jobs and work within the industry but for development of local talent at grass roots level - it really has no relevance.
What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?

NZFC is currently geared and encouraging only to NZ films that have either been accepted into a film festival that they recognize or if the project has come through them. So any films that have been made outside of ‘their system' don’t have access to any assistance or support or even information on how to reach and sell to an international market. For both my movies it was hard to get info from NZFC on how to sell internationally and I ultimately had to find my own way learning some bitter lessons and reality check in the process. My feeling is that NZFC doesn't have the experience and expertise to provide that kind of assistance or the only other factor could be their own agenda for whatever they are planning or doing.

Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

The biggest change I would like to see is in their attitude toward film makers in general, especially independent film makers. The impression I get is that if you've made films off your own back and are unwilling to get in the queue of people waiting for NZFC to dole out money (once you meet their approval standards), then you are not worthwhile for them to invest their time and money in you. Across the world, with the advent of digital technology and the ongoing financial crisis - it doesn't make any sense to ignore independent films altogether. The number of movies being shot digitally has increased manifold and more theatres are geared up to screen digitally, so NZFC has to start thinking in terms of getting cheaper budget movies into the theatres and also to support the independent efforts since it is a good way to foster feature film making skill sets (which is vastly different from short film making skill set). For example - a typical NZFC funded short film costs around 100K odd while for that amount you can make a decent digital feature and probably recover some of the money from it's screenings and if it is a break out hit {which you can't discount} then you are looking at a manifold return which will cover the cost of funding the other 10-15 digital feature projects from that year. Also the NZFC has to be more willing and able to disseminate information to tap the international market and also the growing online market.

What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

NZFC currently seems to adhere to the policy of getting film makers to make short films first. Once the short film gets into an international film festival - they then use that as an indicator of talent to put the film makers in a feature film development pool. And after going through the script development process they are then given the money to make a feature {if you are lucky and have
impressed the right people). This policy completely ignores the fact that making feature films is a completely different art form than making short films and the professional development needed to make features depends on practical work experience by making them - which is where I think low budget digital features are a great way to develop people wanting to tell feature length stories. NZFC does conduct some workshops - which are really helpful but those are far few in between - depending on the area you are specializing in and there is no particular industry support to speak off. More specialized local workshops would definitely help in the overall development process, so it gives a wider variety of film makers an access to learning new skill sets. Also I wish there was a formal mentoring system where in the mentors who’ve had considerable experience in film making, get paid for their time to help out upcoming talent - that way both the parties have something to gain from the process.

Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

Again this question doesn't make any sense since trying to get any information out of NZFC about market conditions or trends or audience preferences or even market opportunities, is ridiculously hard and almost seems like a privilege of a select few. If there are any changes that need to be made - I would recommend that an approach to share information is actually formulated and shared with the film makers.

Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

The question is again assuming that everyone knows how NZFC functions in respect to private investors or in raising finance or marketing NZ films. One of the things I definitely find hard to swallow is the very limited private investments in local made productions. Compared to other film industries like India {where 95% of the funding is private funding}, we don't seem to really have an inclination to attract private investors and the reason for it is very simple - if you are involving private investors then they need to see a return on their money and for that to happen the movies that we make have to sell internationally since the local market is too small. And this in turn raises the question of NZFC funding projects which they think meet the cultural requirements rather than picking up projects which have commercial/cross-border appeal. So private investors getting involved would mean NZFC loosing some of the control over feature projects being developed in the country and that is obviously a hard pill to swallow. To turn the situation around NZFC has to try and attract private investors to invest in films being made here and for that they have to provide a return in forms of detailed plans to exploit the movie once it's made. This would mean spending more time and energy exploring newer ways to reach a potential audience using new
technologies. For example one of the ways of earning money would be to launch a Video On Demand (VOD) website for NZ films and market it across the world and also licensing the content to other VOD websites. That opens up a new revenue stream and a better chance for the investors to recover their investments. NZFC should also be promoting different film makers with their own unique strengths, to private investors for different kinds of projects - more like right fit for the right project. That way when the project finally comes to fruition - it has a better chance of turning out to be a success. And for that to happen, NZFC has to actually sit down and get to know the film makers and their skill sets and talents.

How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

For one - this is a great first step. The people who should be running NZFC should be people who have been actively involved in film making, that way there is more empathy and understanding of the needs of NZ filmmakers. And to get active industry professionals involved in the process the easiest way is to just ask them. You'll be amazed at the number of people who would love to help out but can't (or won't) because a) there is no financial incentive; b) they are never asked about their views.

Are the NZFC’s strategic aims and objectives relevant to the current international and domestic environment and do they take account of the need to manage future funding demands?

I think my view on that is an ambiguous 'no'. We need to make movies that sell across boundaries and the current strategic aims and objectives of NZFC doesn't take that into account. If we can make movies that can generate a profit then future funding becomes a breeze and it'll lead to the industry actually growing bigger and providing more opportunities for local film makers.

Thanks again for inviting views from industry practitioners about NZFC review and best of luck with it.

Warmest, Amit
Kelly Kilgour

To whom it may concern,
I'm writing with suggestions toward the NZFC review being currently conducted by Peter Jackson and others.

Below is a statement from the latest NZFC Newsletter.

"We have recently received applications to Staff Committee for development finance in which the producer has submitted a treatment rather than a script. Please note that, as outlined in the Development and Financing Guidelines on the NZFC website, we only accept applications on this basis in exceptional cases where the writer has a feature film track record behind them. In all other cases the submission must include a draft screenplay."

I therefore write to you in regards to the above statement. While I appreciate the need for evidence of a writer’s ability, I find it crude to expect a writer to develop first drafts until he or she has had a couple of films produced. Considering barely a handful of films are produced in New Zealand each year, the chances of developing a track record can be slim to none. If a writer can provide a sample of their writing and are backed by a reputable director or producer, then why can’t a writer be paid for their craft? Developing the first draft of any script is a major undertaking lasting months. To be expected to do this without any remuneration is disrespectful to the writer. How is one expected to make a living whilst doing this? If a writer provides a strong treatment that displays a great story, then why shouldn’t they be paid to develop it? Either that, or if the writer develops a first draft to the development committee’s satisfaction choose to develop a second draft, then the writer should be reimbursed for that first draft. It’s been my experience that while the writer will be paid to develop future drafts, they are not reimbursed for the considerable time and effort they’ve already invested.

Regards,
Kelly Kilgour
General Comments:
Kia ora

My intention is not to address the larger issues of funding and distribution contained in the Review, but to address several specific issues related to the current role of the Film Commission.

Nevertheless, I wish to make a general comment about the Commission’s role in the cultural and creative life of New Zealand, and in the film culture of our nation. I see the Commission as occupying a middle ground in this culture: not attempting to fund nor promote large-budget, off-shore/runaway productions being shot in New Zealand (such as *The Chronicles of Narnia, 30 Days of Night*), nor yet actively engaged with the emerging culture of independent or experimental production (the informal sector of student film-making, for example).

Its proper role is in funding and promoting middle-range film productions—most specifically New Zealand sourced and New Zealand productions, akin to *Second-Hand Wedding* or *Apron Strings*. Even though these types of films tend to be more popular with older film-goers, there are opportunities for similar contemporary stories aimed at younger audiences.

Smaller films which reach and enrich New Zealand audiences, short films (as ‘calling cards’ for emerging film-makers) and digital features should remain the primary concern of the Commission. It cannot, nor should not, attempt to emulate global film-makers.

It might be appropriate to quote British film-maker/writer Chris Petit,

> *Most American films come now in one size only: XXL. Dragged down by their own size, they’re monster productions, buried under the weight of cast and crew, who end credits last longer than a short story.*
> (*‘Interiors’ Film Comment*, May/June 2009)

In terms of its role in the cultural and creative life of New Zealand, the New Zealand Film Commission fills as important a role as other state-funded institutions as New Zealand Ballet and the New Zealand Symphony Orchestra. It is possible, however, to argue that it fulfills an even more important role, in that New Zealand films are potentially to reach larger and more diverse audiences, rather than cultural elite. As a consequence, the primary role of the New Zealand Film Commission is pursuing and fulfilling its cultural agenda, rather than moving to a more commercial and utilitarian agenda.

Specific Comments and Recommendations:

1. Training issues
NZFC Act (1978), 17 1 (b) *To co-operate with other interested or affected bodies and organisations in order to encourage and promote employment in the New Zealand film industry, and the productivity of that industry.*

The Commission does currently sponsor and provide a series of workshops and seminars for the industry. On the whole, these events are designed primarily for those already employed in the industry; there are far fewer opportunities for those training towards such an objective, or on the verge of entering the industry. The Commission should become actively engaged with and be more knowledgeable about the education sector generally, and should delegate someone to take on this specific role.

The Commission should initiate a film maker or scriptwriter in schools scheme—to encompass both the secondary and tertiary education sectors.

2. Education issues

NZFC Act (1978) 17 I (d) *To encourage and promote, for the benefit of the New Zealand film industry, the study and appreciation of films and of film making*

As suggested above, the Commission should be able to make better connections with the education sector. In 2008, for example, an estimated 10,000 secondary students were enrolled in NCEA Media Studies, with an estimated 4000-5000 students in Media Studies or media-related tertiary courses.¹ Obviously, not all this cohort is likely to end working in the screen industries (even though a considerable number do). What is important is that these students comprise a significant slice of the future audiences for New Zealand film. Media Studies is the primary site in the schooling system where students encounter New Zealand films, and often generate real enthusiasm for local films.

The Commission does provide Study Guides for particular films on its website but these are often difficult to find, and not widely promoted. In 2008, for example, together with an experienced media teacher Sandra Chesterman (St. Cuthbert’s College), I wrote *The New Zealand Film Course: A Teacher’s Guide* but this useful resource has not been widely publicized or distributed by the Commission. I think this is due to the lack of a dedicated specialist on staff, rather than neglect.

GL  10 July 2009

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¹ Figures from Geoff Lealand (2009), Media Studies in New Zealand Schools and Universities: A Research Study, University of Waikato: Screen and Media Studies. Copy available on request from <lealand@waikato.ac.nz>
Maggie Tarver

Dear Minister

I would like to thank the Minister for the opportunity to comment on the review of the NZFC.

- I believe that The Film Commission needs to operate a much more open and transparent policy. Criteria for funding needs to be consistent, giving each and every project an equal opportunity and allowing producers and writers to know exactly what is required of them. Too often contradicting messages are received from the commission depending on who you are talking to, creating confusion and inconsistencies. Too much is left open to interpretation creating a lack of trust and discontent within the industry.

- I believe that The Film Commission needs to have an accountability policy attached to funding decisions that would match any commercial organisation. A number of projects that receive development funding never see the light of day, and the decisions to fund these projects should be investigated, with some accountability applied for the loss of these valuable funds. Other projects receive development funding and find that they are not entitled to production funding. And many projects are ‘supported’ by the commission but don’t receive any funding at all. An accountability policy will ensure that money is well spent and projects are seen through to completion in order to maximise potential commercial return.

- Funding decisions would be better made by a panel of industry professionals than individuals within the film commission. This panel would ideally consist of a minimum of 5 suitably qualified practitioners from sectors within the film industry, with an appropriate rotation system. This would allow personal opinions and preferences to be muted out of the selection process allowing for a more inclusive and professional decision making process.

- Each project should be assessed as is, on its own merit, and must consider the potential commercial success of the film. It is ridiculous that projects are turned down because they are considered ‘too commercial’.

- The Film Commission is seen as an exclusively Wellington based club. It should strive to be more embracing of other centres with representatives based and/or actively working around the country more – working and interacting more with the writers and ideas developers creating an environment that encourages creative development.

- I believe that writers, as a matter of course, should always be included in the communication and development meetings between the Film Commission and producers. This will avoid situations where writers
are played as pawns by producers in their negotiations on other projects. It will ensure the writers are part of the development process and reduce the perceived alienation of the Film Commission.

- Writers need to be supported. It is unrealistic of the commission to request rewrites of a project they are ‘supportive of’ without financial compensation. No one can produce a fully professional script in four weeks whilst holding down a full-time job, running the home, managing families etc. If the commission wants top quality scripts then the writers must be given the resources to do this.

- The Commission must support the writers more – I would suggest a new facility that helps and supports writers, working with the NZ Writers Guild more and aligning writers with reputable and suitable producers.

- The growth in industry training offered by the commission is great to see. This is valuable to our industry, and I would like to ensure that it continues to grow and that selection is done in a fair, inclusive and transparent way.

If you would like any further information please do not hesitate to contact.

Thank you again for the opportunity to make this submission.

Yours sincerely

Maggie Tarver
Hi,

I would just like to offer my feedback on the NZFC review, from the perspective of an aspiring screenwriter.

I think in general there should be more initiatives and contests like the First Screenwriters Initiative (which is a great scheme). As far as I'm aware, that is really the only NZFC program for writers. I understand why there is no funding for first time writers, but it would be great if there was something an aspiring writer could work towards. In Hollywood people become script readers, have endless contests to enter, numerous coverage services and opportunities to gain agents. But there is little like this in NZ.

I think that perhaps having a high profile funding contest with a good stipend would be a great start. There are numerous awards & fellowships for NZ novelists, and if you want to make an artistic short you can apply for funding from Creative NZ. But if you want to write a solid commercial screenplay, with a universal story, there isn't much to aim for, aside from shopping it around to small number of NZ producers.

In other filmmaking fields in NZ, there are now options for camera operators, artists, costume designers, or sound technicians to at follow a possible career path. It's not quite so clear for screenwriters.

I am not asking for an easy ride – it will never, and should never be easy - but I like to think that if a script is great, then a little more investment could be made in fostering the talents of that script's writer. I also think that NZFC's brief should not just be about telling New Zealand's stories. A good story is universal, and if the writer is a New Zealander, but the story is not, that shouldn't be an impediment to providing funding for that writer. A mixture of obviously NZ stories, and opportunities for writers to tell their own stories (NZ or not) is very important. Scoring 'New Zealand Content' by points seems bizarre to me. If the only NZ thing on a project is it's writer, or director, for example, why shouldn't NZFC money be used to support that person? The more we support these people, the more likely they are to stay in NZ and maintain a career.

I also think it would be great if first time writers could approach the NZFC first, and if the script is good enough, the NZFC could then help that writer find a producer, and not the other way around. The NZFC could employ lowly script readers (which would offer a job for aspiring writers) and could even create income by providing commercial script coverage services. This would be good for identifying talent as well.

Thanks for your time, Jon
Peter Parnham

Background
As the Review may be aware I am the deputy chair of Film Auckland but this submission is made as a private film industry individual.

For the sake of clarity I have kept this submission short. I would be happy to elaborate for the review on any points.

Submission

Rationale

1. The central rationale for the existence of the NZFC remains valid. Films form an important part of our New Zealand cultural landscape yet most films are imported. As a matter of cultural balance and cultural integrity as a nation it is important that New Zealanders see their own stories on film screens.

2. It is important that New Zealand has a cultural interchange with other countries and New Zealand films have an important role to play.

3. This is worth reasonable government financial support.

4. Important economic benefits are a spin-off from good quality New Zealand films. Commercial and cultural success are not incompatible.

5. Films cannot really be said to helping New Zealander see their stories on screen if hardly anyone goes to them. The NZFC should not claim a film to be success unless it has a reasonable audience.

6. It is not the prime role of the NZFC to support the industry in the sense of market intervention and support of purely commercial activity in the screen production industry. That’s what the LBSG and SPIF are there for. (NZFC may be a convenient administrator of those schemes).

NZFC operation

7. The NZFC should be a model of impeccable transparency and fairness, from board selections right down to day to day decisions.

8. The appearance of cronyism should be avoided (as well as real cronyism), from board selections right down to day to day decisions.

9. The NZFC should be a model of efficiency.

Location
10. According to Statistics New Zealand around 70% of screen production activity take places in Auckland. Furthermore a good deal of the Wellington activity at this point is past needing NZFC support.

11. Ultimately the NZFC should be near the industry it is part of. It should be located in Auckland with perhaps a small office in Wellington to be near funders and the Wellington industry.

12. In the meantime and as part of a transition an Auckland office should be opened, this would increase efficiency and effectiveness.

Name

13. The New Zealand Film Commission is a name that causes confusion overseas because around the world Film Commissions are usually location offices like Film Auckland or Film New Zealand. The name should be changed. The name Screen New Zealand should be avoided because it can cause similar confusion (In Australia Screen Australia is a funder and Screen NSW a locations office.)

Business and Art

14. The Screen Production Industry is a unique blend of creative activity and business. Both are required for success. Criticism that the NZCF has been too producer led may have some validity but there must be caution to avoid over-reacting and swinging too much the other way; a balance must be struck.

Challenges

15. One of the biggest challenges to film making in this country is the volatility and strength of the New Zealand dollar. The NZFC may not be able to do anything about it directly but should lend support to any proposal that would introduce stability and sustainability to this risk.
Waka Attewell

John O'Shea on the NZ Film Commission’s 20th Anniversary:
"Latterly the Commission seems to have been diverted, losing its way, its nerve and its courage, failing to conjure up memories of its daring history. The last five years have drifted by without passion and purpose. Relapsing into short films leads mainly to disorder and early sorrow for young filmmakers. Relying on television funds or foreign investment and making deals a priority swells the bureaucracy and 'makes work' on all aspects of production from script to screen. Television channels and overseas interests too easily hold the purse strings, counteracting the very reason the Film Commission was set up. Timidity rules."

Don't Let it Get You, Pg: 191.

My task here is to address the points 1-11 as stated in the terms of reference on the Ministry for Culture and Heritage website. I immediately note that 'sustainability', pertaining to 'fiscal' matters, is one of the first thoughts the paper offers up. It’s of immediate interest that money and funding are mentioned within these first 5 lines yet not a mention of ‘culture’ or ‘national identity’ - which moves easily into my initial thoughts on point 1. as we are invited to ‘face the challenges of the rapidly changing Domestic and International film industry’. I can already detect a shift and a possible desire that the NZFC might want to be more aligned to the 'blockbuster' franchise than anything to do with 2nd 3rd or 4th cinema1.

Two distinct areas might become apparent during this review - these being ‘national cinema’ and ‘blockbuster’ and it would be a small step to see this as ‘national cinema’ vs blockbuster? - versus suggests a competition of some sort with one or more of the outcomes having priority over the other: this indeed might be the case especially if ‘fiscal’ becomes the dominate force over creative decisions?

These 11 points seem to be steering the discussion to err on the side of funding and how the money might or might not flow rather than the concept of how NZFC might represent or encourage ‘story’ or ‘culture’ or for that matter ‘film making’.

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1 Fourth Cinema is a term coined by Maori film-maker, theorist and writer Barry Barclay. He distinguishes Indigenous cinema from first, second and third cinemas, respectively Hollywood, arthouse and third world cinema. Fourth Cinema raises questions of politics, history and education in societies of second settlement. The word ‘indigenous’ refers to the intersubjective relation of first peoples and second settlers, who have invaded, occupied and largely appropriated the lands of local peoples, and subjected them to a second law. A history broken by the coming of strangers, and interrogated in the terms of those before them, makes Fourth Cinema an affirmation of first peoples.

Dr Stephen Turner
Senior Lecturer,
PhD Advisor English
Maybe it’s timely to proffer the concept that ‘box office’ returns are not necessarily the only measure of success that ‘national cinema’ should be judged by.

A REAL PURPOSE:
The concept of any country having a Film Commission is vital to the guardianship of that nations identity and culture and I don’t see our NZFC as any different or that they can renegotiate their role. I fear that after this review we could be competing for more than the funding …we could be competing for the right to see our own images and hear our own stories.

But I would be very surprised if ‘Blockbuster’ was not a consideration in this review as the concept of it seems to have recently become more of a focus. The desire for the NZFC to share in the ‘blockbuster’ phenomena is a logical evolution that can be directly attributed to the successes of Wingnut and Weta and their associates – these international achievements, based in Miramar, are of course extremely healthy for the economy and even more so the other filmmakers from offshore who are now here to reap the benefits. It’s an attractive deal - the exchange rate, experienced crews, our lack of strong unions and of course the low wages and tax incentives – very attractive - the crews benefit from the cash-flow and experience; the infrastructure makes expensive equipment and techniques available – its ideal for production – and though our ‘National Cinema’ might get lost for a moment, along with our ‘culture’ and ‘identity’, this is a temporary state and not actually a major problem as we can both co-habit in the same town and be in the same core business - i.e. feature film making – but we shouldn’t get confused as to whom is doing which part of the job. It’s vital that the NZFC sees their core business as ‘National Cinema’ and leave the Hollywood franchise to the folk over there at Wellywood.

NGATI & THE BIG APE:
Entertainment, the voice of a nation, the Popcorn culture, the chase, the romance, the politics of community, thinly veiled political messages, arts and culture, archetypical characters? (and many more) - there are many moving parts to this beast we call ‘cinema’.

You can’t get further apart than lets say Ngati and King Kong - in Ngati the brown folk are the stars and writers and the makers of the movie -- its their story, its our story, its who we are… in King Kong the brown folk are required to dance and go boogga-boogga whilst servicing the needs of a good old colonial yarn where cannibalism is still normal behaviour and feared in the white world of the explorer -- its an international story - it’ll have you on the edge of your seat - especially when the beautiful-half-naked-blondes’s life is threatened by the big-chief-guy with the bone through his nose, then there’s the big Ape! – let’s capture it and take it to New York and be famous! – eh! - What were they thinking?
Ngati might evoke thoughts more spiritual and remind us of our pioneering past, you’ll be sat well back in your seat and have time to consider a
timelessness, you might think of your own small town or your immediate family. One is a small movie about a New Zealand community and the other is a matinee romp - they’re both love stories and they both fulfilled their role in the wider scheme of the movie business – New Zealand movie production can service both these type of movies but one type of production can’t be more dominant over the other. This International driven success story of Wellywood doesn’t need the NZFC. But New Zealand stories do.

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A CORPORATE CULTURE:
In a recent print interview Mr Mason (NZFC CEO) seemed quite aggressive in putting over his Internationalism as he spent the whole NZ Herald interview (27th April 2009) talking about the International film business and how he is connected; not a mention of ‘national cinema’ except the NZ Herald writers reference to the NZFC mission statement. This outwardly thinking approach could cloud his judgement in his role of CEO when it comes to issues involving New Zealand culture and Identity and how they might contribute to a more healthy society.

It’s fair to say that over the years the NZFC has drifted off into realms more worldly: this has been a gradual and logical conclusion bought about by the successful years of travel to the International film markets – its an exciting world of ‘deals’ and ‘glamour’.

The idea that the NZFC must evolve somehow because of the ‘international scene’ is possibly a flawed concept – not that we don’t already borrow style and form from the Europeans and the USA in our film making, and lets face it the osmosis is inevitable – but why should it become something of a studio structure or for that matter provide a product strictly for off shore consumption? - though we have heard the mantra from the previous head of marketing that ‘he can sell horror’ if we continue to looked at the world market in this way then we are missing the point of New Zealand made production – lets face it he could easily sell ‘pornography’ more successfully if money was intended as the one and only end result …and it would be a sad day to discover that this screenplay was chosen over that because one was ‘horror and the other wasn’t.

I strongly believe this review should be wary of being seduced by the needs of the new world and the drive for the dollar as this can distort the actual requirements that our society and community needs. The stories of ‘who we are’ and ‘where we are going’ and ‘why we are’ who we are’ just might still be the responsibility of the NZFC as the Hollywood franchise is not going to be immediately helpful in locally conceived stories.

THE HEART OF A NATION:
In Pt.9 you are asking whether we should be somehow aligned with other ‘similar national film bodies’ – why does New Zealand need to be like the
Spanish or the Mexicans or them like us …surely any crossing of borders and conformity would merely dilute what each other has. Surely the purpose of worldwide film commission type bodies is a deliberate desire to reflect that nations spirit and deeply personal uniqueness.

Pt 2. could be the most significant point in the scheme of things here – ‘how can NZFC most effectively act – facilitative role – high quality film projects – cultural content objectives’. This is the nub of it all… forget the gazing outwards to the promised lands – Peter Jackson and his class act is doing that just fine, so let’s be the NZFC - it’s not that we want to repel the Hollywood invasion its just more about keeping a firm hand on our uniqueness and being clear about what the role of the NZFC is …and by doing that we will have a chance of making high quality films that are not only relevant to New Zealand Cinema but relevant to the world - a tricky business indeed but something that only the NZFC can fulfil. Identity and culture is constantly evolving as our society changes with the shifts in the world and the shifts within the demographic of our communities – when it comes to showing who we are we must robustly defend the high ground of OUR CULTURE.

HEART DISEASE:
The NZFC has grown in many directions over these first 30 years but there is still a certain conflict of priorities at the core of the organisation – for instance a career bureaucrat is not a filmmaker – but there are government and taxpayer funds to be managed – what to do? – the Producers present one argument within the management discussions and the Directors another, the Writers wait patiently for something to happen but at the core of this is the question of ‘do we need to be managed?’ – the funding may need a bit of management but do the creative people need this management imposed on them for the sake of control. This is not healthy.

For a creative bureaucracy to function well you must have input from outside – but controlling the type of input to its perceived specific needs isn’t all that visionary either – in the last 10 years there’s been a ‘paint by numbers’ approach that the NZFC have imposed on the industry. The results haven’t been that great.

The void between film maker and bureaucrat has got bigger and its hard not to take this stuff personally where things have to be reduced to right or wrong rather than the thought of ‘lets have an adult discussion’. Why this continued ‘us and them’ approach. To discuss production funding is immediately presented with a point of non-negotiation that ‘local production would not happen, could not happen, will not happen these days without off shore money included in the mix’ – I don’t think this point should be so categorical – what about the 1.8million Kiwi flick’ – what about the handy-cam approach to a blinder of a story? – production value doesn’t sell a movie per se.

DEVELOPMENT HELL:
It would be fair to say in the not too distant past that we did at times feel like we were being used to justify jobs and justify a budget (especially when trapped in development hell) when we were in fact supplying the creative energy to the place - for little or no monetary gain – the NZFC gained fulltime
staffing numbers as we sought secondary employment to stay in the business of feature film making – not an ideal situation and not the NZFC we thought we were setting up in the late 1970's.

I believe the development process has become deeply flawed – the staff who administer it are mostly not film makers or recognised practitioners of the film craft – they may have got a degree in some university but this doesn’t make them qualified to speak directly to my work or any one else’s – they have no right or ability to endorse or reject my work as they don’t have the experience.

I have a bit to do with the next generation of filmmakers and they openly avoid the idea of this film commission – they perceive the processes as meddling in their work and the outcomes appear to involve too much compromise (their words not mine) - they also mention the unhealthy hold that presently the Producers have on the NZFC.

MUTANT NINJA PRODUCERS:
I’ve become acutely aware over the years that the country we live in seems to have little respect for the Artists of our community - but I don’t quite get the concept of ‘arts management’ when all its managed to create is a Producer driven industry which has become exploitive and doesn’t lend itself to a healthy creative process – its also a mis-guided and unfair way to distribute funds… it also suggests to the creative workers (rightly or wrongly) that there is little respect for their creative work from the funding body.

SUMMARY:
We used to put the politics in our work (in our films) and now the politics is in our lives in such a way as we must argue to be included in our own industry and for our very existence – our energy and creative endeavours are dissipated now with the requirements of bureaucracy.

Does it come down to ‘blockbuster’ vs ‘national cinema’?
There’s a suggestion that we are being asked to perceive ourselves in the ‘international setting’? Maybe we don’t have to perceive ourselves in this international setting – we could remain local and provincial and parochial and proceed quite happily from there.

Are there more ways to judge success than just the financial returns from the box office?

We should explore the notion that ‘the requirements of a Film Commission might not have to be necessarily dollar driven’ to fulfil their mandate this could lead to stories that are uniquely ours and are not tainted by needs of International expectations… the unique stories just might be the selling point.

The producers have become the dominant voice – they have organised themselves to influence the decision making processes at the NZFC – this is maybe not a bad thing if it is deemed to be the way to get the best work, but then maybe its not a good thing either? - their voice shouldn't be seen as the
only voice or perceived as the best way to get ‘high quality films made’ – it may work to put the filmmakers into the mix also.

If massive change is the hidden point that we are negotiating here and if this review does come down to a renegotiation of who we are and where we are going we have to be clear as to why we are evolving and for what reasons.
Tim Coddington, Nukuhauproduction Services Ltd

I would like to acknowledge the critical role that the New Zealand Film Commission has, and continues to play, in the New Zealand film industry.
I welcome the review and the opportunity for the industry to have its say in this.
This review is long overdue and I thank the current government for having the wisdom and courage to undertake this.

1. What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context? This will include looking at technological changes, and the development, financing, production, marketing, and distribution challenges that the New Zealand industry faces in an international setting.

The NZFC now has the availability to tap into a greater network of industry players and knowledge through the interaction with more foreign companies brought about by the LBGS and the coproduction treaty agreements. These opportunities have been missed somewhat by the NZFC as they have not made efforts to interact with such people when they have been here and therefore not built the relationships.
The film industry will continue to become a more international industry within NZ. The NZFC must be careful not to become insular while at the same time preserve the quintessential NZ film base.
There will be more opportunities for foreign investment in NZ film as individuals gain international experience and international companies look at NZ as a good place to film using NZ film makers. We should welcome this development.

2. How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?

The NZFC has no way of guaranteeing that every film will be a success. They have to take the calculated risk that chosen films and the associated film makers will make a successful product. The methods used to minimise the risk of shows being unsuccessful should be reviewed. There appears to be a quasi academic view of the films chosen over recent years which while they may do well at certain film festivals they have little hope of popular success and little hope of furthering careers. This can result in the same people lining up for NZFC money producing the same type of disappointing product.

3. What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?
These schemes have been successful in both a financial way but more importantly in growing the industry. The longer term benefits of this are about to start kicking in. Through this scheme different individuals have gain the respect and confidence of overseas producers and companies to the extent that they will back and assist NZ films.

4. What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?

The NZFC should be in a position to introduce film makers to international players through the networks they establish by capitalising on the LBGS links. They should assist even as a conduit to markets etc. There are always tensions between the parties involved in film making. That is a reality. However the results should be a win for everyone. This can be achieved by allowing flexibility and working with confidence in such matter rather than hiding behind doctrine and ignorance.

5. Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

The role of the NZFC should stay pretty much the same. It is the execution and method used in fulfilling that role that needs to be updated.

6. What are the NZFC’s objectives and strategy for professional development, training, and industry support? Examine these in the light of the international and domestic environment and best practice.

No real comment on this in such specific terms but there are some suggestions on training and assistance at the crew level in my notes later.

7. Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

I consider this adequate. The film maker themselves has a responsibility to do this and there are many avenues open for that.

8. Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing, and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

Yes I think greater collaboration is needed. This is best to come about through interaction with the parties and potential parties involved. Social and work based events.
9. Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money?

There are many things to consider here. Basically it appears to be similar to other structures overseas but I haven’t dealt much with any. The internal structure of the NZFC appears to be cumbersome and overstaffed. This often leads to inefficiencies and low energy levels. I believe a leaner team that uses outside contractors only when absolutely needed would be more efficient and produce better results.

10. How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

You’ve done that by engaging us on the review and taking our feedback. Don’t stop with this though make it a continuous thing.

Further notes and suggestions.

1. There is a fear that our NZ stories will be swallowed up and lost if we become too international. That we will lose our identity. I disagree. This hasn’t happened in the literature world, the music world, art world or any other creative filed. The opposite has. By making our stories, our music and our art international it has ignited a hunger for more.

2. Look at the wine industry. It stopped making NZ wine for NZers by NZers and made international wine. That wine is quintessentially NZ wine and has its individuality. How successful has that been?

3. The NZFC should have an escrow acct. This acct can be used by films intending to use the LBGS or SOIF and are independently funded. They should be required to lodge the wrap funds into this account or they will not qualify for the grants. Then if something goes wrong the show can be wrapped up neatly. I tried to have this done on Kingdom Come and such a ‘tool’ would have given us the protection we tried to enforce.

4. This escrow acct can be used to hold location bonds or deposits for DOC and public places also.

5. The term of the CEO should be capped. The NZFC is a cultural body. If the CEO had an agenda and influence then that can give rise to our culture being unnaturally warped or deliberately hijacked. Further the CEO in a normal manner cannot help but have influence on the style and genre of film being made. The capping will ensure that over time we get variety.

6. Training. The LBGS and SPIF schemes could be used to encourage productions to take on trainees or interns. It would be great if the NZFC could arrange a system where they can get interns placed in
some of the studios. Imagine the benefits that would give to an individual and then on to the industry.

7. There needs to be a more open feeling towards the NZFC. There has been too much bad press which whether warranted or not should never happen. If there is an engaging and open atmosphere then mistrust and doubt does not grow.

8. The more robust that the guidelines and procedures can be made the better the system. Then discretionary funds and spending are more transparent and there is once again less suspicion.

9. The NZFC is an essential part of our country and while there needs to be changes and things need addressing we should not lose sight of the achievements and progress that has been made to date.
Introduction

I am a screenwriter and producer. I have had two short films funded from the short film fund and am in the process of negotiating feature film development funding with the Commission. I have an MA in Film and Television Studies from University of Auckland. I am a member of the screenwriters’ guild.

I welcome the review of the commission and would like to make the following suggestions regarding the future of the Film Commission.

1. Develop a culture of Innovation: Raise the standard of New Zealand feature films

The standard of New Zealand feature films is not actually that high and the successes have been over-stated. Our number one aim must be to make the very best films we can and to work constantly at raising the standard of feature films. To help this happen the commission needs to reassess its criteria for assessing the overall aesthetic and dramatic quality of the feature films it develops and funds. Popularity and revenue is only one way to judge a film’s success. Raising standards is also about building, long-term, a culture of innovation and originality in filmmaking. The present emphasis on revenue above all other criteria for success is not helping or encouraging the industry to understand its successes and failures. Our feature films rarely win major awards other than audience choice awards. The commission has been tasked with promoting New Zealand films and promoting their successes but this has created a culture within the organisation (and within the news media) that has too often over stated the quality and success of New Zealand films. There is a sense that the commission has come to believe its own publicity and is not honestly looking at where its films are failing.

2. Promote more sophisticated story-telling and structure

New Zealand must compete against France, Japan and Korea and other national film industries and be seen as leading the way in world cinema. At present the commission exists to promote New Zealand stories so as to ensure that overseas film industries and overseas films do not dominate our screens. This is important given the dominance of Hollywood in our market. However, story-telling in cinema is not just about the content of the film. It is also about the form that a film takes. In particular, it is about cinematography, editing, lighting and story structure. While all our films are New Zealand stories in content, very few of them are doing anything to develop and encourage our own unique ways of telling cinematic stories. Screenwriting in particular is being developed in ways that promote traditional Hollywood influenced three-act story structure. If the industry is to be seen as unique and innovative then we must develop more a more sophisticated understanding among filmmakers as to the relationship between form and content. A more sophisticated film culture in general. The Film commission must be open to alternative story structures and more innovative technical work. Winning
critical awards must become a more important measure of the industries success.

3. Establish a separate advisory group to give a critical response to films

An advisory group of film academics, film makers and film reviewers should be established to identify strengths and weaknesses in each film. It should have no role in the development or production of films but should instead report to the commission on the quality of films being produced. The group should identify areas of concern and point to where a film did not meet the standards being aimed for. This ‘audit process’ will, if managed well, build a better critical culture within the industry. The group can be funded by the commission or it can remain independent; for example, an initiative established by the various professional bodies. Either way it should aim to achieve the same thing. A film might look great but be poorly written. It might suffer from a poor soundtrack or it may simply have suffered production problems due to weather or poor planning. For whatever reason a film must be analysed in a way that identifies the causes of its strengths and weaknesses? This will help the commission and filmmakers to think about and improve the overall standard of film making. For example, In My Fathers Den is a very good film. It is exemplary in so many ways. Yet there are still areas where it could have been better. The role of the advisory group will not be to admonish film makers and be overly pedantic or critical. It will be to promote a far more objective assessment of any film’s quality. What ever happened to The Ferryman? It went straight to DVD and has quickly been forgotten about. What went wrong? Why is it not a good film and how can we learn from these mistakes? Sweeping failures under the carpet does not help us improve.

4. Introducing competitive funding decisions

Feature film funding may benefit from a competitive Executive Producer model similar to that used to organise the Short Film Fund. Competing teams or executive producers may help raise the standard of the films being developed. Competitive development within the commission would encourage diversity and allow the success of different feature film development models to be measured in the long term. The review should investigate this model of funding and adopt it in order to assess its value to the New Zealand industry.

5. Establishing an Auckland office

The majorities of filmmakers are in Auckland. Professional organisations such as SPADA and the Writers Guild are based in Auckland. It is important that the Film Commission stay in Wellington to balance this, however, opening an office in Auckland, with a staff member specifically appointed to assist Auckland filmmakers, would improve the relationship between the commission and the industry. It will also allow Auckland filmmakers to meet more regularly with commission staff whenever staff visit Auckland. The office should be a focal point for the film making industry in Auckland.
6. **Improve Transparency – Conflict of Interests**

Particular attention must be paid to avoiding conflicts of interest and ensuring all decision making is transparent. There are close links between filmmakers and many film commission staff. Many of the filmmakers that apply to the commission for funding are close friends and colleagues/former co-workers of commission staff. In some cases commission staff have had their own projects funded while working at the commission. While this is largely unavoidable in a small industry like New Zealand’s it is of pivotal importance that clear procedures are put in place to avoid any conflicts of interest. It is too easy for unsuccessful filmmakers to feel aggrieved about not being funded and too easy for them to dismiss their rejection as the being the result of nepotism and favoritism. In order to avoid this, the commission must demonstrate that all its procedures are transparent and open to review. Disgruntled filmmakers can become (and indeed have become) disengaged and overly critical of the commission and this detracts from the overall culture of excellence needed. Fairness and the demonstration of fairness must be central to the aims of the commission.

7. **Hold regular reviews**

A similar review to this one should be held at regular intervals. The industry changes quickly and the commission must remain responsive to the industry and the demands of the global market. The current review is too short a time to adequately deal with all the issues around improving the commission. A six week review period would work better if it were held on a regular basis. A suggested time period for reviews would be every three to five years.

Thank you for taking the time to read my suggestions.
I look forward to reading the reviews findings.
Graham Dunster

Dear Sirs

Following the invitation for comments from interested parties relating the review of the New Zealand Film Commission, I submit the following thoughts.

Rename the NZFC to reflect international practice whereby a national film commission is a locations office. The new name to reflect the responsibilities of the reviewed body.

Relocate the NZFC to Auckland to better service the majority of the NZFC’s customers who are based there.

NZFC to take active interest and responsibility in bringing the individual craft members/companies together in industry guilds or similar to ensure that there are clear and professional points of contact for all crafts. This is currently especially needed for actors and agents. The benefits of facilitating such a result will accrue to both local and offshore productions.

NZFC to reflect the fragmentation of the film making industry in its communications and be inclusive in all its dealings with the industry. A production's limited success in a subsidiary market or on a specific platform can assist other productions in different areas so this intelligence needs to be available to all parties.

NZFC to ensure that funding when given is spent and accounted for within the law. An example of where this does not always seem to happen is foreign cast and crew being hired over locally available equivalents.

NZFC to work with the national and local regional film offices to ensure that all funded productions are fully aware of facilities and opportunities in all parts of the country.

NZFC to use its expertise in funding to proactively assist productions to access the various options available.

NZFC to use its knowledge and information to assist all locally produced productions in accessing overseas opportunities, whether or not financial assistance is also involved.

NZFC to work closely with initial creative elements on projects, especially writers and directors.

NZFC to limit available funding to any one individual or linked company/companies to ensure that there are equal opportunities available to any individual or company at any point in time.

NZFC to help create and support training for all craft areas throughout the industry.
NZFC funding decisions to be fully and transparently published when made and to be published in a timely fashion.

NZFC board members to better reflect all the professional crafts involved in the industry with especial reference to those individuals who have actively worked in completed productions.

NZFC to create and/or manage an escrow facility to safeguard funds to ensure that no party is unpaid on any production. There is the added ability to be able to use this facility to assist incoming offshore based productions to ensure security of payment for locally based crew and actors.

Disclosure - I am a board member of Film Auckland and the principal point of contact for the Actors Agents Association of New Zealand. This submission is not on behalf of either of these bodies.

Please let me know if I can be of any assistance with regard to the above.

Regards

Graham Dunster
Submission on the Review of the New Zealand Film Commission

Introduction

1. The New Zealand Writers Guild (the Guild) welcomes this opportunity to contribute to the Government review of the New Zealand Film Commission (the NZFC).

2. The Guild recognises that the purpose of the review is to examine and identify what is needed to enable the NZFC to work in the most effective way possible as New Zealand’s film funding agency in a rapidly changing environment, taking account of wider policy and economic imperatives, including fiscal sustainability.

3. The Guild represents the interests of writers for film, television, theatre, radio and graphic novels in New Zealand. The Guild is the oldest and largest film industry group in the country.

4. The five-year vision for the Guild is “Establishing writers as partners.” The Guild hopes the review can assist in achieving this vision.

5. This submission represents the views of Guild members following a period of consultation, and includes material submitted by experienced filmmakers.

6. Given the industry expertise that the Guild has to offer the review, the Guild has focused our submission on the following four topics noted in the Terms of Reference:

   How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?

   Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

   How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

   What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.
General comments on the review

7. The Guild would like to emphasise the importance to New Zealand of maintaining a healthy, sustainable and successful film industry. The Guild recognises that New Zealanders are fortunate that the government understands the importance of investing in a strong film industry.

8. The Guild recognises the crucial role that the NZFC has played in developing the New Zealand film industry. Reductions in NZFC funding would have serious detrimental effects on the film industry.

9. The Guild believes that overall the NZFC has performed well as a funding organisation, with a vital contribution to developing the infrastructure and culture of filmmaking as well as with commercial successes such as *Whale Rider* and *Black Sheep*; and that it continues to perform well, e.g. *Show of Hands* recently had the highest Sunday night TV ratings achieved in the past year when it screened in June 2009.

10. While feeling the NZFC’s performance overall has been good, there are some areas which the Guild believes require urgent attention. The following comments explore the areas where the Guild believes the NZFC can improve its performance to continue to build on its successes.

11. The Guild also recognises that the film industry has a high level of dependence on the NZFC, and this level of dependence on a single organisation is not ideal. New models of distributing funding (production and development financing) would help the industry to grow.

How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?

12. The Guild strongly believes that incorporating screenwriters as creative partners in a film project leads to higher quality scripts, which are essential to the production of a high quality film.

13. This section of the submission explores:
   - the current model of development funding, and a proposal for improving that model
   - clearer accountability for NZFC funding decisions
   - the tensions between New Zealand cultural content objectives and reaching a domestic and international audience.

14. There is a need for screenwriting to become a viable career for more writers. Screenwriting is the foundation of the film industry, but the
The great majority of writers are required to financially support themselves with non-writing work.

The current model of development funding

15. The NZFC is the predominant source of development funding in this country due to the small scale of film production in New Zealand.

16. At present, NZFC development funding is distributed through producers, who are responsible for distributing these funds to screenwriters, script assessors, consultants and script editors. There are two limited exceptions where NZFC funds screenwriters directly: the First Writers Initiative (which provides some funds for three screenwriters to work on one draft) and the Writers Awards (for two screenwriters each year).

17. The Guild believes that the current producer-centric model of development funding works against acknowledging screenwriters as creative partners, and leads to inequity in the development process.

18. This arises from requiring writers seeking access to development funding for their own ideas, to enter into contracts early in the process, often selling the rights to their work to the producer before writing a first draft.

19. The Guild believes that the need for a writer to enter into a contract with a producer this early in the development process is at best unnecessary and at worse, disempowering.

20. This imbalance often flows through into creative decisions. The screenwriter is typically excluded from script discussions with the NZFC development team and, in many cases, considered expendable from the project.

21. This general disempowerment of writers has led to a decreased sense of creative control, or even detachment from the script development process. It is the view of the Guild that this inevitably leads to a lower quality of scripts being produced.

22. It is vital for the success of any project that a producer be properly ‘cast’ who suits the creative and financial demands of that project. Requiring a producer to be already attached at the initial stages of development greatly increases the likelihood of a ‘miscast’ producer, greatly damaging the potential success of the project overall.

23. Likewise, a project that is able to go through phases of script development is more likely to attract the best possible producer to drive the project forward to becoming a successful production.
24. This situation is exacerbated by the lack of an Auckland office of the Film Commission. It is all too common for producers to use extra flight costs as a reason to travel to script meetings without the writer. Given that most screenwriters, indeed, most film industry practitioners, are based in Auckland it would seem only logical that the Film Commission maintain a presence there.

25. The Guild recognises the role of the producer in the development and production of high quality films, and that the screenwriter must at some stage enter a contract in order for the film project to proceed.

26. However, the Guild believes that it is not essential to involve the producer in the early stages of script development.

**A proposal for improving the current model of development funding**

27. The Guild recommends the establishment of a tiered structure to development funding, which would allow screenwriters to apply directly to the NZFC for early development funding.

28. This proposal is outlined in Appendix A.

**Clearer accountability for NZFC funding decisions.**

29. Guild asserts that the accountability for NZFC funding decisions is not clear enough at the present time. From the Guild’s perspective, the decision-making roles of staff and the decision-making roles of the NZFC Board are blurred.

30. The Guild recommends a stronger divide between governance and management roles for NZFC funding decisions.

31. The role of the Board should be primarily to assess the funding decisions of staff, then independently test whether film projects meet the development goals of the NZFC. It should be the role of qualified staff to make funding decisions based on their own experience and expertise, with clearer accountability practices put in place to determine the success of those decisions.

32. The Guild submits that a high level of operational decision-making at the Board table is at odds with the governance role of the Board. The ambiguity of roles is disempowering for film makers, especially when it is not clear who is accountable for the decisions that the NZFC has made.

33. The Guild recommends a greater transparency of funding decisions by the NZFC that can flow out of clearer accountability practices.

34. If the NZFC Board are going to continue to make funding decisions, the Guild believes that the NZFC Board should primarily consist of
members with film production and development experience. This ‘ground level’ expertise on the Board greatly assists the governance function.

The tensions between New Zealand cultural content objectives and reaching a domestic and international audience

35. The Guild recognises that sometimes there are seen to be creative and commercial tensions between meeting New Zealand cultural content objectives, and reaching a domestic and international audience. This concern could be expressed as a divide between filmmaking that meets cultural or artistic objectives but does not find an audience on one hand, and safe generic productions that find an audience but do not express New Zealand culture on the other.

36. The Guild asserts that this divide is too simple, and that both goals are achievable (e.g. Whale Rider, the World’s Fastest Indian). A New Zealand film with strong cultural content that provides a point of difference, can be commercially successful.

37. The Guild recommends the consistent and flexible application of a development framework that values both New Zealand cultural content objectives and the requirement to reach domestic and international audiences.

38. The development process of any given project should be consistent and appropriate to the intentions of that project, with strong awareness of its intended market and audience.

39. The development framework should have the flexibility to recognise that cultural content will sometimes be the strength of a particular film project, and that sometimes the film project will draw its strength from other elements.

40. The Guild believes that the points framework of the SPIF Significant New Zealand Content Test is one example of how such a framework can be consistently, flexibly and transparently applied.

Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

41. The Guild recommends the NZFC develop better internal systems to enhance their script development processes. For instance, the Guild understands there is currently no accurate record of scripts received by the NZFC. This leaves staff vulnerable to future problems, and makes it hard to quantify levels of script production against the number of successfully completed films. Statistical collection of data is, on the whole, a current weakness.
42. These systems should set clearer expectations for screenwriters and staff, which can prevent stress for both parties when consistently enforced. For instance, the Guild is aware of screenwriters who have not had their expectations met, e.g. staff not returning phone calls or emails, or reading scripts by the dates agreed to by the staff.

43. Better systems can also alleviate the risk that the recommendations of NZFC staff will be subject to (or perceived as subject to) personal taste, rather than informed professional opinion.

44. The Guild also recommends an increase in publicly available information on levels of development and production. This information would be greatly beneficial to the growth of an informed and knowledgeable local film industry. The Guild notes an increase of this type of information in the most recent NZFC newsletter, which is an encouraging step.

**How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?**

45. The Guild aims to be a creative partner with the NZFC as part of the Guild’s vision of establishing writers as creative partners.

46. The Guild has concerns around the current level of consultation the NZFC has with filmmakers. The Guild believes the NZFC needs to listen closely to the industry in order to be able to act on behalf of the industry.

47. The Guild recommends investigating the establishment of an industry advisory body to the NZFC, which could assist the NZFC in setting its strategic direction. This advisory body could be comprised of representatives from throughout the various industry professional organizations.

**What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.**

48. The Guild recommends that the NZFC continue to use industry partners to deliver services in professional development, training and industry support. This is in keeping with practices overseas.

49. The Guild is the primary organization for the delivery of these services to screenwriters in New Zealand, and is actively developing the range and quality of the services it offers.

50. A profile of the New Zealand Writers Guild and a list of the services we provide is attached as Appendix B.
Conclusion

51. The Guild recommends:

- the establishment of a tiered structure for development funding, which would allow screenwriters to apply directly to the NZFC for early development funding
- a stronger divide between governance and management roles for NZFC funding decisions, with all funding decisions being made by experienced industry professionals.
- greater transparency of funding decisions by the NZFC
- consistent and flexible application of a development framework that values both New Zealand cultural content objectives and reaching a domestic and international audience
- that the NZFC develop better internal systems to enhance their script development processes
- an increase in publicly available information on levels of development and production
- investigating the establishment of an industry advisory body to the NZFC, which could assist the NZFC in setting its strategic direction
- that the NZFC continue to use industry partners to deliver services in professional development, training and industry support

52. The Guild looks forward to discussing this submission further in person, if possible.

Sincerely,

Steven Gannaway
Executive Director
New Zealand Writers Guild
Appendix A

Proposal for an Alternative NZFC Script Development Funding Model

Background:

1. Under the current funding model, the NZFC only considers script development funding applications from producers.

2. In order to access development funding for an original treatment or script, a screenwriter must sign a contract with a producer, who then submits their work to the NZFC for funding consideration. If funding is granted, the producer then disperses funds to the writer as agreed under the contract.

3. We believe this effectively puts writers in a ‘back-foot’ position from the start and does not acknowledge that the primary ‘creator’ of the film at this early stage is typically the writer. It also has the effect of reducing the amount of funding received by the writer.

4. Typically if $20,000 is granted by the NZFC for writing a draft, the writer will only receive $12,000 - $15,000 of that as a writing fee. While a good producer will certainly bring something to the writing process, the majority of their $5000 to $7000 fee is to cover overheads and legal costs rather than actual work involved in creating a screenplay (which in many cases is minimal).

5. In effect the producer’s legal costs and overheads are subsidised by the NZFC, while the writer is expected to pay their own legal costs and overheads out of their ‘writing fee’. This means that in real terms the writer receives perhaps only $10,000 - $12,000 for actually writing the draft out of the $20,000.

6. In addition to this inequity, in many instances, producers also defer option payments to writers until development funding is granted by the NZFC. Effectively this means that while writers must fund themselves to write a treatment or first draft (often months of work) to take to a producer, the producer pays nothing out of their own pocket to option that material.

7. In short, the current policy assists producers to develop their careers without significant investment of their own capital whilst writers must invest substantially in their own careers to produce treatments and scripts in order to attract a producer before receiving any development assistance from the NZFC.

8. There is an argument that the requirement for any project to have a producer attached before it receives funding is there to act as a filter so that only a reasonable standard of scripts reach the NZFC for funding.
However the Guild believes that experienced writers are quite capable of developing a script and working with the NZFC development team without the need for a producer holding their hand.

9. We also believe that the staff at the NZFC should be qualified and experienced enough to recognise a script worthy of development funding without needing a producer’s endorsement.

**Alternative Funding Proposal**

1. The Guild would like to propose a simple two-tiered structure allowing both writers and producers to apply directly to the NZFC for development funding.

2. **Tier One:**
   a. Experienced writers with strong Film or Television credits can choose to bring treatments or first drafts directly to NZFC without a producer attached.
   b. If NZFC approve development funding the full amount goes to the writer.
   c. Writers sign a standard contract with the NZFC to deliver by a due date.
   d. The writer develops the draft and presents it to the NZFC
   e. The NZFC can choose to support further funding or not. The Writer can be funded up to third draft level without the attachment of a producer.
   f. After this stage, the NZFC can then choose to stipulate that this funding is now contingent on the writer finding a suitable producer for the project.
   g. If the project is declined by the NZFC for second draft funding, the writer still has an opportunity to take the draft to a producer who sees value in it and is prepared to work with the writer to develop it further.

3. **Tier Two:**
   a. An avenue by which writers not considered to meet the criteria for ‘tier 1’ can choose to bring their projects to NZFC for initial assessment without a producer attached.
   b. If NZFC approve development funding the full amount goes to the writer.
   c. Writers sign a standard contract with the NZFC to deliver by a due date.
   d. The writer develops the draft and presents it to the NZFC
   e. The NZFC can choose to support further funding or not.
   f. After this stage, the NZFC can then choose to stipulate that this funding is now contingent on the writer finding a suitable producer for the project.
   g. If the project is declined by the NZFC for second draft funding, the writer still has an opportunity to take the draft to a producer who
sees value in it and is prepared to work with the writer to develop it further.

3. **Result:** Screenwriters are able to develop screenplays more fully before signing a contract with a producer.

4. **Benefits:**
   
a. Increased likelihood of the best possible producer being attached to a project, resulting in a much more likely chance of the project's overall success.

b. Competition between producers is more likely to lead to best practice in regards to negotiations with writers, as they seek to bring in viable projects.

c. Writers have a greater sense of creative ownership and inclusion through the development process, leading to a stronger quality of work being produced.

d. Producers are now in a position of having more developed scripts brought to them. They spend less time pitching a multitude of projects to the NZFC, more time nurturing projects that have already attracted interest.

5. **In Conclusion:** Benefits of a writer-centric development funding model.

   a. More funding directly to writers will enable experienced and talented writers to earn a viable living - keeping them in the industry.

   b. Writers will inevitably form better relationships with producers because they will be viewed as equal partners.

   c. A writer-centric funding model would create a more direct dialogue between the writer and the NZFC. It is generally recognised that the script is the foundation of any good film.
Appendix B

Profile of The New Zealand Writers Guild

The NZWG has a very clear objective: to help build a secure and vibrant film and television industry in which writers prosper as central and vital partners. Founded in 1976, the New Zealand Writers Guild is a professional non-profit association for writers in the fields of film, television, radio, theatre, video and multi-media. The Guild is recognized in New Zealand as the writer’s representative in the entertainment industry.

The Guild’s primary focus is the support of writers, both at a professional and craft level. The Guild works to ensure that writers’ rights are protected, to assist them with negotiations (whether they be contractual or creative issues) and to provide them with a range of services that improve the environment they work in. By doing this, the Guild helps writers build viable, sustainable careers and enables them to focus on their craft, empowering them to produce better scripts, which will in turn make for better films.

We believe we are a vital organization in the industry, providing support to not just writers but also producers, directors, and a host of other creatives who access our services in one way or another. In times of economic hardship, support networks like the industry guilds are essential. We’re proud to be a part of this industry and look forward to remaining so.

Staff
Executive Director - Steven Gannaway (BFA)
Membership Manager (part-time) - Dara McNaught (BA, DipSocSt)
Treasurer (part-time) – Fiona McEwen

Board
Board Members - Peter Cox (President), Benedict Reid (Vice President), Allan Baddock, Roseanne Liang, David Mamea, Sean, Molloy, Dianne Taylor, and Athina Tsoulis.
The NZWG has regional representatives in Auckland, Wellington and Dunedin who are active in running local events, funding initiatives, and writers groups.

Members
Total current membership at 18/5/2009: 447
This is comprised of 180 Full members (writers who have had work made into a feature film, short film, stage or television production) and 251 Associate members (aspiring writers). We also have a few Complementary members (contributors to guild activities, awards) and student members at the following institutions: Unitec, Victoria, Whitireia & Auckland University.
Regionally our membership consists of 291 in the Northern region, 107 Central, and 37 in the Southern region. We also have 12 members who reside overseas.
In 2008 the membership of the NZWG increased by 9%.
Our membership includes not only the writers of most of New Zealand’s finest film and television, it also includes many high profile producers and directors. Our membership includes the creative minds behind some of New Zealand’s most recognised culture, such as The Lord of the Rings, Sione’s Wedding, Shortland Street, Outrageous Fortune, Out of the Blue, Perfect Creature, Vigil and King Kong.

NZWG Services And Projects

Core Services

Mediation and Advocacy - Things don’t always go smoothly in any professional relationship. Given the compact nature of the film and television industry in New Zealand it is important that professional relationships remain functional. The NZWG offers mediation and advocacy services when required to ensure a return to good working relationships.

Contract and Legal Advice Service - pro bono advice given to members on copyright issues, legal issues, contract drafting and chain of title. This service is being increasingly used by producers looking to secure good working contracts with writers and the NZWG is very happy to see an increase in this trend.

Access to Lowndes Jordan - barristers and solicitors - for free/reduced rate legal advice is available to members.

Credit Arbitration Service - a free arbitration service provided to the industry where there are disputes over appropriate screen credits.

Rates Advice - advice given over writing rates for all types of screenwriting. Again, this advice is given out freely to all other industry professionals.

The WriteStuff - biweekly electronic newsletter sent to members and various industry contacts. Over the last year this newsletter has been expanded to include writer profiles and has also featured profiles of producers and production companies and the types of projects they are looking for, how they prefer to receive pitches etc. This has been widely appreciated and has facilitated greater interaction and networking.

Find-A-Writer - The Find-A-Writer functional database addition to our existing web-site is operational and many of our members find work through this. Work continues to be done on populating, maintaining, and promoting this fantastically useful industry tool. It enables easier networking between producers and our members, and is a great membership benefit. The NZWG will be utilising new media platforms to increase its profile.

Library - the Guild holds the largest specialist screenwriting library in New Zealand, including over 2000 film scripts. We actively encourage our members to use this fantastic resource.

Lobbying - the Guild lobbies government and other groups on behalf of writers and the industry in general.

Public Comment - on issues affecting writers and the film industry in general.

Registration Service - writers are able to register projects to protect against theft of copyright.

Information Service - general writing advice and information given to all enquiries ñ advice includes career advice, information on funding providers, educational institutions and producers.
**Professional Development** - Craft Evenings and Seminars - the Guild provides educational evenings nationally, focused on the craft and business of writing. Over the last year we have, in collaboration with Script-to-Screen, attempted to reach all regions more effectively. The Date Night events, while run as joint events with SPADA and SDGNZ, are very much driven by the Writers Guild. These events are designed to be catalysts for greater networking between writers and producers, and to provide both with greater opportunities. Several projects are currently in development as a result of these events.

**Model Contracts** - drafted by the Guild these are Option, Purchase and Screenwriting Agreements for film production and are provided free to anyone who requests them, along with free advice.

**Producer’s Directory** - a listing of New Zealand producers.

**AIL** - American Income Life Insurance (an insurance company that provide insurance for union members) - free insurance for members.

**Authorship Fees Collection** - the Guild liaises with collection agencies on behalf of members, including Screenrights and AWGACS n the Australian Writers Guild Authorised Collecting Society.

**Other Membership Services** - including the Discounters scheme, website, legal documents (Confidentiality Agreement, Collaboration Agreement, Limited Option Agreement) and discounted scriptwriting software.

**Specific Projects**

**Professional Development Workshops** - The majority of screenwriters are independent contractors. In 2009, the NZWG is running a series of professional development workshops. These are free for all our members and are aimed at increasing professional practice and business skills. We believe that acquainting writers with the workings of the film/television industry and educating our members on the roles of other industry professionals is essential.

**The Date Night** events, while run jointly with SPADA and SDGNZ, are very much driven by the Writers Guild. These events are designed as catalysts for greater networking between writers and producers, providing both with greater opportunities.

We will continue to hold events outside of Auckland and Wellington; this incurs additional but necessary expenditure, as whilst the Guild has Regional representatives in Auckland, Wellington and Dunedin, large areas of the country are still unrepresented.

**Script Competitions** - The inaugural NZWG Short Film Script Competition in 2008 was a great success, measurable not only by the high level of participation but also by its stimulation of productivity. The response was satisfactory to us especially because we believe it was the first script competition in the nation to accept scripts in Te Reo. This is important to us.

We ran the competition again in 2009, timed to lead into the Film Commission POD’s, and received 107 entries.
Hello,

The common feedback I get, is that the Film Commission tends to stick with proven performers and is hesitant to support unknown entities until after their project begins to get traction or accolades.

My thought is that we would like to see the film commission take more chances on unknown or non “proven” people.

While it is good to back proven talent, the film commission should not adverse to backing projects that ultimately fail.

Take a chance, nurture the unknown talent of tomorrow.

Regards,

KJ

KJ Jennings
Executive Manager, Film Queenstown - Film Otago Southland
Queenstown Lakes District Council
Frances Walsh, NZ Equity

New Zealand Equity and the Media, Entertainment & Arts Alliance
NZ Actors’ Equity is an autonomous part of the Media, Entertainment & Arts Alliance and is the industrial and professional organisation representing performers who work in New Zealand’s entertainment industries.

New Zealand Equity welcomes the opportunity to comment upon the Ministry for Culture and Heritage’s Review of the New Zealand Film Commission.

1. What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context? This will include looking at technological changes, and the development, financing, production, marketing and distribution challenges that the New Zealand industry faces in an international setting.

The challenges facing the NZ film industry are well known:

- The private investment market for film is limited for both projects and for businesses;
- Project financing is becoming increasingly difficult with less gap financing, pre-sales and equity available;
- International structures of industry assistance are changing to become less favourable to NZ productions (for example the changes to the tax arrangements in the UK);
- Decreasing number of US distributors;
- The impact of the current global financial crisis;
- The speed and force of technological change requiring continual skills retraining and capital expenditure;
- Platforms for delivery are ever-increasing impacting upon business models;
- Increasingly supply of low budget digital product into the natural market of New Zealand films increasing competition;
- The small size of the NZ market works against the creation of a sustainable local industry;
- The volume of home grown product is at too low a level to sustain a local industry;
- Maintaining and supporting a distinctive NZ voice in audiovisual output against competing pressures;
- Foreign production is relied upon to underpin the industry and its infrastructure – something that is fraught with danger given its dependency on NZ dollar fluctuations and increasingly competitive offshore industry;

From the perspective of performers one of the key challenges faced is the development of sustainable careers within this difficult climate as well as within an industry where performers have long been seen to be at the bottom of a pecking order. This status was acknowledged in a recent article by the chief executive of the Screen Directors Guild of NZ, Anna Cahill:
How do we treat and regard actors in New Zealand? It is my observation that actors are often referred to in derisive tones, dismissively, as though they are recalcitrant children needing to be brought into line. Actors are an essential part of the ‘personality’ of a work, key elements of the team that create the journey... instrumental in the success of film and television projects. As directors, the cast, crew, writers and editors are the people who need to believe in your vision and join you on that journey... any director knows and understands this. Being well paid for one’s craft and skills allows all craftspeople to continue working in the industry – in an ideal world there will still be an industry when the dust settles.¹

What is particularly disappointing is the low regard in which performers are held by government. Performer interests are rarely considered in the development of policies. For example, the development of the SPIF provided a perfect opportunity to leverage government support to assist the development of local performers through embedding policies that ensure the involvement of NZ performers. This did not occur. Part of this is because performers are simply not consulted with regards to the shape of their industry. Building into government programmes direct (or indirect) development assistance for performers flows through to supporting a sustainable industry as a whole. NZ Equity elaborates on this further below.

The contribution of NZ performers to the film industry and the NZ economy is significant and cannot be measured merely in terms of individually successful careers. The faces, voices and performances of NZ actors define the NZ content of film and television product of this country. It is they who have given to NZ audiences, and to the world, the expression of what is a unique, fresh and individual NZ voice.

However, acting remains an impractical career in NZ, a situation not assisted by the lack of consideration in government programmes of assistance. Without available roles, NZ actors cannot be in a position to demonstrate their talent. NZ actors are forced to either work in other industries or leave the country and work overseas, principally to Australia, the United Kingdom and the US, if they wish to pursue their careers and survive financially. Many famous NZ actors hardly work in their homeland, if at all – Russell Crowe, Sam Neil, Anna Paquin, Karl Urban, Bruce Spence, Martin Csokas, Alan Dale, Jay Laga’iaia, Cliff Curtis, and Roy Billing among them. While NZ Equity wholeheartedly supports NZ actors leaving for greater exposure and work opportunities overseas, there needs to be a viable industry to encourage their return in order to further develop and grow the industry.

The NZ film and television industry must support its talent base of performers via its system of government assistance and subsidy. NZ Equity details a number of simple ways to do so in its response to the Review questions below:

¹ Anna Cahill “All that glitters is not gold”, Take, Autumn 2009
3. What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?

NZ Equity notes that the current arrangements for NZFC funding includes coinvestment funding for SPIF productions of $2 million per year over five years (provided additionally under the SPIF scheme) with a possible further $15 million available made up of NZFC reserves and Film Fund 1 Funding available (noting the independence of the Film Fund 1).

Further, NZ Equity understands that the total budget for the NZFC has recently been cut back by $0.5 million impacting directly upon development funding, the number of short films to be made and grants to guilds and associations. Production budget funding remains the same.

NZ Equity acknowledges that the SPIF represents a significant net gain to the industry and NZ Equity supports this additional funding.

However, NZ Equity is concerned that there exists the risk that the demand on the funding provided to the NZFC to co-invest with the SPIF may exceed $2 million and that there will be pressure placed upon the NZFC to re-direct funding away from other areas into SPIF co-investment. This has the potential to further harm lower budget feature films and other areas of support delivered by the NZFC. Certainly the actions of the NZFC in cutting funding to these areas rather than production does not bode well for the future. NZ Equity strongly argues that NZFC prioritise this lower, developmental sector of the industry in their funding structure and that this funding be quarantined.

The parameters of the current SPIF are such that the lower budget segment of the market (those below the $4m threshold) is largely left to fall within the purview of the NZFC. This risks producing an uneven industry with a small number of medium to larger companies benefiting from the SPIF and potentially leaving smaller market-driven companies out in the cold. NZ Equity believes that while existing medium to larger companies with the most to benefit from the SPIF may be supportive of the scheme, smaller, independent producers and future independent producers who may wish to build their own enterprises are not catered for other than within the future parameters of the NZFC. The exclusion of this sector within the SPIF will have significant negative impacts upon the future shape of the industry.

NZ Equity believes that given the parameters of the SPIF, support for low budget end of the industry via the NZFC will need to be increased in order to grow smaller business into medium and larger ones. In this way the NZFC can assist developing businesses to become those businesses who will utilise the SPIF. Programmes therefore need to be designed with this in mind.

NZ Equity recommends that direct funding for low budget features via the NZFC be quarantined and increased.
In addition to its role of co-investment partner, NZFC should continue to focus and expand upon efforts in providing administrative, marketing and logistical assistance to the NZ production industry in utilising and leveraging the SPIF and working with private investors and the banking/lending sector. This can involve the following:

- taking a educational and marketing role in assuring potential lenders, guarantors, the industry, banks etc of the potential in and the bona fides of the SPIF;
- encouraging the development of international and national private investment paths through internal guidelines and policies and the development of relationships.

With regards to the Large Budget Screen Production Grant Scheme, NZ Equity believes that this scheme should be administered by the Ministry for Culture and Heritage rather than the NZFC. In Australia, the Location Offset is administered by Australia’s Department of Environment, Water, Heritage and the Arts. NZ Equity believes that the NZFC should focus on its cultural remit – ie supporting those productions that have significant NZ cultural content. The Large Budget Screen Production Grant Scheme is in place for economic ends and should be administered as such by the Ministry.

2. **How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?**

and

5. **Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?**

Currently the NZFC has the statutory responsibility “to encourage and participate and assist in the making, promotion, distribution and exhibition of films” made in New Zealand by New Zealanders on New Zealand subjects. It provides financial assistance only to films with significant New Zealand content as defined in the Act; this definition includes official co-productions. NZ Equity supports the current functions and roles of the NZFC as defined under its Act.

As noted above however, NZ Equity recommends moving the administration of the Large Budget Screen Production Grant Scheme away from NZFC to the Ministry for Culture and Heritage.

NZFC must, as outlined above, continue its statutory roles with regards to the SPIF – that is administering the scheme and co-investing on selected projects to the extent it has been directly funded to do so.
Given the introduction of the market-driven SPIF with additional funding, NZFC assistance must therefore focus on those areas of the film and television industry that will not be fully met by the market as well as those new and developing areas of the industry that involve a significant amount of risk. This includes focussing on:

- Professional Development – providing a pathway for NZ film-making talent including performers;
- Project development assistance;
- Maori content development and production;
- Support for business/enterprise development;
- Research and analysis;
- Marketing, distribution and P&A support;
- Export development; and
- NZ screen culture development.

NZ Equity supports the recent statement by NZFC Chair, David Cullwick regarding balancing the functions of the NZFC:

“There will always be a debate between those who want all or most funds allocated only to film production financing and those who support a wider approach encompassing talent and script development, production financing, international sales and marketing, support of industry organisations and administration. The NZFC is compelled by its statutory obligations outlines in the New Zealand Film Commission Act 1978 to take the wider approach.”

NZ Equity acknowledges the current difficulties faced by the industry with regards to production financing internationally. However NZ Equity does not believe that there should be fundamental changes to NZFC’s statutory role and function in order to fill a gap that exists because of temporary financially difficult circumstances.

Having said that, NZ Equity believes that NZFC should work to support business and enterprise development to ensure that there is a viable ongoing industry. The NZFC must shape its programmes to maximise the benefit to producers and businesses. This includes subordinating NZFC recoupment positions in order to reward success by giving producers a greater share of revenue from their projects and ensuring that they have control over their on-going income streams.

With regards to the functions outlined in the Act, NZ Equity wishes to note function 17(1)(b)(iii) which states

“To co-operate with other interested or affected bodies and organisations in order to encourage and promote employment in the New Zealand film industry, and the productivity of that industry.”

NZ Equity strongly supports this function and argues for the need to align and
coordinate government policy in this regard. NZ Equity refers here to the Immigration NZ (INZ) rules regarding the importation of foreign performers.

In short, all overseas entertainers and performing artists (except Australian citizens or residents) who intend to engage in any form of work on any film, television or video production in NZ must apply for a work visa. As a part of this process producers need to provide INZ with evidence that the agreement of the appropriate NZ union or professional association has been obtained. NZ Equity is the appropriate union with regards to all performing artists including actors, stunt performers, puppeteers, dancers, models and any other performer appearing on screen. Other foreign film workers including directors, crew and writers must consult with the relevant guild or union in their field.

These laws are in place for the protection of employment of New Zealand performers and crew members. NZ Equity believes that the two government agencies (INZ and NZFC) should align these policies in such a way as to ensure streamlining and efficiencies.

Just as occurs in other jurisdictions where similar rules are in place, NZ Equity recommends that the NZFC ask producers seeking NZFC investment or SPIF funding to demonstrate that any proposed use of foreign actors would be compliant with INZ rules, and where that was not the case that consultation had been undertaken with the NZ Equity.

Where that procedure is not implemented, the NZ Equity can be put in the invidious position of advising that an application for an overseas actor is not compliant when the production is fully financed. NZ Equity has a history of applying the INZ consultation process fairly and wants to avoid any unnecessary conflict in circumstances where the use of overseas actors is to be contemplated.

6. What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

and

8. Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

NZ Equity believes that NZFC must take a holistic approach to professional development and that it institute policies that ensure that all its programmes maximise the professional development opportunities for all aspects of the industry including performers. New Zealand taxpayers deserve a cultural,
economic and 8 employment dividend for the money being used to assist the
NZ film and television industry. To this end NZ Equity recommends that:

- policies be put in place that ensure NZ employment is maximised on all
  projects supported by NZFC – including ensuring productions are
  compliant with INZ rules and employment of NZ performers maximised;
  and
- all productions and production companies funded by NZFC meet
  appropriate minimum employment standards in engaging performers
  and crew.

In Australia, the central film agency Screen Australia requires that all
directors, writers, crew and actors be paid fees not less than relevant industry
standards. NZ Equity believes that at a minimum this should be the case in
New Zealand as well.

NZ Equity argues that there is a need for the NZFC to collaborate and pro-
actively engage with industry associations in promoting international
standards of film and television production.

Currently there exists no standard contract between performers and
producers. This is standard practice around the world. In Australia, the United
Kingdom, Canada and in the US performers have standard contracts, which
include minimum working conditions, and residuals on screen work. These
contracts are negotiated between the performers’ unions such as British
Equity and the Screen Actors’ Guild (SAG), and producers. These contracts
give performers and agents certainty about the minimum expectations
performers should have on any film, television or theatre job. Agents of course
are free to negotiate terms which are better than the minimum negotiated
between their union and producers. In New Zealand there are no such
contracts.

While there is a set of guidelines, known as “The Pink Book”, these are not
binding on any producer and do not stand up to comparison with the minimum
conditions performers receive in all other English speaking countries. Despite
a request to SPADA to develop a standard contract, this has been denied.

While NZ Equity is not advocating the involvement of NZFC in what is
essentially an industrial issue, it does however advocate the need for NZFC to
encourage and facilitate a professional industry – one where standard
contracts are standard practice. If necessary, NZFC should facilitate meetings
between the relevant stakeholders.

If the NZFC is seeking to develop sustainable businesses, this should be
within the context of appropriate labour practices – not at a cost to performers
and crew. A sustainable industry is one where it is sustainable for all
participants in that industry.

NZFC must take an appropriately realistic approach to ensuring this
development of sustainable businesses by ensuring that all productions and
production companies funded by NZFC meet appropriate minimum employment standards in engaging performers and crew. A truly sustainable industry (at a macro level) and sustainable enterprises (at a micro level) requires realistic employment practices that ensure that performers and crew are not exploited.

7. Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

NZ Equity notes that research and information on the film industry is one of the core functions of the NZFC under its Act:

“To gather collate, disseminate and publish information that, in the opinion of the commission, relates to the making, promotion, distribution and exhibition of films”

NZ Equity believes that regular/annual, benchmarked research into the NZ film industry similar to the approach by Screen Australia’s Get the Picture and other publications needs to be undertaken. Intermittent case studies, statistics on box office takings and information provided through the Annual report remain critical but a systematic, benchmarked approach to research needs to be instituted in order to provide relevant information useful to the industry and policy development. This will take resources and a dedicated research officer who would collate, undertake and distribute research and information on the NZ film industry in an accessible form.

9. Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money.

In considering NZFC’s structural, governance and management arrangements, NZ Equity considers the following principles to be fundamental:

- the organisation/s must be independent and at arm’s length from government;
- utilise and be staffed with personnel with industry expertise in order that peer assessment and industry knowledge is maximised;
- the board must be made up of representatives of the film industry – including writers, directors and at least one performer – not just producers and distributors, and the wider business community;
- consultation with industry in respect of any proposed future restructure.

NZ Equity notes that there are no performers currently on the board and that the latest influx of three board members did not involve a single industry professional.
10. How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

NZ Equity notes that in a recent NZ Herald article Peter Jackson, the head of the Ministry for Culture and Heritage’s Review of the NZFC, was quoted as saying:

“The film making talent of NZ does not reside in the office of its producers – it’s to be found in the hearts and minds of its writers and directors.”

NZ Equity supports this statement, and we’d go further – in that a healthy national film culture is one that is not merely focussed on producers but on a recognition of the collaborative and creative nature of filmmaking including performers and crew amongst those with a critical creative contribution to any project.

NZ Equity believes that this focus on producers and lack of inclusion of performers by government has unfortunately been the case for some time and remains the case. NZ Equity points to a number of examples where this has materialised in practice.

NZ Equity is aware that prior to the announcement of the current Review, the NZFC ran two invite only meetings for producers and others to discuss immediate plans for the future. NZ Equity was not aware of these meetings. This despite a recent statement by NZFC Chair David Cullwick that: “The NZFC is committed to engaging in [open] discussion with its industry partners.”

Previous to this in 2008, NZ Equity was not consulted by the Ministry for Culture and Heritage prior to the release of draft guidelines nor invited to consultation sessions on the introduction of the SPIF. NZ Equity only became involved in consultations after approaching the Ministry ourselves. In contrast, SPADA were consulted on the current draft of the SPIF criteria and producers were provided with special meetings with the Ministry. The result of this lack of initial consultation arguably led to the less than optimum position of performers under these guidelines. This despite the fact in the last iteration of the Statement of Intent, NZFC states that its goal is to “maintain strong stakeholder relationships”.

NZ Equity believes that there this culture of selective consultation needs to be changed. NZ performers, along with NZ writers, directors, cinematographers and other crew members all have an important stake in the shape and form that NZFC and government guidelines and policies take. The decisions made and advice provided impact directly upon all of those in the film community – not just producers.

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2 Alice Neville, Nicola Shepheard, “Jackson gets stuck in to the Film Commission,” NZ Herald, 28 June 2009

3 David Cullwick, “NZFC’s response to John Barnett’s criticisms,” Onfilm, November 2008
NZ performers therefore have a right to be involved in any and all consultations. In not doing so, the NZFC and the Ministry for Culture and Heritage downgrade the contribution of performers and sustain a culture within government film policy that does not value collaboration and creativity.

NZ Equity therefore recommends that guidelines be put in place to ensure that all stakeholders including NZ Equity are included in any and every consultation. This should involve ensuring that NZFC’s Statement of Intent reflects the requirement to consult with all stakeholders regarding policy and guideline changes and that they report on this.

NZ Equity also recommends the establishment by NZFC of a regular roundtable with industry representatives including NZ Equity (as well as the New Zealand Writers Guild, Screen Directors Guild and the Film and Video Technicians Guild and SPADA) to discuss issues of policy import.
Norman Elder, Independent and General Productions

Dear reviewers;

The establishment of the New Zealand Film Commission in the seventies was seen at the time as an essential part of the drive by a blossoming industry to increase the quantity of New Zealand stories produced for cinema release.

The result initially gave us some great kiwi films. Many were made possible by a tax treatment later disputed by the IRD. The subsequent shut down of private funding streams has lately made the path to the silver screen more complicated. The financial packages now require a significant level of production skill, proven creative experience and international partners.

This has had an impact on the ability of up and coming talent to tell their stories with any degree of regularity and even less success of achieving significant distribution of the finished film. Despite this, young Kiwi story tellers still want to tell their tales and get them seen. The 48 Hour Film Competition is a great example of the level of enthusiasm and skill that exists.

On the other hand if the NZFC continues to follow present financing models, the Board will be funding fewer films that require a greater proportion of its money.

This model can change. The change can bring about a revolution in the number of stories told and how we tell them. The change, and the way forward, of course involves the Internet

Through the Internet the world is embracing a new approach to how we access stories. With downloads or streaming, from a “YouTube” or a film store, legal or otherwise all the traditional models of distribution are being subverted.

These changes may be driven by technology, however the process is having a fundamental impact on the stories being produced. The limitations of story duration required by film and TV distributors are no longer such a problem. Your story can be as short or as long as you want it to be. It can be serialised. It can be marketed in different ways to different audiences. It can be marketed in different ways to different sponsors. Best of all it can be done on the cheap.

The NZFC, a funder with limited resources, could and should work with a greater number of young digital film makers and find ways to make the Internet and everything it has to offer work for New Zealand story telling.

With better focused funding combined with increased sophistication of the HD digital capture and authoring process, the Commission can confidently expand its existing “digital initiative”. It can embrace every element of the process and work to make every dollar go as far as possible. There is no doubt you still need a good story and a team to make it happen, but this technology is definitely working for young film makers.
The high end motion picture experience will continue and, as they have in the past, there will be Kiwi film makers who will excel at that process. The question is, does the NZFC need to invest millions in shaping those specific careers? The stars will still shine and the chance of mingling with industry heavy weights can be handled much more cost effectively.

In the meantime teams of young motion picture story tellers can be out there producing many more films that a restructured NZFC marketing division can help push in directions that can ensure more people than ever are watching the latest tale from New Zealand.

Suggestions:

- The Film Commission shift its funding focus to low budget digital production
- The Film Commission Marketing department establish a separate web site to promote and distribute all current production.

Regards,
Norman Elder
Paul A. Barlow, Chairman, Film Waikato

I am writing this submission as part of a consortium of Waikato based film makers who wish to have their views on the current way the New Zealand Film Commission (NZFC) undertakes dealings and how they have seemingly dictated the Waikato to be a place where little can occur within the New Zealand Screen Industry.

Over the past few years the amount of interaction between the region and the NZFC has substantially increased, all of it having been initiated from the end of the film makers. However the times that the NZFC has offered support to Waikato based film makers is rather small.

We have had some success in obtaining funding for Waikato created short films, generally after the film has been completed and is starting to see success in the festival circuit and at least one Waikato based writer has been selected twice for the NZFC first writer’s initiative, once making it to the second round of the scheme.

There are a number of other Waikato based projects that have approached the NZFC for various reasons. Primarily this has been funding but I have personally approached the Commission in the past for advice on distribution channels, festival promotion and up skilling the Waikato regional film makers so they can better interact with the NZFC.

The frustrating part of the process is the lack of feedback offered. While it is not enjoyable being knocked back on a project you feel passionate about, the lack of any feedback or reasoning for such decisions makes it impossible to know what could be done to be improved or more amenable for the goals the NZFC wish to achieve.

While from a purely time management point of view offering feedback is a time consuming activity, surely the aim to encourage the growth of the screen industry is one that would benefit from such actions.

To counter this lack of feedback and support I personally approached the NZFC with an aim of finding ways to get the NZFC to actively work with Waikato Film makers for the regions professional development. I spoke with two current NZFC employees about this. One told me as far as she was concerned the Waikato industry wasn’t developed enough yet to warrant such interaction, the other was behind it 100%, offering to visit the region, meet film makers, hold forums and workshops to make sure the local industry knew what the NZFC was after and how to effectively work with them within their government dictated parameters. Yet the word never matched the actions after the initial meeting and despite attempts to follow up all correspondence was ignored.

Perhaps if the NZFC involved the regions more closely during funding rounds or offered some sort of regional based workshops the regions film makers could benefit more widely from the support structures and networks the NZFC
has built up over the years. It should also be noted that those short films that the NZFC has shown interest in all seem to stem from support networks within local training institutions, most notably Wintec. Perhaps there is room for partnership opportunities within these institutions.

For many here it feels like something of a catch 22. We can’t develop to a more professional level without the support of the NZFC but to get that support we seemingly need to reach that professional level.

In summary, our primary concerns are:

- The perceived lack of industry support from an early point in pre-production on strong concepts
- The lack of feedback from NZFC which could ultimately benefit Waikato film makers.
- The lack of NZFC support in growing and encouraging the screen industry within the Waikato Region
- The catch 22 situation local film makers find themselves in regard to professionalism versus development.
- Development of partnerships with local organisations such as Wintec and the Waikato University.

As a region our strengths have long been in our primary industries, the Waikato will always be known as a dairy farming area, but there is also a lot of initiative and talent from the region. It’s easy to be overshadowed by our bigger neighbours but it’s important to the local film making community to make itself heard as well, and to do this we need to tell our stories, which are still New Zealand stories, something that the NZFC could help us achieve.

Paul Barlow
Brent Chambers, Creative Digital Content Auckland

I am writing to you on behalf of Creative Digital Content Auckland. Founded in June 2008, CDC-Auckland is an industry organization representing the interests of creative digital content companies in the greater Auckland region. Our organization brings together around 50 companies with activities across the animation, gaming, visual effects and education sectors.

Thank you for the invitation to provide comment. We believe the review being undertaken by Mr Jackson and Mr Court is an important opportunity for the New Zealand Film Commission to develop its understanding of the digital content space, in particular animation and visual effects. We also believe it is vital that our sector receives greater acknowledgement and focus given its rapidly expanding role and significance to global film industry today.

* Animation and visual effects is a multi-billion dollar global industry

Feature film animation has enjoyed uninhibited prosperity since its revival with Disney’s ‘Beauty and the Beast’ in 1991. Commercially, this film genre has been highly successful with five to ten of the top grossing films produced each year since 2000 being animated features. Similarly, the visual effects industry has exploded over the last 20 years, paralleling the exponential growth of the computing and software industries.

In 2006, commentators predicted global “filmed entertainment” revenues to reach $100b by 2010. Today, figures show animation and visual effects related projects represent around 25% of screen content produced each year. Internet sources suggest that 18 of the top 100 grossing films of all time are full animated features, and a large majority of the remaining 82 contain significant elements of animation and visual effects.

*In order to establish a foot hold, the New Zealand animation and visual effects industry relies on funding sources such as government, as do the vast majority of film production companies here

New Zealand producers are small by global standards and making it difficult for us to draw direct comparison to global figures. With some notable exceptions, New Zealand producers don’t have ready access to large-scale private investment or global distribution channels that our US and Canadian contemporaries enjoy.

Budgets and distribution issues aside, representation of animation and visual effects has been disproportionately low when it comes to Film Commission board representation and funding decisions.

We note a number of short films have been supported however, since its inception in 1978, the Film Commission has not granted funding support for the production of an animated feature, with the possible exception of development funding for Bro'Town the movie.
* How do we clear the way for the Film Commission to support the New Zealand animation and visual effects sector?

While considering the review questions put forward, a number of issues were raised by the members of the CDC group, including:

- SPIF and LBSPF - historically, these programmes have been put forward as a solution to funding issues, however we have found them to very difficult to access and, in particular, we believe the SPIF can be used in better ways
- International co-productions – co-productions are our most likely path to success, given the budget requirements of a digital feature, however there are issues surrounding the Film Commission working with production companies to put together a co-production deal that need to be addressed
- Auckland represents two thirds of the national production industry - we would like to ensure there is fair representation of Auckland production interests on the Film Commission’s board

* We wish to highlight that animation and visual effect projects vary considerably from traditional live action films and need to be treated differently

It has been suggested that animated projects are higher risk and costly. It’s is accurate to say differences lie in the production process - longer lead times and greater investment per minute of output - however it would be inaccurate to equate this to less value for money.

An animated feature represents a potentially better commercial model than film, with greater downstream revenues possible for a number of reasons, not the least of which are:

- Digital assets can be easily repurposed and more immediately delivered across multiple platforms such as web, mobile, video games and other entertainment channels
- Animated features are more likely to be character based, family oriented and of a nature that is more readily exploitable in terms of secondary revenue streams, including merchandise

We note that NZ On Air’s policy is to support television projects with cross-platform potential.

* CDC-Auckland believes one of the most effective things the review team can do is to commission formal research and analysis of the genre of feature film animation, including visual effects, with a view to being better informed and equipped to assist with new animated feature projects.

We recommend that a review of this nature would require a high degree of international and local expertise. There is considerable expertise available,
with the likes of John Barnett, Richard Taylor and Andrew Adamson to call on, as well as members of the national animation and visual effects community, many of whom are uniquely qualified. As the Chair of CDC-Auckland, I would be pleased to be involved.

We recommend that research should be conducted with brevity, and should focus on the following key aspects:

1) The macro worldwide environment
2) Local issues including co-financing, quality of projects, length of commitment of funding before green light
3) The cross-media nature of production and finance – taking into account television, games and the wider entertainment industry

From this research, analysis and review process we would anticipate the following outcomes:

- The development of a Film Commission structure that is more aligned and better equipped to evaluate and support animation and visual effects related projects
- The inclusion of an animation and visual effects industry representative on the Film Commission board
- The forming of a concrete and transparent policy on animation and visual effects industry and projects
- A more cohesive and cooperative approach across all government agencies for the production long-form content, in particular animation and digital content
- A better structured international co-production policy that addresses the unique aspects and needs of the animation and visual effects sector

In summary, CDC-Auckland believes animation and visual effects is a pinnacle issue of the Film Commission review and we would like to arrange a time to meet with the review team to engage in further discussion.

Thanks and regards

**Brent Chambers**  
Elected Chair  
CREATIVE DIGITAL CONTENT AUCKLAND
Dear Sirs/Madams,

We are two film makers who have been writing, directing and producing films for over ten years, both in New Zealand and abroad, with a special focus on the Chinese market. With regard to our own filmmaking practices there are three main areas we would like to focus on with regard to the NZFC review: distribution, integration with the expanding Asian market, and film producers’ criteria to get support from NZFC.

**Distribution**

As technology, market and business models are changing the way film is consumed and distributed also change. This has to be reflected in the way the NZFC devise their policies and distribute their recourses.

If no-one sees the films we make there is no point in making them. Distribution should therefore be just as important as the production itself. I don't think this is the case today. Too many New Zealand produced films end up on the shelf because they are poorly distributed.

Moreover, the open market has got its own interests and funding protocol. However, the NZFC surely must have an agenda beyond that - to support a more critical voice and to push the creative boundaries into territories commercial forces might not. Not to say that we should make films no-one what to see, however in a democratic society there must be a support for a dialogue outside the commercial interests.

**Asia v. West**

Having participated in the film festivals / markets at Rotterdam, Berlin, Hong Kong, Cannes and Shanghai, we were very surprised that no NZFC representative was present at either of the Asian festivals. In terms of more traditional distribution (film seen in cinemas) the Asian, particularly Chinese, market is booming (unlike the declining Western markets) and we are surprised that the NZFC was not / is not looking to capitalise on this. Yes, NZ films were showing at the Asian festivals - but as is so important in Asian business dealings, representatives are needed on the ground to build relationships.

Additionally, NZ is negotiating a Sino-NZ film co-production treaty and, with Chinese investors and co-producing partners eagerly wanting to engage with Western partners, we find it somewhat disheartening that there is little NZFC support for Sino-NZ co-productions.

**Producers criteria to get support from NZFC**

One of the biggest issues we have with the NZFC is that in order to gain NZFC support an 'NZFC-approved' NZ producer must be attached to the project as well as a sales agent and / or distributor. In the first instance, regarding an NZFC-approved producer, we feel that this is incredibly limiting, and producers who have been recommended to us in the past have not been
those we would typically choose to partner with. Regarding the attachment of a sales agent or a distribution pre-sale we feel that such a notion needs to be challenged in the face of a dramatically changing distribution landscape, as discussed above.

Yours sincerely,

Jodi Smith

Arvid Eriksson
Annamarie Jagose, Film, Television and Media Studies, University of Auckland

This submission captures the key points of agreement emerging from a panel presentation and focus group organized around the Terms of Reference for the Government Review of the New Zealand Film Commission and hosted by the Department of Film, Television and Media Studies at the University of Auckland on Friday, July 24th 2009.

This workshop was attended by some 40 interested parties, including teaching staff, graduate students from both screen production and academic programmes, industry practitioners and members of relevant guilds. As might be expected at a tertiary institution, there was a strong representation of highly educated young people; less expected, perhaps, is the fact that this group represented a wide range of class and cultural backgrounds.

As the largest and most highly ranked teaching and research unit of its kind in New Zealand, the Department of Film, Television and Media Studies is in a good position to comment on the “output” of the New Zealand Film Commission (NZFC). For over a decade, staff of the Department have taught and researched in the area of New Zealand film as well as received funding from the Commission for various creative projects. Consequently, from both academic and practitioner perspectives, the Department is aware of the Commission’s high points and its lows, as well as the changing political and technological context within which it works.

Given that our teaching tends to emphasis textual, genre and socio-political analyses, however, this submission does not comment on the current Large Budget Screen Production Grant Scheme nor the Screen Production Incentive Fund, since to measure their effects on film culture would require specific quantitative research (see term of reference 3).

The following summarizes the key points of agreement from the wide-ranging discussion.

NZFC’s roles and responsibilities

a) It was generally acknowledged that the NZFC plays an important role in New Zealand and there was no suggestion that it should be dispensed with. A vibrant film culture was seen to impact positively on New Zealand’s “cultural health” (a term meant in the broadest sense to convey a sense of well-being and belonging derived from national and local identity, youth culture, an engagement with topical issues and a sensitivity to others). Of less interest was the much vaunted notion that film “exports” were good for the country as they promote New Zealand globally: although this may have had some positive effects for tourism, it was largely seen as an economic argument that had little or even dubious value (see terms of reference 4 and 5).
b) It was noted that the NZFC has multiple roles, in so far as it is simultaneously a development and professional training organization, a funding body and a sales agency. This last role especially came in for strong critique on the grounds that considerable resources can go into works that no other distributor with a commercial mandate will consider; if they are intended to be “international” in their orientation, it was felt that New Zealand films should not be propped up automatically (see terms of ref. 4 and 8).

As regards its various roles, there was the suggestion that the NZFC become more of a hub with its multiple roles clearly demarcated. As part of this process, there was the suggestion that the NZFC regard the devolution of its power as one of its major roles by supporting schemes that emerge from the community so as to facilitate filmmakers in making their own films, create distribution channels, run their own workshops and so on (see terms of reference 2 and 5). Although there has been some experimentation with devolution along these lines, there has also been a degree of caution that has led to constraints. As a consequence, some promising developments, such as the Digital Feature Film Scheme, ended before they had a chance to realize their potential. There was a strong suggestion that the NZFC should consider possible models of micro-funding to facilitate community-, group- or individual-driven projects, where the role of the NZFC may be to match funds raised by grassroots means (see terms of ref. 8 and 11).

c) It was generally recognized that the NZFC has moved from being a filmmaker-led organization to a more bureaucratic one. One solution to what is perceived as a heavy-handed bureaucracy would be for the Commission to act as a central hub for a locally vibrant community, as described above, with a philosophy of being responsive to the needs of filmmakers rather than prescribing ready-made “solutions” (see term of reference 2). The point was made that many talented filmmakers (often writer/directors) do not even bother approaching the Commission and operate “under the wire” as they see the funding process as too protracted and committee-based. The need to have an established producer on board can stymie bright young writer/directors. These filmmakers are often now deploying digital technology, which allows them to keep costs down, and many are producing vigorous and innovative films without the need for an established producer (see term of reference 1).

d) There was a strong sense that the industry needs to be led by the “creatives” and that the NZFC funding system has given over too much power to the producer (see term of reference 10). There was a perception that an “insider” group of producers was determining the direction of film culture and marginalizing the role of the writer and director, although it was acknowledged that the role of the “creative producer” could be critical, too.
Response to economically orientated priorities

e) There was a general sense that the problems of having a small potential audience coupled with an overemphasis on profit had led the NZFC to privilege international impact and success over local relevance (as indicated by the fact that the word “domestic” is repeatedly coupled with “international” in the review’s terms of reference; see terms of reference 1, 2, 4, 6 and 11). The consistent use of terms such as “sustainability” and “success” stress economic imperatives at the expense of a recognition of cultural developments on the ground. This has resulted, for example, in a rash of funding for certain genres, such as horror, in the hope of increasing financial return (which has largely not materialised). The focus group felt that the “sustainability” of the New Zealand film industry should imply much more than financial survival: a sustainable industry should nurture talent, support creativity at various levels (producing a more diverse range of films, from experimental film and documentary to blockbuster features), generate filmmaking capacity, encourage ingenuity and self-sufficiency, and facilitate individual careers and industry structures (see term of reference 10).

“Quality” and “diversity” were seen as vital criteria that were too often overlooked when the question of sustainability was approached. It was acknowledged, however, that even supposedly local, modest films often had budgets beyond the reach of the NZFC on its own, which meant that coproduction relationships, and the concomitant compromises they involve, may be necessary. It was felt, however, that it has not been a successful strategy to privilege “internationally orientated” features, with their long development gestation, over more modest and perhaps more locally responsive films.

Culture and diversity

f) There was some frustration expressed about the NZFC’s frequent incantation to “tell New Zealand stories.” There was a sense that the NZFC, to the extent that it supports films for local and national audiences, has tried to control the direction of local culture and has promoted a narrow conception of what constitutes “our” stories. It was agreed that meaningful national film is not “painting by numbers” and cannot be mandated or decided in advance by committee. Concern was expressed about the potential burden placed on creatives to represent “New Zealand”. It was argued that this has led to the commodification of culture and community and that the much-praised economic success of indigenous representations does not inherently serve the needs of the community (i.e. Once Were Warriors and Whale Rider). It was deemed impossible to prescribe in advance the meanings of “New Zealand” or “culture” or “indigenous” and seen as more important to let the films and the people who are trying to tell stories do the work of defining. There was a conviction that the stories
themselves will reveal more about these abstract concepts than a statutory definition (see term of reference 2).

g) It was strongly argued that more emphasis needs to be placed on diversity. As sources of diversity cannot be predicted, there is a need for consistent and multiple levels of funding support for a wide range of films—such as micro, low-budget, starters and shorts—to encourage the next wave of interesting filmmakers (see terms of reference 1 and 8).

Māori content

h) Whereas “Māori content” has underpinned many of our successes, as seen above, it was felt that Māori interests have not necessarily been served. It was unanimously agreed that to the NZFC should recognise Māori in governance structures, consistent with our Treaty obligations, and continue Te Paepae Ataata with increased and more realistic levels of funding (see term of reference 2).

Education, technology and developments in the industry

i) It was felt that the NZFC was not sufficiently keeping up with technological shifts that are transforming production and particularly distribution of New Zealand films (see term of reference 1). The NZFC was seen as wedded to older, expensive modes of production and somewhat protectionist modes of distribution that mean certain opportunities such as multi-platform distribution are not even being considered. Rather than responding to developments happening within the community, the NZFC gives too much weight to an “A-list festival/international distributor” model that sometimes prevents it from seeing the talent under its nose. It was recognized that other distribution venues, especially those available via new media, could be supported by the NZFC to encourage the exhibition of local films—thus bypassing the limited agendas of commercially driven exhibitors (see term of reference 9).

Structural concerns

j) There was recognition that the NZFC has had a commitment to development and education, both in script development and in professional training. This was seen as largely positive, although there was a sense that this mandate needed refreshing, as it has become more orientated towards economic sustainability and the international marketplace than to training and maintaining the skills needed to develop careers over time. There was an agreement that there could be more emphasis placed on youth rather than the “producer” class and that different strategies could be deployed to encourage young school-age people to experiment with filmmaking through regional and national competitions, a model that has worked successfully in the music industry (see term of reference 6).
There was some discussion too about the emphasis still placed on the short film. Although our current students and graduates have benefited from the short film schemes and have often achieved visibility with their shorts, it remains difficult to see the films, which reiterates the point that the NZFC needs to develop more technologically diverse modes of distribution.

k) A series of points were also raised about the structural and legislative underpinning of the NZFC that has often constrained the institution to a mode of binary thinking: high OR low budget, director OR producer, documentary OR drama. There was a feeling it was more important to look at the quality of the individual work and to recognize that there are different kinds of filmmaking for different audiences. For example, a locally relevant project for a small community should not have to jump through the same hoops as a feature film for international distribution (see term of reference 1). There was a perception that films were often micro-managed into existence through the imposition of a prescribed set of resources, which could undercut their vitality.

l) The possibility was mooted that the NZFC could develop international links with other film bodies, particularly those that have small-scale film industries. A model here would be the relationship Māori Television has begun with the World Indigenous Television Broadcasters Network, which is designed to pool resources and ideas (see term of reference 8). Although there was some concern that such linkages might dilute New Zealand specificity, this model was seen as preferable to the more individualist one of trying to succeed in an arena dominated by North American blockbusters.

Another model mooted was one that followed the lines of More4 or ZDF Arte, where public funding provided to both television and film was combined and a more cooperative relationship developed that allowed for both feature distribution and television distribution to flourish. Although co-funding can occur here, the relationship between New Zealand television and film institutions has so far been relatively competitive and hostile. It was emphasised that this should be a cooperative collaborative relationship, however, and there was no suggestion that the funding sources should be collapsed into one “über-agency,” as this has undermined the vitality of film culture in other countries (see term of reference 9).

We appreciate the chance to contribute our thoughts.

Regards
Professor Annamarie Jagose
On behalf of the Department of Film, Television and Media Studies
Alex Lee, The Documentary NZ Trust

Background
The Documentary NZ Trust (DOCNZ) is a not for profit Trust set up to promote documentary films and to advocate opportunities for New Zealand’s documentary film-making industry.

We have received minor funding for the running of the DOCNZ Film Festival and Awards but have not received any infrastructure funding as yet.

NZFC’s Mission Statement and Vision
It is our belief that the New Zealand Film Commission’s work must be underpinned by a mission statement and vision.

We believe that this should be:

To nurture, support and promote NZ screen media talent, the production of NZ screen media and a thriving, sustainable and culturally relevant screen media industry in NZ.

Our Vision is that create an environment whereby NZ will be an international hub, a centre of excellence and a natural home for screen media creation: an international innovative leader with a diverse and vibrant screen media culture and a flourishing, competitive screen media industry.

Immediately from the above, you will note that we have taken a step to classify the format as being screen media rather than film alone. The word film is archaic and no longer represents the changing face of our industry which needs to embrace the full range of screen media and its challenges.

NZFC’s work should bear the mark of the following principles and guidelines:

- Work with a global perspective whilst retaining and developing a diverse NZ voice and identity.
- Pursue national and international opportunities for cooperation
- Deliver both cultural and economic outcomes
- Promoting creativity and innovation. Be willing to innovate, experiment and challenge
- Provide transparency and quality of communication i.e. share information and ideas with integrity
- Create productive client partnerships that are mutually beneficial relationships
- Stimulate, develop and upskill our industry and practitioners so that we can respond to the changes and challenges in the screen media industry.
- Operate with integrity and equity i.e. to provide equal opportunities to everyone and not to create pods of “preferred” producers/directors/screen writers
• Increase diversity in participation both at the creative and decision making levels
• Facilitate and not “gate-keep” and “obstruct”

NZFC’s Objectives

NZFC’s objectives should be:

1. Build and upskill a competitive and vibrant screen media industry with the creativity and skills to succeed
2. Support the development and production of high quality screen media that will attract audiences
3. Develop opportunities for screen media industry and practitioners to have more sustainable careers
4. Support NZ filmmakers in the making of culturally distinct and relevant screen media
5. Stimulate greater choice for audiences
6. Widen opportunities to learn about screen media and encourage more people to use them
7. Promote NZ screen media and talent around the world
8. Build a strong NZ screen media culture and foster greater appreciation of the creative entrepreneurship within the screen media industry.

BASED ON THE QUESTIONS RAISED IN THE TERMS OF REFERENCE:

Q: What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context?

NZFC needs to consider how to meet the challenge brought on by changes in digital technology, social networking and participation. NZFC is required to review the different formats/platforms that are now available, how such changes affect the type of productions that should be supported and the forms of delivery of the completed products.

It is also necessary for NZFC to work more closely and collaboratively with other overseas screen industries to ensure that we keep upskilled and informed as to new developments and technology. This also enables us to share resources.

Funding is getting harder to secure and it is vital for NZFC to recognize the need to work on co-productions. Central to this is the need for NZFC to continue to work on fostering of co-productions at an international level, to develop good international relationships and spearhead the initiatives to develop new co-production treaties.

Q: How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?
NZFC’s Areas of Work

We believe that the NZFC should focus its attention on the following areas of work:

1. Talent development
2. Project development and funding
   a. Script development
   b. Project funding
   c. Post-production funding
3. Upskilling of our industry through workshops, seminars, labs
4. Industry promotion
5. Audience development
6. Funding of screen professionals to attend festivals, markets and other industry development events here and overseas

Talent Development

Crucial to any industry is to nurture and develop the talent. In this regard, the NZFC has done some good work in this area. However, it is necessary to recognize the importance of keeping up with the changes and challenges that come with the fast changing technology which necessitates that we look at and emerging media, processes and delivery.

We should continue to develop the creatives in:

1. Screen writing
2. Directing
3. Producing
4. Editing and other technical skills

It is also very important that we also seek to equip our creatives with business skills in areas like:

1. Budgeting and finances
2. Distribution and sales
3. Business planning and strategies
4. Proposal writing and pitching

It is good to be developing nurturing and developing creative skills but this must be matched by the industry becoming more business savvy.

Project Development & Funding

It is important for NZFC to remain a funder of NZ films. In this regard, there are four elements to funding NZ films:

a. Script development
b. Production funding
c. Post-production funding
d. Festival screening and 35mm transfer

With script development, it is important to determine which stories can apply for script development. DOCNZ is firmly of the view that script development is vital not just for drama but documentary. Documentaries must be supported by strong scripts and this should be acknowledged.

A further issue which needs to be discussed is what makes a NZ film.

a. Does the label NZ film means a film with a NZ story or a film primarily made by NZ creatives?

b. Is the role of the NZFC in supporting NZ films or NZ stories or a combination of both?

There is room for both. NZFC should be able to support NZ films which have a high degree of NZ cast and creatives.

We draw attention to the Irish Film Board’s criteria:

**Irish Film Board**

The Irish Film Board funds movies that are more non-commercial films. They prefer to fund films that will culturally benefit Ireland, and not just entertain. They tend to lean more towards films with Irish affiliation.

Such as films that:

- are of ‘Irish initiation’ in a creative sense; that is, conceived, written and to be directed by Irish talents
- tell Irish stories, drawing on and depicting Ireland’s culture, history, way of life, view of the world and of itself
- entail new Irish filmmaking talent in key creative roles, i.e. director, writer, producer, composer, principal actor

If the film is of a strong Irish background (story, plot, characters, setting) but that is directed by a non-Irish talent, will be looked at strongly in order to assure quality.

A fundamental reason for BSE/IFB’s existence is to encourage, sustain and promote work in Ireland that is made to be shown on the big screen. They do a little television but mostly strive for the cinema.

Other considerations they take in when deciding on a film are:

- **Spend in the Irish economy**
  - Will the film be shot in Ireland?
  - Will the production make extensive use of Irish production and postproduction facilities?
  - Will the project attract inward investment into the Irish economy?

- **Sales and Distribution**
- Is an international sales agent attached to the film?
- Does the film have an Irish distributor?
- Are any distributors or broadcasters providing production finance?

**International Production**

This programme, although subject in broad terms to BSÉ/IFB's normal cultural criteria, is more industrially driven than creatively driven. Provided that the principal producer has a good track record, and the creative package appears plausible, assessment by BSÉ/IFB will be based primarily on consideration of the economic ‘multiplier’ effect of its funding, and of the opportunities for Irish personnel to be employed in key positions.

We like the methodology adopted by the Irish Film Board and suggest that this is a model to reference to in this review.

We submit that funding should be made available for:

- culturally important films telling NZ stories
- NZ films that are made and/or written by NZ creatives i.e. NZ involvement and creative direction of New Zealanders in the project.

This will allow NZFC to fund both commercial films and films that have a compelling reason to be told.

**We also submit that it is important to and desirable for NZFC to fund both documentary and drama.** The NZFC has had a policy of not actively supporting documentary. Documentary has been supported often in postproduction and certainly, it has been a long standing view that there is no development funding for documentary. However, we note that *Untouchable Girls: The Topp Twins*, has become the biggest documentary box office hit in New Zealand and already has festival invitations to attend Melbourne International Film Festival and Toronto International Film festival.

This film was introduced publicly and pitched for the first time upon DOCNZ selecting the project and encouraging Arani Cuthbert to pitch the film at DOCNZ Summit 2007. It was there that she secured interest from various parties and linked up with Leanne Pooley, who later went on to become the Director of the film.

We also note, that there have been other directors supported like Annie Goldson (*Punitive Damages, An Island Calling*), Gaylene Preston (*War Stories My Mother Never Told Me*) Pietra Brettkelly (*The Art Star and the Sundanese Twins*), Justin Pemberton (*The Nuclear Comeback*), Vincent Ward (*Rain of the Children*), Zoe McIntosh (*Lost in Wonderland*) to name a few. Most of these documentaries were supported in post-production but all of them have been critically successful and a wonderful testimony to NZ’s ability to create cinematic documentaries.
Zoe McIntosh and Annie Goldson also pitched their projects first at DOCNZ leading to support and funding and the eventual successful delivery of their films.

**Q: What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?**

NZFC should take an active role in promoting the various schemes. The Incentive schemes need to be competitive as compared to other incentive schemes offered by other countries. In the past NZTE has taken the lead role in promoting these schemes whereas it is our belief that this role is best managed by NZFC. This includes providing information, running seminars, attending film markets and this can be done in conjunction with the work of promoting NZ as a location and the use of our industry.

**Q: What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?**

We believe that NZFC should not be in the business of sales or distribution of films. This is a commercial activity that should be managed by commercial operators. By NZFC taking on sales and distribution, there is a perception that those in a NZFC catalogue were chosen on the basis of quality and those films which are not in the catalogue didn’t make the cut.

Secondly, we also believe that the money used to keep full time staff working in sales and film distribution as well as the costs of travel for these staff to overseas markets can be better utilised in other areas of NZFC’s work.

Thirdly, NZFC should keep a database and catalogue of all NZ films which will provide details of the films and contact details of the filmmakers and their sales agent/distributor. It would be ideal for NZFC to have an online catalogue which can catalogue trailers that can stream on the World Wide Web. However, we reiterate our view that NZFC’s role is not to sell or to distribute but to catalogue.

NZFC should promote our industry and country internationally. This can be achieved by way of:-

a. Provision of information and resources about our industry, our capability, our locations, our people.

b. Provision of information as to filming in New Zealand, tax incentives etc

c. Working closely with organisations interested in promoting New Zealand films and supporting the wider industry.
• We suggest that NZFC and Film New Zealand should work together in this area. Perhaps there is an argument for Film New Zealand to become a part of NZFC. Film NZ is now taking on the work previously done by NZTE in promoting NZ as a film destination.

• NZFC should work closely with the regional film bodies. We believe that regional bodies like Film Auckland, Film Wellington etc need to retain a separate organization but NZFC should support them.

• Continued support for the various industry organizations that deliver outcomes which help to enhance our industry’s capabilities e.g. SDGNZ, SPADA, WIFT, Nga Aho Whaakari, Form Script to Screen and The Documentary NZ Trust.

  ▪ This can be measured by having organizations provide business plans which state the activities and events they wish to run, desired outcomes and funding required. NZFC should fund events and activities that deliver to a wider group of people than a select group of people. It should also fund those initiatives that assist up to future proof our industry in view of changes to technology.

  ▪ Infrastructural support to assist these organizations to operate and carry out their objectives. Funding should be measured by looking at factors like whether the organization has other means of support eg. Membership dues. Where there are organizations that deliver outcomes that do not have a membership base to charge subscriptions, we believe that they should be supported more than those organizations that can rely partly on membership dues provided they are building industry capability and opportunity.

  ▪ Support for film festivals that help to build a screen culture in New Zealand, provides a platform for NZ films as well as those that bring in successful international films that are unlikely to be seen on the general circuit. While there is an argument for bringing in commercial box office successes, such commercial box offices successes are likely to be secured for general theatrical releases in New Zealand.

    It becomes a more compelling argument to bring in films that may not necessarily get seen otherwise as well as films of which their director/producers are able to visit and speak in New Zealand.

    It is however, our view that visiting filmmakers should not only just do a short question and answer session but that their visit if funded by NZFC would engage the industry as well.
Sharing resources, networks and working together at festivals and markets to create better platforms to promote the New Zealand film industry as a whole.

Q: Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

Yes, there is a need to change NZFC’s role. Fundamentally, this will be aligned to the mission, goals and objectives set out for the NZFC. We believe that the role of NZFC is as we discussed earlier. However, it is important that NZFC does not take on the role of a studio or a producer. It is a facilitator and it helps to build on industry.

In the international environment, it needs to create partnerships and ensure that our industry is ready to meet challenges as well as to compete effectively worldwide for funding, critical acclaim and box office success.

There needs to be greater collaboration and cooperation between film, TV and other screen media production/creation. Although film and TV funding considerations are different, there needs to be more dialogue and cohesiveness between the two sectors.

Often, films are being delivered in different formats e.g. feature film, festival film, TV cut-down, DVD/online distribution and other mash-up formats. Internationally, often in any one project, funding has been achieved through a consortium of co–production funding comprising local and international film and TV bodies.

It is also vital that we recognize and respond to the changing audience interests in the different genres and formats available. Screen bodies like Screen Australia, UK Film Council, Irish Film Board, Singapore Film Commission provide funding and development support to:-

- Drama
- Documentary
- Digital and new media

In the past, NZFC’s priority has been in feature drama with pod support given to short films. It has also invested in the Screen Innovation production fund. However, it does not expressly support documentary films not digital and new media. This needs to be addressed and rectified.

Q: What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

We believe that the following principles underpin NZFC’s objectives and strategy for professional development, training and industry support:-

- Future proofing of our industry
Discovering and developing our new and emerging talent
Upskilling and refreshing existing practitioners and creatives
Supporting a NZ voice and identity in storytelling
Developing the skills and knowledge base of our NZ creatives to be able to tell quality, successful stories that can do well commercially and/or achieve critical acclaim
Assisting our industry to develop international links and to foster greater international awareness of our industry and country
Working with other organizations to deliver these strategies as opposed to NZFC trying to deliver these strategies on its own
Transparency in selection processes
Ensuring that support is made available to all and that there be a limit to the number of projects or funding support given to any one producer/director/screenwriter in any one year.
Requiring each applicant to provide a plan how the support they receive, will be passed onto others.
Reporting back by successful applicants as to what they learnt and how they benefited from the support.

Q: Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

NZFC’s newsletter is currently the only mode of communication between the industry and the NZFC. The provision of regular information on a increases transparency and helps to create a community. NZFC should embrace web 2.0 and social networking to engage the industry more effectively.

Further, NZFC’s website should also provide a dynamic interface to our international visitors. Using social networking and web 2.0 skills, NZFC should engage and try to keep the visitors invested in keeping abreast with our industry.

Q: Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how this might be achieved?

As noted above, we believe that it is important that NZFC take an active role in supporting and promoting co-productions. NZFC has also to continue to promote NZ as location and our industry’s capabilities.

One key matter which needs to be discussed and defined is what is a NZ film?

a. Does the label NZ film means a film with a NZ story or a film primarily made by NZ creatives?
b. Is the role of the NZFC in supporting NZ films or NZ stories or a combination of both?

There is room for both. NZFC should be able to support NZ films which have a high degree of NZ cast and creatives.

Perhaps we need to have different funds for different films as well as defining:

- what we expect the levels of NZ and overseas funding to be,
  a. the numbers of NZ’ders working on a project; and
  b. the type of roles. NZ’ders are working in

NZFC should support a sustainable working NZ industry.

Q: Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money.

NZFC’s structure and governance is markedly different from those used in other countries like Screen Australia, the UK Film Council, the Irish Film Board, the Singapore Film Commission as well as the regional screen offices in the various Australian states.

We believe that NZFC needs to redefine itself and look at its core functions and mission statement. As discussed above, it should act as a facilitator which mentors, supports and develop our industry to become an effective international leader in the screen media creation.

We believe that NZFC should working more closely with NZ On Air to ensure that any programmes and funding will be handed out and administered in a consistent manner. This will apply to any digital initiatives that the Government wishes to roll out.

Q: How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

Two thirds of NZ’s film production happens in Auckland and we expect that there are similar statistics for TV and digital production. Yet, the NZFC is situated in Wellington. There is insufficient dialogue between NZFC and the Auckland industry. We also note that main industry organizations are all based in Auckland as well.

If NZFC cannot be based in Auckland, then it should at the very least, have an Auckland office and a permanent Auckland representative. We believe that there is insufficient dialogue and interaction between NZFC and Auckland industry. NZFC is often seen to be Wellington-centric. Further, the travelling costs of having someone from Wellington travel continuously up to Auckland will justify having at least a permanent representative presence in Auckland.
Diversity in terms of participation and decision-making is important. This means embracing the wider diverse communities. NZFC has taken great strides in improving Maori representation but it is now important to extend that same goodwill to the other communities. This is especially given the rapidly growing Asian communities which has been projected in the near future, to become the largest non-Pakeha group in New Zealand. Empowering these diverse groups does not just mean supporting script development but their voices in all areas of their industry should be supported to ensure that any decision or creative story telling is honest and accurate.

All decisions making should be transparent to avoid any tainting of decisions as being biased and “cliquish”.

We support a proposal that NZFC CEO’s tenure should be capped. The NZFC CEO is meant to be a cultural position with a significant influence on our cultural history. There should be new ideas and diversity to reflect an ever-changing industry and country. A cap of five years is a good length of time and continuity can come from the establishment of an Executive Director as opposed to the CEO.

In line with any revamp of NZFC’s roles, aims and objectives, a further review of NZFC systems and staffing levels will ensure NZFC is functioning in the best possible way.

We also believe that NZFC should have a change of name. The words Film Commission is confusing given the way it is used around the world. If NZFC is revamped to take into consideration film, TV and other screen media, then perhaps it needs to have a more generic name like “NZ Screen Office”.

**Q: Are the NZFC’s strategic aims and objectives relevant to the current international and domestic environment and do they take account of the need to manage future funding demands?**

NZFC’s strategic aims and objectives should be reviewed periodically to take into account changes in funding, the co-production environment, and the changes in technology et al. Revising these aims and objectives every 3 or 5 years will assist NZFC to become more focused in their planning and activities.

**CONCLUSION**

The NZFC has been a firm supporter of the NZ film industry. It has been successful delivering many of its outcomes and certainly, the staff have tried their best to assist filmmakers. The current review is timely as the NZFC was set up many years ago based on the needs and desired outcomes then. As a result the NZFC needs to update its mandate as well as revisit its vision, outcome and objectives so that it remains fluid, responsive and contemporary.
While celebrating the many successes of the NZFC, this review allows us shape the future of the NZFC and therefore, our NZ industry. We should not be fearful of change but adopt the changes so that we can continue to excel and lead.

Alex Lee
Director
The Documentary NZ Trust
Dear Reviewers

My name is John Davies, I am the Managing Director and owner of a small private film distribution company based in North Auckland with an office location in Australia as well. I am also the owner and Managing Director of Auckland's Academy Cinema, the only independent arthouse cinema in the city. I am also the producer and almost 100% financier of a low budget feature film released earlier this year called “The Map Reader”. I can't speak for the veracity of this statement, but a long-time local film director told me recently that I was the only producer he knew in New Zealand that had 100% financed his own film with his own money. He didn't know as he said it that we'd had a small post production grant from NZFC on the film. I have also been an associate or Executive Producer on more than three other low budget films. As a distributor for the first five years of my company's existence I would sign $5000 to $15,000 cheques to help get low budget films made. This was at a time when DVD/VHS sales could almost guarantee that money could be recovered and reinvested in another film. I am still doing this to a lesser degree, my latest investment being $7,000 invested in a film called “Captain Amazingly Incredible and the Space Vampires from the Evil Planet” enabling the film makers to finish their low budget post production process. In short, I'm a film entrepreneur.

I have benefited from the NZ Film Commission through P&A grants on various lower level feature releases I have managed including “Kombi Nation”, “Spooked”, “Nemesis Game”, “For Good”, “50 Ways of Saying Fabulous” and more. For years I viewed my involvement with NZ films and the Commission as the Distributor of last resort, the person people would come to when no one else would go near a project for whatever reasons. I saw NZFC participation as part of providing me with both the financial capability and knowhow to deliver distribution for local films. This has I believed paid off with my participation in a kiwi film with a largish MG (large for me), the new Michael Bennett (Writer/Director) Fiona Copland production, “Matariki”. I have also had small participation grants from the Commission for post production on my film “The Map Reader” and a development loan for a new production project.

I believe my extensive involvement in the lower/micro budget feature spectrum uniquely qualifies me to comment on the planned review. My education and development through both my own internal profits and investments and those of the NZFC have given me a clear picture of the local industry and my emphasis on delivery to audiences through distribution and exhibition give me a clear view on what ultimately counts, what audiences want to see.

I have chosen to respond to the review by first re-reading the governing Act of Parliament, then I interviewed the Deputy CEO of the NZFC, and finally reviewed and commented on each of the key questions detailed in the Media
release dated June 18 from the Minister for Arts, Culture and Heritage. These responses are detailed below.

Kind regards
Managing Director
Arkles Entertainment Ltd

**Submission**

1. What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context? This will include looking at technological changes, and the development, financing, production, marketing and distribution challenges that the New Zealand industry faces in an international setting.

By its very nature, the film industry has always been one of rapid change globally so in a sense, nothing has changed in the time the NZFC has existed. Audience demand is always changing. Right now, as recession has raged around the world, cinema audiences in New Zealand have risen to record levels and on the whole, what people coming in the doors of an educated audience cinema such as the one I own are looking for happy and uplifting pictures. In the multiplexes, their traditional audiences are also seeking light entertainment and more escapism. There remains of course as always room for films that cater for the market seeking quality drama and NZFC has kept alive to both sides of this “coin” with funding in films as diverse as “Matariki” and “Dean Spanley”.

The other impact of the recession of course has been on financing films. Whilst I have not seen studied research in this regard, anecdotally fewer films are being made due to less finance being available for film makers. There is also less money available for sales advances from foreign sales companies as the value and predictability of their sales revenues wane as international TV seeks to cut costs as advertising revenues have decreased. This increases the demands on film funding bodies globally to keep their local industries alive and vibrant. On the surface there is a clear commitment from NZFC to maintain production levels, and that is a real benefit to the NZ film industry.

Finally, on the technology front, the biggest and most dramatic of changes is the move to digital delivery of films in cinemas, a massive plus to the NZ Film Commission. It will be entirely possible in coming years to ensure that New Zealand films will be able to come to market without the need for any 35mm film prints, a massive industry lifetime saving and a huge enhancement in distribution for local film. One significant way NZFC can enhance distribution possibilities within the domestic market is to study how it might invest in maximising digital and electronic cinema penetration nationally to ensure local films can be seen in cinemas without the need for 35mm prints. This is a BIG idea with huge ramifications industry wide but offers a massive long term benefit in terms of audience reach and reduced costs of release in terms of saving millions of dollars in creating 35mm negatives from digital masters and
the ongoing cost of prints that virtually never get used outside the domestic market.

2. How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?

I would argue it does this and does this well. There are many films telling local stories that would never have been made if subjected to the rigours of international sales and financing. Recent examples would include “The Topp Twins” (now New Zealand's best theatrical doco ever beating even the Michael Moore films!), “The Strength of Water”, “Rain of the Children” etc.

The development process of the NZFC seems to bring top level projects to the funding of production stage, and as long as commerciality is not the only yardstick, it seems to do a good job of delivering the country a top notch film every few months. We have had a great run of films that meet the demand of delivering on “cultural content objectives and reach(ing) a domestic...audience”. In relation to reaching an international audience, there is no demand in the act to deliver to an international audience so if that is to be a measuring stick for the NZFC one needs a legislative change.

However, where New Zealand gains significant advantages through its Film Commission is that gaining an international audience has always been taken seriously through the sales arm of the NZFC. This arm has taken New Zealand films and production teams to the major film markets worldwide. This has meant New Zealand Films have been presented with a brand coherency that delivers not only in gaining sales for existing films but in generating interest from overseas financiers in investing in the quality end of our production industry. This is no doubt its largest annual investment in the facilitation of “enabl(ing) the industry to develop and produce high quality film projects”. Beyond this, its regular seminars and workshops programme have seen some excellent presentations by global film players delivering real market messages to NZ film making teams. All I would encourage the NZFC to change is to ensure these events are regular and ongoing and that in addition to these, the Board and Senior Managers of the NZFC do at least once a year a meet the film industry tour of the country in large format presentations to report on activity and changes and encourage the industry generally through as public a face as possible for the people we deal with in the NZFC.

3. What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?

I don't have any comment other than on the stupidity of the Screen Production Incentive Fund minimum spend requirement. Now we end up with films that
don't need to be 4.5 to 5 million dollar spends becoming so to qualify for the scheme. This was an under informed and under baked idea of the Labour Government and this specific anomaly should be eliminated to ensure we get best value for the dollar. This was a major change in New Zealand film financing developed almost entirely within the Prime Minister's department of the last government with as I understand it virtually no input from the NZFC and largely as a carbon copy of the Australian scheme but with this silly minimum spend thrown in, presumably as a way to focus the funding on generating foreign production business. In relation to local film making, it just encourages wasteful over resourcing or higher producer fees, or both.

4. What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?

The Act does not provide for a role for the NZFC in “providing assistance to ensure that New Zealand films reach an international market”. It chose under the wide ranging powers it was granted to get involved 29 years ago, but it had no specific brief to do so. The NZFC’s “own interests” should in theory match those outlined in the Act. Honestly and candidly, this question almost looks like it was written by a couple of disgruntled film producers. The NZFC has adopted a pretty open book approach to the international marketing and thus financing of films they are involved in. If as the largest investor in a film they require sales rights for that film, where is the issue? If they are a minor facilitator, I can't see any reason why they would not stand aside from international sales activity if that ensured finance was put in place. They have done so with a number of films that have been handled by overseas sales agents who brought financing to a picture in the past.

In the recent films my company has been involved in acquiring through NZFC, “Rubbings from a Live Man” and “Matariki” the Producers have always been an active part of the contracting process so domestically, I saw no tension between the parties other than that generated by the commercial to and fro of the negotiation and as in some cases in the past, a Producer’s under developed understanding of distribution.

Further, the Murray review of sales activity led to changes in the Film Financing guidelines which should provide even more flexibility in terms of sales agency and thus foreign financial input on local films.

5. Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

I believe the most important thing for NZFC now is a strategic review of its operations and tactics used to develop the industry. It has a Board with new members and a new CEO and this review would, I hope, trigger a review of how the Commission best deals with its brief, but I see this mainly as a
strategic review rather than a global change in its role. For instance, I am on record questioning the use of short films to develop talent within the industry. If the goal is feature films on screens (be they cinemas, TV's, ipods etc) then it seems to me logical to refocus the NZFC involvement in low budget features which offer a more straight forward path of understanding how larger budget features get made. They also offer a clear commercialisation path, in that many low budget features can be sold direct in to the home entertainment and TV market and become accessible to the whole of New Zealand, rather than shorts which get seen primarily by elitist film audiences. A film maker thus gets to see what audiences make of their ideas rather than what Festival judges make of them as is the case for short films.

6. What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

7. Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

I think questions 6 & 7 are interlinked and also frankly a little too introspective for a broad review of NZFC. This links back to my view that NZFC should be charged with a strategic review of activities in all its operations in a similar way to the review of the Sales Agency by Sue Murray late last year.

I believe anecdotally that the NZFC has delivered through both its own auspices and through assistance to industry guilds a fabulous array of learning opportunities for local film industry people. There was nothing better than the two seminars held in the last 18 months where foreign financiers traveled here and talked about how their companies participate in the film process. It was a shock both for the Producers and the NZFC when senior execs stood up and talked about the death of advances and MG's on films. But it was a reality check on how times were changing.

8. Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

I'm not an active Producer so its difficult to respond fully to this question. Anecdotally though, it is clear that there is a significant co-relation between soft funds invested in a film by the likes of national film bodies globally, and equity finance both from local and foreign sources. In these recession impacted times it is difficult to see many fully funded larger budget films being made without soft funding and whilst the NZFC tries to develop the most commercial projects to screen, its primary goal is to see New Zealand stories get told on screen, and to that end, its soft investments are critical to the local film making and distribution industry.
9. Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money.

Obviously the sales arm of the NZFC makes it unique compared with other national film bodies and makes the staff count a bit larger. Otherwise, the NZFC seems appropriately staffed for what it has to and does achieve. That’s my simple review after taking a look at the staff listing on the NZFC website.

10. How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

This isn’t a question for review externally I would not have thought as surely this is what the Board is and the Minister appoints the Board. Stack it high with local industry professionals I say, and remember as you do that the industry is creatives, producers, financiers, distributors and exhibitors. It isn’t just one of those five elements, it is all of them. I note with disappointment that the Board has no exhibition talent within its ranks and that the newest Board members all seem to be financiers or professional directors.

11. Are the NZFC’s strategic aims and objectives relevant to the current international and domestic environment and do they take account of the need to manage future funding demands?

I believe if you take all my answers above as a combination they culminate in an answer that is largely a yes to this closed question.

How I would change the NZFC.

1. The Sales Arm

I believe the sales arm is a massive bonus to the NZFC. It offers one of the most professional deliveries of brand for the kiwi film industry, it is professional at what it does and offers a fast and easy way for the NZFC to stay on top of international production trends and promote New Zealand films and the production of foreign films in New Zealand. It presents our film industry well and at foreign markets is a professional and upmarket representation of our industry and our country. Given the nature of the foreign sales market and its resident population of failed used car dealers, this is a huge plus for our industry.

I’d invest more in building this unit of NZFC. I’d see it increase its market attendances and I’d add sales capacity to enable it to better serve the back catalogue and the smaller films it represents. It’s been widely believed amongst film makers that if NZFC did not have a significant involvement in a film or it had come through from one of the lower budget schemes the film would languish in the back catalogue never to be sold. Whether that view is true or not, what is true is that externally, it does look that way. We should
have a sales team member whose job it is to focus on the elements of the catalogue that are languishing and encouraging low budget film makers to work with NZ Film rather than with the criminal underbelly that exists in the sales world that acquires some local low budget films from unsuspecting small film makers who end up finding their film being sold all over the internet and seeing no returns to themselves.

2. Short Films vs Low Budget Features

As outlined in an earlier answer, I would strongly advocate for realignment of investments to encourage and develop more local low budget films. Loosely I'd look to find between 1 and 2 million dollars per annum that would see us finance 10 to 20 low budget features. I'd look to subsidise the film makers in such a way that they had to find finance for say at least one third of their planned budget with NZFC contributions capped at $100,000 per film, and that the film had to have a distribution deal (not necessarily with first release being theatrical as that's unrealistic) to qualify for funding. The greatest weakness of any such plan is the possibility of too many of these films never being completed. The short film pod structure used to Executive Produce the short films could also come in to play in this space to minimise the chances of total losses, bearing in mind that clearly there will be no room in financing such films for completion guarantees. One other condition would need to be that the film makers agree in advance not to apply for any 35mm film blowups, no matter how genius their result might appear to be on conclusion, and that any theatrical potential is limited to d or e cinema outlets.

3. Funding digital/electronic cinema development

There is a substantial long term gain to the releasing of New Zealand films by ensuring that digital and electronic cinema penetration is maximised. D-Cinema in particular in New Zealand is rolling out very slowly and this is linked to cost and the virtual print fee models being developed to help fund the rollouts. A study should be undertaken as to how NZFC could assist in the wider rollout of D-Cinema in return for guaranteeing screen space for the output of New Zealand films.
Dorthe Scheffmann

If I ruled the world…

NZFC Review

Thank you for the opportunity to contribute to this review process. I am the writer / director of a feature film project in advanced development (150,000 invested). What follows are observations and conclusions that the process of development has lead me to.

The Act

This is the act as most of us experience it: The New Zealand Film Commission statement of Intent 2008/9-2010/11 lays out the following:

Project assessment criteria

- All projects will be evaluated on their ability to achieve outcomes in several or all of the following ways:
  - Generate cultural capital/national identity
  - Reach a domestic audience
  - Generate a return on investment
  - Reach an international audience
  - Leverage further opportunities for talented creative people (New Zealand Film Commission, 2008)

The implementation of this criteria involves judgement - as it stands anything can be funded and the words ‘several or all’ are applied at will. Where is this judgement coming from? The pendulum off discussion within the industry swings from advocating an industry - that is a mini Hollywood studio to one that is burdened by cultural considerations. There is an urgent need to define the business of the Film Commission in order to avoid interpretations that are arbitrarily made creating a situation of inconsistent and changing criteria and funding ceilings.

Film Commission – structure, governance, and management arrangements

The board

That the board of the film commission should be engaged in governance and strategy only and not in the operational decision-making processes of the commission. This approach recognises the political nature of the funding stream and the stakeholder relationship to the NZ public. It also recognises the need for the Film Commission to be constantly re examining its strategy against a changing, market and technological environment.

Operational board
The members of this board should be appointed from within the ranks of the creative industries and be able to contribute within a peer review ethos. This board, working with the CEO would make all funding decisions. To counter the problem of a conflict of interest which many potential appointments may face these appointments could involve a shorter term.

**The development team**

That the development team be disbanded and replaced with Commissioners. The Commissioners would each work with an annual budget and be directed to work closely with script editors and readers. The development budget would be increased from its current 8%. Access to these commissioners would be for writers, writer directors and writer producers.

**Sales and Marketing**

The most fundamental objective the industry has is to reach a domestic audience.

There are a number of problems in this area – firstly that the current funding regime is totally focused on a distribution deal. The outcome of this is:

1. Unfavourable deals made under pressure of funding requirements that don’t pay sufficient heed to NZFC profits or the potential return to the film makers

2. Projects developed under cultural and niche market directives have no opportunity of realising their potential as films - under this distribution lead regime. This is potentially an extraordinary misuse of funds and creative energy.

Secondly, what is the most effective way of taking New Zealand films to a New Zealand audience?

1. A download service offering a catalogue of New Zealand films – operated by the NZFC or the Archive.
2. A National Cinema complex – operated like an Art Gallery – with public ownership and a commercial imperative to subsidise the NZ programming
3. A re examination of the film makers role in taking the film to its intended market – often the film makers instincts about their market are curtailed by the distribution deal.

**Funding**

At the heart of a discussion examining how the Film Commission should be funded and at what level - comes the question of what we are funding? The optimum mandate acknowledges that people with ideas have made the best films. Originality is the fuel of this industry and if that process is interfered with
by marketing agenda’s and prescriptive ideas from within the development industry the investment becomes severely compromised.

‘Let the market decide’ is a much bandied about phrase - the most effective way of making this happen is to reduce the direct funding level from the Ministry of Culture and Heritage and the lotteries commission and replace it with indirect funding by way of a tax incentive. The tax incentive could be structured on a sliding scale where films that tick all of the cultural mandates receive the highest tax incentive.

The Film Commission would act as a source of venture capital for script development and provide some investment for films where the cultural and artistic elements are such that investment is hard to attract. Under this regime the Film Commission would continue to operate as an International Sales agency providing our developing film talent with the best access to international markets and meeting the criteria of investment - that we forward New Zealand as a brand to our international markets through our feature films.

There is a school of thought around Arts investment that the investment should be made at the point at which the public interfaces with the art product, with this in mind investing more heavily in permanent venues for the exhibition of our national cinema is worthy of examination.

Education

The Education sector within the Film Industry has grown over the last ten years - in Auckland alone, there are seven major providers. In that same period the Writer’s guild, Director’s guild and Spada have all grown and now employ permanent staff. Educational programmes should not be the responsibility of the development department of the NZFC - it is a poor use of their time.

Thanks

Dorthe Scheffmann
Simon Marler, Script to Screen

This submission refers to three of the Review’s terms of reference:

(2) ‘How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?’

(6) ‘What are the NZFC’s objectives and strategy for professional development, training and industry support?’

(7) ‘Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.’

(10) ‘How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?’

We are pleased that these questions assume that the NZFC needs to:

(a) ‘act in a facilitative role’
(b) acknowledge that ‘quality’ and ‘cultural objectives’ are important
(c) ‘develop’ (as well as fund) ‘high quality films’
(d) provide ‘information and research’ to film-makers
(e) have a strategy for ‘professional development, training and industry support’
(f) accept that ‘active industry professionals’ should be involved in setting its strategic direction’.

To start by summing up the basic nature of the film medium:

- Film is a cultural industry, and films are highly complex products involving creative and craft skills, fresh ideas, knowledge of the culture and of new trends, etc.
- Making a film involves a long and complex process of development, with development of the script as an important part of the process (a strong script is the foundation of a ‘high quality film’).
- In comparison with most other arts, film is an unusually collective activity, involving collaboration between many professionals.
- Film is an activity that involves a great deal of technical knowledge and craft skills, so that sharing of information is crucial, among experienced professionals and with newcomers.

The implications: The NZFC obviously has a role (or roles) in facilitating these activities (developing, sharing, collaborating, etc).

Script to Screen has received funding from NZFC for the last four years to help it to achieve those aims. It is a national, non-profit organization dedicated to developing the craft of screen-writing. We run a busy schedule of events –
discussions, workshops, seminars, master-classes, script read-throughs, and an international scholarship – for both emerging and experienced practitioners. We believe Script to Screen offers a successful model for how NZFC can deliver those aims most cost-effectively, since out-sourcing these activities to our organization has produced much greater results than NZFC could have achieved by spending the money in-house.

Script to Screen has several particular strengths:

1. It is a pan-industry organization, not a single interest group, or a guild (a type of organization that functions more like a union). Our role is purely to develop the craft of screen writing.

2. It is a charitable trust. None of the board members are paid and there are no perks. They are happy to contribute their time and effort as are the numerous industry practitioners who give up their time (with no payment) to host and participate in Script to Screens events because they see a need for what we provide. We have a staff but it is very lean - one full-time Executive Director and one half-time Event Coordinator.

3. Script to Screen’s regular events also function as opportunities for writers to talk and network in an informal atmosphere, before and after our talks and panels. Since producers and directors also attend, its events foster collaborative development practices.

4. Our Board of Trustees has been appointed by the New Zealand Writers Guild, Nga Aho Whakaari, the Screen Directors Guild of New Zealand, and the New Zealand Film Commission - but we operate as an “arms length” pan-industry organisation. We have credibility in the industry as an organization with no axe to grind but simply dedicated to the development of the industry. We invite different points of view on important issues.

For these reasons, we have gained very broad support within the film community. We maintain a national database of 1400 people who regularly receive our e-flyers, visit our website, attend our discussion events, workshops and seminars, and submit scripts for read-throughs.

Again, for these reasons, we are able to run an extremely busy schedule of events. During 2008 Script to Screen ran 22 “Writer’s Room” sessions with industry practitioners, and by the end of 2009 it will have run another 22. On the basis of last year’s figures, overall attendance is expected to be around 1600. The focus of these events is serious craft discussion, with expertise being shared by our participants. Some events are talks by leading individual writers, others are panels on important craft topics (such as developing characters, the relationship between writers and producers, writing your first feature, etc), involving experienced industry practitioners. The events have taken place in Auckland, Wellington, Rotorua, Christchurch and Dunedin. We have done three events this year in association with Nga Aho Whakaari. Nine of this year’s events have been with acclaimed international writers.
Comprehensive summaries of Script to Screen talks and debates are available to everyone via our website (www.script-to-screen.co.nz).

Script to Screen also provides more in-depth screen workshops. Earlier in the year we hosted the South Island Film and Television Days, and we ran a weekend workshop on comedy writing and development with Paul Horan in Auckland and Wellington. We have regularly run high-level read-throughs for feature-films that have subsequently gone into production.

2008 also saw a new Scholarship awarded to a promising young filmmaker (Leo Woodhead, director of Cargo). Thanks to sponsorship from Stella Artois and the Film Investment Corporation Foundation, Script to Screen sent Leo to New York for three months to work with Christine Vachon at Killer Films, one of America’s leading independent production companies. (This Scholarship is not funded by NZFC but it is managed by Script to Screen with the help of NZFC funding.)

The Film Commission could not achieve this range of events if it had simply spent the $120,000 (the annual funding given to Script to Screen) on activities of its own. And the culture of screen-writing would be a lot poorer and more fragmented without the activities that we provide.

With reference to point (10) in the terms of reference:

Script to Screen ensures that the industry has a degree of self-determination in its own professional development because its events are responsive to the needs of NZ film-makers. Our board of active industry professionals, our Writers Sub-committee, and the many professionals who attend or speak at our events, maintain an on-going dialogue about film-making and the strategic direction of film in New Zealand.

Our events provide a diverse opportunity for discussion, and our strong relationship with the NZFC development department facilitates a two-way feedback process.

This consultative process enables a broadening of perspectives, ensuring that participants and speakers in our professional development programme remain diverse.

In a small country like New Zealand a breadth of gate-keepers is essential to the health of the industry.

The ‘grass-roots’ tier of industry development

Our Writer’s Rooms are open to all who wish to attend and we ask only a $5 koha from those who can afford it. This is crucial to the grass-roots nature of what we do, because most film-makers are on extremely low incomes early in their career, and sometimes between projects. We couldn’t hope to cover the cost of maintaining our large database and our regular programme of events on a user-pays basis.

Our grass-roots tier of early professional development is available nationally, providing a crucial building-block for the next generation of writers, directors
and producers. While our events focus on writing, they are attended by – and benefit - directors and producers, who understand that strong scripts are the foundation of successful films and a key to off-shore funding. Any reduction in grass-roots funding will ultimately be reflected at the highest levels of screen production.

**Funding**

Although we receive some modest community grants (about 5% of our budget), our core funding has always come from the NZFC. In the current economic climate, we have had cuts in funding from sponsors, and we have streamlined our organization as much as we can. This is a very lean operation. If the NZFC did not provide our core funding, Script to Screen - and all the programmes it provides - would cease to exist.

**Treaty of Waitangi**

Script to Screen supports the principles of the Treaty of Waitangi being enshrined in the governance of the New Zealand Film Commission.

Contact:

Simon Marler
Executive Director
Script to Screen
Louise Leitch, Picture the Difference

My comments relate to:
- The short film sector as a development path for filmmakers
- Professional development opportunities for filmmakers

The Short Film Sector

We are all aware of the hugely important role that short films play in creating a feature film industry. Not only do writers, producers, directors, cinematographers, etc. hone their craft on short films, they also form ongoing creative partnerships. I have several areas of concern in regard to the way short film funding is headed, and I’ve outlined them below:

Since the abolition of the Screen Innovation Production Fund (SIPF) and the establishment of the IFF there is no short film funding available for emerging or inexperienced filmmakers. Even for the lesser category two funding of $30k, the IFF criteria state: “applicants must demonstrate that they have a significant track record and that they have achieved national distribution/exhibition of previous film and moving image projects; national recognition; a body of work; achieved success in their field independent of a training institution.”

The IFF criteria are stricter than the NZFC Short Film Fund (SFF), which this year is funding projects to $90k. Even as a very experienced television drama director I was informed by the contact officer at Creative NZ that I would not be eligible for IFF funding – I applied anyway! But it will remain to be seen if I am considered eligible under these new criteria. This seems ridiculous, especially as I was considered experienced and talented enough to be shortlisted for the Short Film Fund in 2008 and have been supported to attend NZFC workshops.

Also in regard to the IFF – the funding application is incredibly time consuming and inefficient. The selection panel will initially look for a story that grabs them. If your script fails to grab them then they will not even turn to the director’s notes, producer’s notes, writer’s notes, full budget, marketing and festival strategy, full CV’s, letters of support from key personnel and cast including a senior mentor – all the documents that you and many others, have spent hours and hours preparing. Surely it would suffice to submit a script and CV’s of key personnel from which the panel could form a shortlist. Once shortlisted, applicants would then submit their supporting documentation. This is how Robber’s Dog conducted the Short Film Fund last year and the collective sigh of relief could be heard from one end of the country to the other. It’s just common sense.

Many projects of course fall through the gap between the “innovative, non-commercial” nature of IFF projects and the high-end productions sought by the short film fund. When short film funding fails it is left up to crews to subsidise our film industry. They effectively become the de-facto industry developers. While this may be acceptable up to a point, there is a limit to how
many times a grip or gaffer or DOP or sound recordist, etc. should be expected to work on projects for free or for student rates. Out in the regions there is a limited pool of people to draw on and it is unreasonable to expect crews to work in this way again and again. Yet, for the producers and directors seeking to make a quality short film, they obviously can’t afford to pay commercial rates. Neither can producers expect to find independent funding given that short films bring no financial return. I am sure that this funding situation is creating a huge bottleneck with only a very few filmmakers “making it to the top”. It is a conundrum and clearly an area of concern for the ongoing development of our feature film industry.

Professional Development

I have generally been very pleased with the professional development opportunities on offer by the Commission and have had the pleasure of attending two workshops in the last couple of years, which I found to be of immense value.

I have found the Development Executives and their team to be very approachable and supportive. I appreciate the NZFC offering workshops and forums in the regions whenever possible and would like to see this continue.

I do however have one area of concern that I would like to submit: If the SFF is regarded as a means of identifying talent and developing feature filmmakers then I would have expected that the Commission would seek to support and nurture, not just the limited number of filmmakers that received funding, but all those that were shortlisted. With encouragement and development these people could go on to make the next crop of funded films. However, this doesn’t appear to be the case. As an example, the writer in my team received very positive feedback from two of the executive producer groups and was shortlisted by one. As far as we know, the recognition of her talent ended there. She has not been “flagged” for development, she has not been offered any support or encouragement, she has not been approached by the NZFC regarding any training opportunities. As far as the NZFC is concerned, she doesn’t exist. She could be lost to our industry, were it not for her own initiative, which is I guess, what the Commission has to rely on, given its limited resources. Perhaps there is a means of identifying and supporting such talent, thereby ensuring that they stay committed to our industry.

This leads me to raising an idea I have had regarding the wider issue of professional development in NZ and that is to ask Peter Jackson to consider establishing a development lab in NZ, like Sundance. I think he is the only one in that would be able to do it and it would significantly augment the capabilities of the NZFC. Not only would it be of the most tremendous value to NZ domestically, it could only enhance the international standing of our industry. Perhaps Peter could have a chat to Robert Redford about it!
Thank you for the opportunity to make this submission.
LOUISE LEITCH
Writer/Director
Ant Timpson and Leanne Saunders

GRASS ROOTS & GUERILLAS
Blazing forward from the fuse lit by the inspiring and hugely successful 48HOURS event.

GENERAL THOUGHTS ON THE WAY FORWARD

Headstrong, like the rest of the industry, see a tough and challenging environment for local filmmakers ahead. Headstrong also acknowledges that the overall cinema-going audience is shrinking for local films. The market for 15-35yr olds attending locally made films will continue to shrink unless films are made that will appeal to them. Dramas and films aimed at middle aged, middle class New Zealand are catering to an audience that is getting older every year.

Headstrong says a logical direction is to produce low budget genre fare that creates excitement amongst the youth and lays the building blocks for the new generation of young viewers. The local film industry needs to adapt and change to attempt to keep up with the ADHD youth audience.

With calls for accountability, and criticism of performance of films, we think that there needs to be a structure put around the non-SPIF sector, that acknowledges that low budget is the only logical way to address the limited pool of funds, and also tackles problems in development and distribution.

1. We think we should be going after audiences and finding out what they want to watch.

2. We think we should be starting with the core of people who are passionate about making films as our seeding base, and building from there.

3. We think promotion of local filmmaking needs to have an event or focus that we can hang sponsors and media around. It used to be called ballyhoo but whatever you want to call it, slapping some ads on TV will not make the kids come see your film unless you are The Dark Knight.

4. We should be trying to do new things and experimentation on this level is not only achievable it is tantamount to keeping things fresh and evolving.

5. We should be more creative about where P&A goes.

6. We should be involving the filmmakers more and breaking down the boundaries between investors, filmmakers and distributors.

7. We all need to be seen rolling up our sleeves getting our hands dirty. To many times have we seen hundreds of thousands go down the
drain with no follow through and no accountability. We’re ready to stand up and say we’ll take the bullet as long as we’re supported in our quest.

8. We need to be spending more money and creating opportunities to promote and create profiles for our local directors and cast.

9. With limited (and ever shrinking) funds for production of non-SPIF films, we recognise that this sector of filmmaking is populated by our emerging and less experienced filmmakers.

10. We propose that there needs to be openness to new models for a proportion of these funds, which embrace working to lower budgets while exploring innovative ways of building audience for kiwi filmmakers.

11. We believe that we must continue to be making films regularly, keeping opportunities open for hungry and driven emerging talent. It would be too easy for the limited pool of funds for sub $4M films to be entirely scooped by the more experienced and professionally savvy filmmakers.

12. We don’t believe that the existing commercially driven distribution and exhibition environment is well placed to support the release of low budget kiwi films.

13. We also feel that while its good to have high budgeted cache films on the books, ultimately that’s not really achievable to the next generation of filmmakers or even 99% of those interested in moving ahead in the industry here.

14. We want to return to the halcyon days, where gung-ho attitude and passion built on the excitement of youthful creatives.

15. Just as Hollywood has found, budget increases necessitate safety and a fiscal responsibility limiting all risk by producing neatly packaged films that tick the boxes. Creativity be damned. Studios need to do this because they are business first and foremost. We feel shouldn’t, and can’t be, a mini-Hollywood.

16. Nearly all the low budget self-financed films produced in NZ suffer from lack of experience as well as budget. All of them could have used some mentoring and expert advice to help make their films more viable commercially and artistically. That is what we see Headstrong as doing. We want to build on our experience, what we’ve learnt over the past four years, and want to use this knowledge to the benefit of the low budget sector.
17. To truly succeed, a future base/structure must be put in place with some assurance of longevity otherwise we will continue to reinvent the system every year.

48HOURS BACKGROUND

We wish to focus on the prospect of a low budget feature infrastructure to be built on the back of the energy and excitement created by the annual 48HOURS event.

This annual event that has grown exponentially over the last seven years. It has created real momentum in young filmmakers and for audiences to see locally made film. It has created a network of content being made, seen in cinemas, television, online and followed through with good relationships with, a major home video distributor and broadcasters.

2009 48HRS BREAKDOWN

- 700 Filmmaking Teams
- 10,000 Participants.
- 10,000+ Cinema Attendance
- 100,000 Online Viewers
- 100,000 Television Viewers

48HOURS has very healthy relationships with FRUCOR, MEDIAWORKS, PANASONIC, VODAFONE, STELLA ARTOIS, NZONAIR, NZFC, PARK ROAD POST, ROCKETS RENTALS and many other NZ companies.

PROPOSED LOW BUDGET INFRASTRUCTURE

2 SUGGESTED STRANDS FOR LOW BUDGET FEATURES IN NZ (NON-SPIF)

(a) FEATHER WEIGHT (ULTRA LOW BUDGET $250k)

- EP’s chosen from general pool by NZFC like Short Film PODs.
- Rotate Eps out every two years.
- EPs get $50k for two features (at moment they’re paid $30k to EP 3 shorts)
- EPs work hand in hand (nurture not control) from script thru production.
- NZFC and EP/Filmmakers split return from the Net.

BUDGET

EP Teams 2@$50k $100,000
Production budget 4@250k $1,000,000
A TRULY DEVOLVED LOW BUDGET SCHEME

- Low Budget Films cannot expect to have the same governance as $2-3m+ pics
- Set Deliverables to a attainable level
- Guerilla filmmaking should mean guerilla.
- An independent resource to help with marketing, sales and distribution

DISMANTLE SALES AND OUTSOURCE

- Domestic and international sales handled by Eps
- Domestic Self-Distribute
- Have one person under contract to attend markets under NZFC umbrella

DISMANTLE DEVELOPMENT AND OUTSOURCE

- Development needs to be fully devolved from NZFC
- Producers need to meet a 3-step criteria before greenlight Workshop script, Consult Script Editor, Consult Mentor

DISMANTLE MARKETING AND OUTSOURCE

- Marketing & Promotion handled by devolved independent resource

(b) BANTAM WEIGHT ($250k - $3M)

This low budget category applies to all other films that fit into the non-SPIF criteria.

- Generally to come from more experienced filmmakers.
- Projects demonstrate sufficient market appeal and talent to justify requiring greater investment.
- Selection of projects to be meritocracy based.
- Judgement of projects as production ready to include professionals from industry representation to include (but not limited to) business, market and creative.
- A representative from state investment to be on selection panel to fulfil requirements of relevant legislation.
- NZFC to assist with legals and information on statutory requirement for domestic and international release.
- The development, marketing and release of the film to be assisted under the same umbrella as the ultra-low budget films.

SALES AND MARKETING – OVERVIEW (NON-SPIF/LOW BUDGET)

- Set up a one-stop shop solely committed to promoting and supporting the release of New Zealand films to New Zealand audiences, with emphasis on growing diverse audiences.
• The one stop shop domestic Sales and Marketing arm be devolved but work closely with NZFC in overall strategy for each film. ie. Avoid compartmentalisation.
• NZFC to continue to support the brand of New Zealand films to the international market through attendance at markets and key events.
• NZFC to facilitate filmmakers to find international destinations for their films.
• NZFC to advise and support filmmakers in securing international sales agents and deal terms best for returns in investment for NZ funds.
• NZFC to promote NZ filmmakers and to strategise inclusion at festivals and key markets.
• NZFC to essentially act as a ‘Producers Agent’ and to help build on international opportunities for growth for filmmaking sector.
• This role to be carried out by CEO and two support staff maximum.
• More emphasis placed on technology and digital platforms and support to producing sector through budget and marketing allocation to build this.
• NZFC to closely work with filmmakers to achieve the same aims.
• Continue to support filmmakers to project based markets where they can meet potential financiers, sales agents and distributors.

THE MODEL:
(*) INDEPENDENT RESOURCE FOR LOW BUDGET SCHEME
• 2-3 Permanent Experienced Staff
• Create and produce Marketing campaigns alongside filmmakers.
• Work with local distributors or self-release if no advance offered.
• Work with exhibitors and make them feel part of the campaign.
• Keep tight control on corridors make sure money comes back to filmmakers
• Investigate new windows & distrib models
• Attach sponsors and partners

(*)This is the key equation to making any low budget scenario work in NZ. We say external infra-structure as a committed devoted team whose sole focus is to release films is a far better solution than relying on inhouse NZFC support. It doesn’t work because the films are always at the bottom of the NZ FILM totem pole with as much appeal to staff as a short film. We found it overwhelming the amount of work required during Headstrong to do the following, development, legals, production, international festivals and all sales and marketing. The work involved will hamper any low budget model unless there is funding for the support where it counts. Arguments are made that why should we spend just as much money on admin and infrastructure as production? The answer is in terms of work involved – the marketing and release of a film is just as significant as the creative production. Without a consistent base of support there is no point in making low budget features at all.
DEVELOPMENT – OVERVIEW

• Fund a ‘bricks and mortar’ Filmmaker Hub in Auckland.
• Services to be available ‘virtually’ to rest of country.
• Foster filmmaking community and break down reliance on commercial producer driven structures
• Multi-use space suitable for digital screenings, production, training, development, workshops.
• Govt to continue to support professional development around the area of script.
• To house an independent marketing and distribution label to support low budget NZ films – in line with idea that market needs to be thought about at script stage regardless of budget, and to be available to filmmakers throughout process.
• Build a development model around the script consultant and assessment professionals in the industry, alongside market experts, distributors and financing criteria.

ADDITIONAL SUGGESTIONS

• Provide full transparency in terms of sales info to producers who require information.
• Applaud successes from those who succeed independently of the NZFC.
• Respond to constructive criticism with welcome arms.
• No sweeping generalizations ie genre is a dirty word. Good films are good films.
• Make the face of NZ film at markets fun and enthusiastic
• Focus on building blocks for the next generation of NZ audiences.
• Stop the snobbery towards writers from a TV background.

OUR EXPERIENCE WITH LOW BUDGET NZ FEATURES

Headstrong (HS) was the first and only low budget devolved scheme initiated by the NZFC. It was setup by Leanne Saunders, Ant Timpson and Paul Swadel. Over a 4yr period an incredible amount was learnt regarding creating and sustaining a low budget model. Most through trial and error. New ground was broken in terms of equity and backend to key talent. The first film HS worked with talent to reach an audience THE DEVIL DARED ME TO was a success on many levels. Without any NZFC sales/marketing support HS managed to sell the film to Aus/NZ and Worldwide as well as it screening in 30+ international film festivals. They also managed to pull in an additional $100k in cash and $200k in contra promotion. Their second film A SONG OF GOOD was accepted into Rotterdam and other prestige festivals. The NZFC took over sales of the film but nothing was happening until a innovative online campaign was devised by HS. The film ended up getting a major profile in the NZ media with a 24hr free stream before hitting DVD.
LOW BUDGET FEATURE FILMS vs. SHORT FILMS AS A PATHWAY

Recently Ant Timpson initiated a debate regarding NZFC funded shorts vs features online and is well worth reading:

(facebook.com/note.php?note_id=108818772945&ref=mf)

There has been much interest in the film community on the topic. The genesis of the topic was that since high-calibre shorts can come to the NZFC via external means (self-funded & the 48) should those savings translate into funds going towards low budget features.

The Short Film pods have actually been successful for various reasons and if there was choice between having them or having a similar structure for low budget features then it is the belief that features offer many more opportunities for sustained growth of the NZ Film landscape.
Sustainability, sustainability, sustainably! Over the past few years, every seminar, at every festival or market I have attended, has talked about this.

And now, with the current Review, the catch cry is accountability!

I think some answers lie in the combination of the two.

As a relatively new producer, in the process of completing finance on my first feature, I will possibly be coming from a limited and personally skewed perspective. But it is one which I feel sure is a fine example that many have gone through before and no doubt others will repeat. Unless things change.

In 2007 I was a selected participant of the Rotterdam Producers Lab, and this was my first foray into international networking. One of the key discussions I had with people, over and over, was about working practices. From the Danish producers in particular, but also some American and British counterparts, the response was that they were able to sustain themselves by making smaller films but more often.

I know there has been quite a push here to make smaller films, which doesn't suit every film, but I also don't believe this will help sustainability issues if we can't also create an environment in which we can make them more often. The current NZFC structure does not move with such grace and speed.

And it is from this point at which I state accountability will help. In my experience particularly, I have had endless instances of staff input and opinions, to then be qualified at the end with “but I don't know what the Board will say”. It has created a frustrating experience in which I have been consistently chasing tasks with no sense of their outcome. This has also created endless delays and made the unavoidable job of juggling finance etc unnecessarily complicated.

In asking for a Commission which is accountable, I am in support of a system where the staff is able to make decisions and stand by them. Where there is no opportunity for a Board to override these decisions, where they are more active in Governance over the staff and ensuring they are doing the job they have employed them to do. This could mean staff changes for those who are currently unable to carry such responsibility.

Anything that will streamline the system will assist in being able to make projects more often. Other examples of delays caused by the current system include the Development Committee requiring a Board member to be present. This was often out of a pool of only 2 Board members who were considered to have script analysis skills. So, when stated that meetings could always be held every 4 weeks, they were at times 3 months apart – losing us critical momentum. With the Board meetings 2 months apart, this has also meant decisions would not be known in time to avail some finance opportunities, and these would be lost. A more Project Manager style operation could even
assist with the internal mechanics of conflicting advice. Sometimes things fell through the cracks as no one felt responsible for seeing a point or issue through.

I have learnt much and met many people in my travels (much of which has been with the financial support of the NZFC, for which I am truly grateful), and in these discussions have also seen how lucky we are to have a Commission at all. There is little incentive for local private investors to be involved and a population too small to support an industry in this way. And it is a great difficulty to get international finance on a debut level. It has been great to see the New Zealand cultural cringe shift, and a real sense of enjoyment in our films grows. And this has no doubt been greatly to do with the existence of the Commission.

As we continue to grow and shift in our position on the international film landscape, as it too shifts and grows, I believe there is definitely a place for the Commission to continue. To be there as an international representative for our industry, to provide for the ongoing support of the infrastructure (through training and organisational support such as the Guilds), and to continue to engage on policy. To be bridging the gap between our vision and desires and what the realities are. In both directions.

Alex Cole-Baker

Producer

Chocolate Fish Pictures Ltd
Alexander Behse, Monsoon Pictures International Ltd.

1. Professional Development for Producers

Currently the NZFC funds the career development of writers and director through courses and training schemes. There are not many schemes for producers to attend, especially not on the business skills side. The courses currently on offer are based on projects (Binger Lab etc) and are aimed at honing the creative skills. I don't see enough courses such as the Media Business Schools programs or ACE in Europe. Attendance to courses shouldn't be sporadic, rather be ongoing training for a number of years. Supported producers should also be asked to attend markets such as AFM or Cannes to stay in tune with industry developments. It's not enough to only attend every few years when a project is ready to be pitched. I am aware it is a financial hurdle, but producers who receive the Overhead Funding should be asked to put money aside for market travel.

2. Theatrical Release as a prerequisite for funding

The distribution model is changing and I believe for low budget project, the rule to have local theatrical distribution in place should be abolished. The costs to release a film on the big screen is too high and often it wouldn't make sense to screen the film at one or more screens for a weeks or two before being pulled. Digital Delivery on HD instead of film print should be considered and TV presale or DVD distribution should be sufficient for films with a budget of $1m and under.

3. Development Executive's subjective decision to recommend projects to the board

I believe in order to make the process of producing a film more predicative rather then pot luck, films which meet certain criteria should be automatically be able to be considered by the board and not on the mercy of the development executives personal views on the script. If producers successfully raised funding, attached sales agents etc should be enough proof a industry professionals of the quality of the script.

4. Abolish the "CEO DELEGATIONS" strand

Why has the CEO the means to fund her or his pet projects? That doesn't make sense.

5. "Envelope" Funding as a means of automatic funding

Similar to the German scheme, producers with a successful film which recoups its NZFC investment should be able to access the films recoupment sum (+ perhaps profit) for their next project. The money should be set aside in a trust account ("envelope") for a certain number of years and to be accessed automatically, when ticking a few boxes. Therefore successful producers are encouraged to produce successful films and they can build upon it, without hurdles. From a business building point of view, it should also be encouraged
to 'invest' such moneys into co-productions and therefore not only building relationships, but also being able to participate in larger offshore projects. How great would it be knowing there is ie. 1m set aside and to be able to go to markets and close funding of offshore projects. Producers should be encouraged to look outside, forge relationships with overseas producers.

Alexander Behse, Producer
Monsoon Pictures International
Film Auckland

Film Auckland would like to thank the New Zealand Film Commission for the work they have done in the previous years, and also for the welcomed opportunity to submit our thoughts as representatives of the Auckland Film Industry.

Points of Interest

In response to comments invited from interested parties regarding the forthcoming review of the New Zealand Film Commission please find the following points of interest from Film Auckland.

1. What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context? This will include looking at technological changes, and the development, financing, production, marketing and distribution challenges that the New Zealand industry faces in an international setting.

   • Digital technology, social networking and participation are challenging us to review formats, the type of productions and the forms of delivery. With this comes the inevitable need to work more closely and collaboratively with other overseas screen industries. There is also the need to ensure that we remain up skilled and informed about new developments and technology.

   • 3D production and ultra high definition are two technologies that are likely to increase the cost of production and post production. The NZFC should keep abreast of new technologies in order to anticipate their impact on future budgets and funding. Digital cinema distribution and high speed demands will also impact on budgets and work flows. Game convergence and rights issues will provide new opportunities and risks for the industry.

2. How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?

   • Film Auckland and the NZFC are both organisations interested in promoting New Zealand films and supporting the wider industry. They have different key functions but the purpose of both is to facilitate the film industry in this country. A more collaborative approach would benefit the aims of both bodies.

   • Perhaps there could be better promotion of industry organisations. This would ensure clear and professional points of contact for all disciplines.
The benefits of facilitating this will accrue both local and offshore productions.

- A greater sharing of resources, communications and manpower particularly at festivals and markets where only one is participating, would have a mutually beneficial impact and ensure that we work together to provide work, offer support and promote the New Zealand film industry as a whole.

- As a national body the NZFC should be representative of the whole country. Two thirds of New Zealand’s film production is based in Auckland but there is currently no local NZFC representative. By employing an Auckland representative or establishing an Auckland office the NZFC would remain in touch with the local industry and travel costs would be reduced for both the NZFC and the Auckland local industry.

- The fostering of co-productions is a key tool in reaching international audiences. Film Auckland supports co-productions and believes they should be further encouraged and we do work to generate these.

3. What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?

- In our experience the Incentive schemes available in New Zealand are often of great interest to potential foreign co-producers and certainly encourage a fostering of relations.

- Because of the limited resources available, we suggest fair and equitable funding that is transparent and gives support to the experienced and opportunity for our future practitioners.

4. What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?

- The question here can be broadened to recognise the potential impact that the success of one film overseas can have on the wider industry. International acclaim is beneficial not only to the film in question but also to all New Zealand film. Every success has a trickle down effect. With this in mind all film bodies should work together to promote the industry as a whole in addition to focusing on the ‘winners’. Again, greater collaboration is key.

- Film Auckland believes that the NZFC should not be involved in film distribution and sales. This should be a purely commercial activity run
by commercial organizations. Having the NZFC present a slate of films for sales excludes other films made in NZ. Furthermore, removing the sales and distribution arm will enable us to utilize elsewhere the resources currently spent on retaining full time staff in this role and travel for staff to markets.

While we are suggesting that we do away with the films sales and distribution agency, we believe there is merit to have staff and resources employed towards promoting NZ and our NZ film industry internationally. We believe that the NZFC has a role to play working with regional film organizations in this area.

5. Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

- The industry needs to enhance collaboration between film, TV and other screen media production/creation. The film and TV funding considerations are different and need to be dealt with separately but there is merit in the two sectors collaborating more together. More and more, films are being delivered in different formats i.e. feature film, festival film, TV c-down, DVD/online distribution and other mash-up formats. Internationally, there are co-productions between film, TV, local and overseas bodies in any one project.

Further, it is important to recognise and respond to the changing audience interests in the different genres and formats available. Screen bodies like Screen Australia, UK Film Council, Irish Film Board, Singapore Film Commission, to name a few, give funding and development support to:

- Drama
- Documentary
- Digital and new media

NZFC’s priority has been in feature drama with pod support given to short films. It does not expressly support documentary films nor digital and new media.

- Film Auckland would like to see the NZFC become more communicative and inclusive in all its dealings to reflect the fragmentation of the film making industry. A production’s limited success in a subsidiary market or on a specific platform can assist other productions in other areas so this intelligence needs to be available to all parties. NZFC should ensure that funding when given is spent and accounted for within the law. An example of where this does not always seem to happen is foreign cast and crew being hired over locally available equivalents.
6. What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

- With regard to industry support Film Auckland proposes greater transparency on NZFC discretionary spending. Why do some industry organisations qualify for support while others don’t? A review of the way funding is distributed would clarify this. Important regional organisations should be considered, not just national ones. As two thirds of New Zealand’s film production is based in Auckland it should be considered as nationally important, not just regionally.

- Fundamental to any film industry is the need to keep our industry updated, skilled and responsive to any new developments and technology. We also need to ensure that we continue to bring forward and develop new talent. Talent development is a major component of the work of a national film body. NZFC should continue with its workshops, seminars and structure funding initiatives that will enable new and emerging talent to be mentored into the industry.

7. Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

- Providing information on a regular basis increases transparency and helps to create community. The current newsletter is a source of information but in view of social networking and web2.0 developments, the NZFC should explore how it can engage the industry more effectively.

8. Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

- Film Auckland supports greater collaboration between the various New Zealand film bodies to promote New Zealand, the films we are producing and our film-making capabilities for the future.

- International co-productions need to be encouraged further. They provide an alternative source of funding and support New Zealand films reaching an international audience. Film Auckland is proactively targeting Asia as a region to find co-production partners for local producers, thereby creating growth for the local industry.

- The balance between encouraging overseas productions to come and shoot in New Zealand and producing our own stories needs to be examined. The NZFC has a key role in ensuring these two parts of our film industry can co-exist.
• The NZFC needs to consider the meaning of NZ film. Does the label NZ film mean a film with a NZ story or a film primarily made by NZ creatives? Is the role of the NZFC to support NZ films or NZ stories or a combination of both? There is room for both. The NZFC should be able to support NZ films which have a high degree of NZ cast and creatives. Perhaps an answer is to have different funds for different films but also to define the levels of NZ and overseas funding, the levels of NZ’ers working on projects as well as the type of roles.

• The NZFC should support a sustainable working NZ industry.

9. Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money?

• The NZFC’ structure and governance is markedly different from that used in Screen Australia, the UK Film Council, the Irish Film Board, the Singapore Film Commission as well as the regional screen offices in the various Australian states.

• The NZFC needs to look at its core functions and mission statement. It should be a facilitative body which mentors, supports and develops our industry so that we can be an effective international leader in the screen media creation. Working more closely with NZ On Air can ensure that any programmes and funding will be handed out and administered in a consistent manner.

10. How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

• Film Auckland suggests a change of name for the NZFC to avoid confusion to overseas enquiries. Internationally, particularly in Europe, North America and Asia, a Film Commission would be the equivalent of Film New Zealand, i.e. a location office. Film Auckland encounters regular misunderstandings regarding this issue from international producers. However the name ‘Screen New Zealand’ should be avoided as it has similar potential to confuse.

• In regards to funding decision-making should involve a wider range of people and organisations to reflect and encourage the diversity within the industry.

• The creation of an escrow account to hold bonds and location costs would be beneficial to producers. If not NZFC then either RFOs or the relevant industry associations (Spada for producers, SDG for directors, MEAA for actors etc) can perform this function to safeguard funds to ensure that no party is unpaid on any production. There is the added ability to be able to use this facility to assist incoming offshore based
productions to ensure security of payment for locally based crew and actors.

- Film Auckland suggests a more transparent and consultative process for selecting NZFC board members. Variety amongst members is important but there also needs to be greater representation from the screen industry. This diversity of representation should be based not only on gender and ethnicity but also on industry and locality.

- The role of the NZFC CEO should be recognised as a cultural position and the person appointed can have a significant influence on our cultural history. New ideas and diversity are important to reflect an ever-changing industry. A cap of five years on the length of time a CEO can serve on the board would help the NZFC to develop with the industry it represents. Any continuity required should come from an Executive Director as opposed to the CEO.

- A further review of NZFC systems and staffing levels would be advantageous to ensure the organisation is serving the New Zealand Film Industry in the most efficient way.

11. Are the NZFC’s strategic aims and objectives relevant to the current international and domestic environment and do they take account of the need to manage future funding demands?

- As with any organisation, strategic aims and objectives should be reviewed periodically to take into account changes in funding, the co-production environment, changes in technology and so on. Revising these aims and objectives every 3 or 5 years will assist the NZFC to become more focused in their planning and activities.
Costa Botes

Herewith my submission ...

I have been a freelance film maker since the early 1980s, writing and directing, and more recently producing original work, but also occasionally working as a director for hire. My films have won national and international awards.

One day, perhaps even before I retire, I hope to make a living at this game.

I will refrain from critical comment of past NZFC regimes, beyond observing that the general drift of the organisation from idealism to materialism has been ever more deleterious to the spirit and substance of film production in this country.

The way ahead?

My major point would be this: film making is a dramatic art and a craft. Either way, it depends on practice for mastery.

Whatever happens with the NZFC is largely irrelevant - because the real crux of public funding for visual works is television. That sector is in an awful state, creatively, and doing far less than it could be to incubate, develop, and sustain talent. Many of the problems of the NZ film industry can be put down to lack of opportunity for key creatives to work professionally. At its current level of funding, the NZFC will never come even close to providing the resources necessary for anyone to have a sustainable career making movies. The only hope for that is TV - where the resources are quite adequate, and being grossly wasted.

Although it is the whipping boy for every unhappy unfulfilled film maker in the land, the NZFC has until recent years, punched well above its weight, and given good value for money in terms of outputs. Assuming we can put aside the fantasy of million dollar returns on every picture invested in.

(That will never happen. If nobody wants to admit that film is a cultural activity, worth doing chiefly for cultural reasons, then this review will be a remarkable waste of time.)

I would propose the following bullet points as constructive strategic aims:

1. **More emphasis on narrative mastery - from key creatives - writers, directors, producers.**

Film is a narrative art. Audiences go to the cinema to engage in a dramatic narrative experience. They want fulfilment in terms of emotional and intellectual pay-off. People are interested in people. Movies with great characters engaged in dramatic stories will appeal anywhere in the world.
Insular, solipsistic movies that concern themselves with introverted stylistic explorations will always appeal to a tiny niche.

2. More embracing of risk - failure is a condition of future development and progress.

In seeking to remove risk - we fall into the trap of always looking backwards. Of making "what people want". If anyone, anywhere, knew the formula for picking winners based on historical precedent, then there would be a lot more movie millionaires. Picking winners takes judgement, taste, and the embracing of risk. Ultimately, all successful producers or studio heads roll the dice based on their personal hunches. Which is why a committee driven decision making structure can only ever be about consensus and compromise. Once the latter enters the mix, the chance of ever embracing anything truly original and great becomes far less likely.

The NZFC is a committee driven entity. Can't see that changing, but let's get a bit more real about what is really at risk? Whose money is it anyway? What is the worst thing that can happen? year after year of poor performing, uncommercial pictures? Yes, that would be bad, but only if the same movies were cultural dogs as well. The problem with assessing everything in terms of box office is that this fails to explain why some of our most successful film makers have also weathered flops. In fact, the flops have materially informed their practice and made them better film makers.

3. Less 'top down' legislation of ideas and creative strategies - recognition of great ideas when they arrive.

The Film Commission should completely avoid mediating between film-makers and audience, trying to second guess or influence either. No more 'feel good' initiatives, or 'no budget' initiatives, or 'digital' initiatives. These schemes all singular failures because they imposed the limitations of executive producers and the NZFC organisation on creative thinking. The flow of energy became how to please the organisation - not how to please the audience. Good film makers need more contact with their audience - as directly as possible.

4. Encouragement and support for pro-active, self developed projects.

A film maker who takes on the risks of production and advances all the way to a rough cut, or double head fine cut deserves some consideration and respect. They should not of course, by right expect any help with further development or finishing of their movie, but should at least expect some hope of assessment.

5. Encouragement and development of low cost digital cinema circuit.

This is occurring anyway, up and down NZ. The NZFC has still not got any kid of basic data base of digital ready cinemas. A few of us are taking this in hand, and going it alone, but it would be nice to see the organisation waking
up to the fact that movies don’t have to be shown in the same old way any more.

6. Reconsideration of short film funding model

Re my comments above about mastery of narrative. Why else have a short film fund? There’s a lot of work that comes through this fund which is thoroughly self indulgent, and speaks to the self indulgent needs of short film festivals, but - with some fantastic exceptions - fails to develop talent that can work in a dramatic feature film context. Short films are the natural pathway to features, and I would not want to monkey with that, but the current system of using devolved producer operated Pods is I believe retarding quality. Projects are developed too quickly and speculatively, and they get one shot only per year. The previous panel based system was better because it allowed year round development, with 3-4 rounds per year. Projects could be refined and resubmitted, often much better than they started (and yes, worse too).

Funding for short films needs to increase by at least 50%. The sector is at a crisis point now, and continues only because of the unbelievable generosity of desperate and frustrated technical crew. The real issue is not how much people are paid, or not paid - it is increasing the number of opportunities available. Most crew and creatives don't care if they personally make money or not on these things; they just want a chance to show what they can do,

7. Feature documentaries are a huge area of opportunity. Help pay for some.

Once upon a time, the NZFC supported documentary makers. Those days seemed to disappear, but lo and behold - feature documentaries have crept back onto the table, in a very ad hoc way; but there is no denying the success of pictures like Topp Twins, and Rain of the Children, both financially, and culturally, these movies more than justify themselves.

There’s a whole world of opportunity in the field of creative authored documentaries. They can be made for a tiny budget and sold all around the world for a profit much more easily than any narrative feature. The NZFC’s ad hoc and confusing policy towards them needs to be revised.

Suggestion: Currently the NZ Govt applies 15 million a year towards TV productions via the Platinum Fund (formerly the Charter). If I were the NZFC I'd make an aggressive move to lift 5 million from that fund and set up a dedicated film documentary fund for works that are cinematic and international in their appeal. This would liberate and inspire a sector that is currently almost invisible - yet continues to make its presence felt annually at the NZ Film Festival. Many of us now have the ability to set up co-productions with Australia, Canada, or other countries, yet we cannot access a dollar of NZ funding to make movies possible because NZ broadcasters have a lien on documentary production funding, and they don't want to spend money (which is not theirs anyway) on anything other than the most appalling reality shows.
Thanks for your time.

Best regards,

COSTA BOTÉS
Geoff Houtman

Thanks for requesting our opinions.

General overlook followed by two specifics.

Make more "commercial" films. This will have a twofold effect; it will get more kiwi bums on kiwi seats watching kiwi films, and it will train the film makers to make commercial product, which is the only type the Industry offers. There's no point teaching people how to make tiny personal arty films then send them off into the real world. They'll move back into your spare room in a couple of months and you'll never get rid of them...

Ah, the drip feed of development. Less, better projects in development = more money to spend on production.

Perhaps spin off the entire Short Film sideline to CNZ or similar. Not sold on the supposition that being a good short maker leads to being a good feature maker. If Features is where the market is at, Features is where the Commission should be.

4.
Regarding the “tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally”.
Using an International Sales Agent would be a good idea. The $% they take would far be offset by the savings of having no Sales Dept, and should also result in significantly higher sales figures per territory.

Increased sales returns could well be saved up and used for funding an extra feature.

11.
"Are the NZFC’s strategic aims and objectives relevant to the current international and domestic environment and do they take account of the need to manage future funding demands”?

Good question, I'm unsure as to whether they know what their relevancy is.

Two events of recent years have made me seriously wonder about the financial competency of the Commission. Firstly the $900,000 plus for the office move across Wellington, Secondly the (Former) Chief exec bragging that they have so much money in the bank they made a million dollars in interest.
Which is awesome if that's your job. Unfortunately it isn't. The job there is to make movies. Members of the Industry get a little irate when that figure is bandied about and no film has been made for- 2 years, I believe it was. Never again eh?
Dear Sir or Madam,

We wish to make a submission to the Review of the New Zealand Film Commission announced recently. Our submission addresses points six and seven of the terms of reference. We would like to make the following comments:

(1) The Review is charged with examining the Film Commission’s role in the development and training of staff for the film industry. We believe that the NZFC could play a significantly greater role in the provision of education and training of people who would like to work within the film industry. At present, the NZFC provides money to organizations such as craft unions and Women in Film and Television to undertake training and professional development. However, there is little scrutiny of how this money is spent or what services these groups deliver. We also note that there over twenty tertiary institutions that offer film production courses. However, the NZFC does not have a formal relationship with these institutions. Consequently, tertiary institutions do not always meet the needs of the film industry, or are they slow to respond to the industry’s requirements. The pathways for students between education and work in the industry are also unclear.

We would like to suggest that the NZFC develop a more rigorous and systematic approach to professional development and training. It should draft and institute a national policy for entry into the film industry. The Film Commission should play a formal liaison role between the film industry and tertiary training providers. The NZFC should also have greater oversight of community and industry groups that deliver services on its behalf.

(2) The terms of references affirm the role of the Film Commission in facilitating “high quality film projects that meet New Zealand cultural content objectives”. The film industry needs a diverse workforce capable of telling a range of stories. In order to achieve this, film production training has to be available to the entire community. Industry groups tend to assist people already in the industry. People from lower socio-economic groups, from Maori and Pasifika communities, and from rural New Zealand are historically under-represented in tertiary education. We believe that the NZFC should develop a strategy for the provision of film production training and education to marginalized groups and sections of the community. For example, British initiatives such as 21st Century Literacy and First Light Movies could be adapted for New Zealand purposes.

(3) The terms of reference mention the NZFC’s delivery of “information and research” to “filmmakers and audiences”. The New Zealand Film Archive, tertiary institutions and local film societies play an admirable role in New Zealand’s film culture. However, they tend to service particular sections of the community. If New Zealand is to empower all its citizens in the twenty-first
century through the provision of visual literacy, then film culture has to reach everyone. Accordingly, it cannot belong to, or be disseminated by, universities and urban elites. People should be able to discover cinema at their municipal library, local school or at the marae. To make this possible, the Film Commission should play a strong and active role in making New Zealand’s film culture accessible to all New Zealanders.

We hope that this submission is useful. We can be contacted at the address above.

Yours truly,

Ms Lee-Jane Bennion-Nixon, Lecturer in Film
Dr Tim Groves, Lecturer in Film
Victoria University of Wellington
Tena koe,

I would like to acknowledge the purpose of this review and commend those responsible for its instigation. It is our view that such a process is happening at an appropriate time.

Issues of Concern: “What is needed?”

“Regional” Professional Development:
In order to enable the NZFC to work most effectively for all New Zealand, we believe there needs to be a focus on the development of the NZ film industry in regional areas.

Film Central North Island Trust, as the name suggests, is primarily concerned with developing the Film and Television industry across the central North Island. As this region does not include major centres, namely Auckland and Wellington, we are sometimes overlooked when it comes to national and international film production.

“Promotion” of Alternative Locations:
In order to be truly reflective of New Zealand and New Zealanders, we believe that the NZFC needs to actively support use of diverse locations and to fund the production of films that present heartland New Zealand. With a more regionally orientated distribution policy the Commission will have access to a wealth of talent that is at risk of being under utilised.

Locations such as Rotorua, Tauranga and Taupo are rich with natural environmental resources as well talented industry personnel. With a more regionally focused funding distribution policy we believe the NZFC will be able to increase the “cultural content” of its programming and portray a broader spectrum of New Zealand.

“Equal Opportunity” for Regions outside of Auckland and Wellington:
As suggested, there is a seemingly uneven playing field when it comes to the distribution of funds between urban and regional locations. It is a commonly held belief with those of us in the industry in the central North Island, that unless you are operating in one of the main centres (e.g. Auckland/Wellington) you will struggle to “make it” in the New Zealand Film Industry.

As part of this review, we would encourage those charged with compiling the final report, to investigate the development of a distribution policy that would allow for more films to be shot and produced in a wider range of locations, and thereby enhancing the overall content of what is funded and produced.

“Sustainable” Local Industry:
A sustainable local film industry in the central North Island is achievable.

Within the central North Island region there are a good number of talented industry personnel with a wide range of skills and experience. While these people have consistently produced high quality content, they have often had to do so with limited budgets, resources and support.

The sustainability of the film industry is reliant on the support enjoyed from all contributors and stakeholders. We believe with support, regions have the potential to further elevate the success and the potential of the national screen production industry.

**Filmmaker Professional Development and Audience Development**

A number of NZ centres (both regional and urban) host film festivals. While some play films solely for the benefit of audiences, others involve filmmakers, hold seminars and workshops and offer professional development.

We would like to see a strategic approach to film festivals adopted. This would acknowledge the value all festivals have in growing audience support for NZ films and filmmakers, and in providing professional development opportunities for filmmakers’ particularly at all early stages in their careers.

Further to this, we would encourage more communication or promotion of these opportunities to filmmakers, and would like to see filmmakers made aware of festivals where their films are screening or winning awards.

**In Summary:**

We would like to see our talent being fostered here in the regions, being supported to work here and continue to train and support emerging talent.

We need organisations like the NZFC to invest in the Central North Island region as a viable film destination and a resourced production option.

We believe some new strategic approaches in relation to funding and to festivals would enhance the film industry through out New Zealand for production and allied companies, filmmakers and audiences.

We propose that Film Central be the main point of contact for NZFC to our local industry and vice versa. We are committed to developing our industry and in marketing our region as a viable film destination.

Nga mihi

*Lara Northcroft*  
*Chairperson*  
*Film Central North Island Trust*
1. NZ Film & Video Technicians’ Guild thanks the Ministry for Culture and Heritage and the NZFC for the opportunity to make this submission.

2. The NZ Film & Video Technicians' Guild (the Techos' Guild) encourages the NZFC to take a broader overview of the NZ Film Production Industry than it has in the past, recognising that the industry is by nature one of collaboration. NZFVTG believes that the NZ industry is particularly suited to an holistic approach and will benefit from practice that reflects this.

3. NZFVTG supports recognition of the creative role played by many of those involved in making films at all stages of production, including: cinematographers, editors, the designers of lighting, sets, costumes, make-up, effects (fx) and actors, as well as writers and directors.

4. NZFVTG supports NZFC placing greater emphasis on writers and directors to move away from a producer-led film industry.

5. NZFVTG encourages the NZFC to abandon a misguided emphasis on those ‘above the line’ and to work in a way that ensures industry professionals in all areas of the Film Production Industry are consulted.

6. NZFVTG endorses a focus on professional development, training and industry support that is reflective of the fact that these (development, training and support) come in many different forms.

7. In support of items 2 and 4, NZFVTG would like to present the following individuals as examples of writers and directors who have honed their craft while working in areas other than writing and directing, and have emerged from bodies such as the Techos' Guild: • Paul Murphy (Second-Hand Wedding)
   • Leon Narbey (Illustrious Energy, Footstep Man)
   • Grant Major (Undergrowth, 2009 International Film Festival)
   • Thomas Burstyn (This Way of Life, 2009 International Film Festival)

8. NZFVTG encourages the NZFC to approach the creation of a sustainable industry in a creative way; considering possible effects of policy and support at all stages in the life of films - from writing and pre-production to distribution and screening (including secondary screening via broadcast or other modes).

9. NZFVTG recognises the uniqueness of Te Ao Maori, the world of Maori, the indigenous people of New Zealand/Aotearoa, and including Te Reo, the Maori language. As such our organisation encourages the NZFC to consider initiatives that specifically nurture and support film making by, about and for Maori.
Appended submission from Tony Forster, First Assistant Director and Editor in support of item 8:

Cultural Identity & Relevance versus Commercial Imperatives:

I would hope that the review will note Gordon Campbell’s point about the way in which Item 2 in the Terms of Reference appears to conflate these separate and potentially conflicting goals. I would hope that the review will actively seek to recommend a path that specifically avoids the kind of nonsense that was the TVNZ Charter, where the goal of cultural relevance and catering to minority audiences was compromised by the demand that TVNZ make a commercial profit, and these two were imagined to be complementary!

I would also hope that the review recommends ensuring that the Government’s appointment of people to the FC Board is not captured by those clearly favouring profit over cultural relevance (as has been blatantly the case with TVNZ): and that making films for New Zealanders first takes priority over the nonsense of trying to mimic overseas commercial success. I hope the review recognises that NZ’s most successful films overseas (excluding Jackson’s own recent big-budget films, which don’t qualify as Kiwi films in terms of content or funding!) have been those with a strong NZ identity - *The Piano, Once Were Warriors, Brain Dead…* This is something that the Australian industry has also learnt over the last 30 years.

Screen Australia has a separate fund for indigenous film-makers, called the “Indigenous Branch”. Perhaps this concept should be considered for NZ funding bodies also.

Information about Screen Australia’s “Indigenous Branch” can be found at their website:
1. EXECUTIVE SUMMARY

1.1. The NZISI is a national membership body recently formed with a mission to lead key initiatives that will support the strengthening of New Zealand’s digital entertainment and content sector as one of the most respected and strongest in the world securing for the country a defensible place as the innovative hub of the global industry.

1.2. The NZISI has launched initiatives covering skills development, infrastructure support, strengthening international alliances and further developing a capital structure that will specifically support the content and IP development.

1.3. The principal focus of this submission is in regard to the Capital Development initiative mentioned above and will seek to show why such and initiative is required and how the role of the Film Commission and other bodies can be modified to support a new and effective funding structure for the industry.

1.4. New Zealand’s digital entertainment industry is similar in many respects to the rest of the world in that there is a strong convergence between the entertainment formats.

1.5. Traditional film exhibition, interactive game formats, broadcast and emergent mobile formats often rely on each other to enable and enhance the return on investment and extend the audience experience in relation to an entertainment story or property.

1.6. The New Zealand industry in the film, game and associated product and merchandising sectors have carved out a formidable reputation globally but with the exception of a handful of cases, relatively little has returned to this country in real economic terms.

1.7. This is principally the result of the main value extraction remaining where the capital funding for the content is sourced; in most cases overseas.

1.8. The efforts of the New Zealand Government over the past number of years have aimed at providing incentives for the industry in an effort to attract foreign large budget film production to the country.
1.9. These efforts have largely helped key New Zealand production capacity to be created through leveraging the incentive grants.

1.10. However, again with only a few exceptions, the industry has been unable to truly establish a structure which results in effective development and control of content with most of the industry being a service industry format supporting international content production locally.

1.11. We contend that without a substantive shift from a service structure to one where New Zealand firms have greater created or control intellectual property, our industry is likely to find international competition for services too great to have our industry remain sustainable.

1.12. The NZISI contends that to counter this and help shift the balance of the industry from a service model to a content development and control model, an appropriate capital funding structure should be developed with a sizeable and well managed capital investment pool.

1.13. The objective such a fund would be to support financing the development of projects and companies which create intellectual property or advanced technology in the convergent area of film, game and screen entertainment where those firms or teams of firms managing the IP have bright prospects but lack capital support.

1.14. The NZISI suggests that while the Large Budget Screen Production Grant and the recent Screen Production Incentive Fund may indeed be incentives for attracting production to this country, they are inadequately structured to support local content creation and exploitation.

1.15. The NZISI also recommends that any new capital funding designed to support the industry should be operated by expert venture fund managers in conjunction with industry experts and as such should not be under the control of a public sector agency such as the Film Commission.

1.16. It is considered that under its current structure, the Film Commission would be too narrowly aligned towards film exhibition to be able to effectively invest in projects, either through a fund or a grant structure, that covers the spectrum of what is now a converged digital entertainment industry.

1.17. The NZISI is willing and able to assist with the development of an appropriate capital fund and indeed are already progressing with the initiative as discussed above.
1.18. NZISI would welcome further dialogue on the recommendations in this submission and have provided specific areas where we believe we are well placed to provide leadership and assistance.

1.19. Summary of Recommendations:

1.19.1. The Film Commission’s role, mandate and composition should change to broaden its scope to include game development, and wider screen entertainment.

1.19.2. The Film Commission should divest its investment function to an industry led investment fund entity which is appropriately managed to make investment decisions.

1.19.3. The Film Commission continue in its role of promotion of the industry and New Zealand screen and other digital entertainment content including the wider definition of screen entertainment.

1.19.4. To kick start an effective investment fund, any remaining film fund together with a sizeable allocation from the Screen Production Incentive Fund appropriation of $68.5 million (not less that say $20 million) be allocated to the proposed Investment Fund managers to allow then to attract private funds to match.

1.19.5. To effectively promote the wider screen entertainment sector overseas, the Film Commission develops its knowledge of the wider industry beyond traditional film, and refocuses its capacity towards promotion and marketing.

1.19.6. The Film Commission also assumes the role of measuring and monitoring the wider impacts of the screen entertainment sector on the New Zealand economy and develops their capability accordingly to fill this function.

1.19.7. The Film Commission works with industry and core Government agencies to redefine any incentives that may be required to continue attracting international productions to this country but seek to specifically create a single tiered incentive scheme with common rules that caters to the whole of the screen entertainment industry.

2. INDUSTRY SUPPORT

2.1. The NZFC has a stated focus on the development, financing, production, marketing and distribution of New Zealand films, domestically and internationally.
2.2. The NZFC is also the administrator of the Large Budget Screen Production grant (LBSPG) and the Screen Production Incentive Fund (SPIF).

2.3. The government’s stated objective for the LBSPG is to provide and incentive to attract large budget film and television productions to New Zealand, and is specifically is geared toward productions of greater than $15m which have upwards of 70% of their production budget spent in the country.

2.4. While the LBSPG has certainly been a key contributor toward attracting some of the very large scale productions such as The Chronicles of Narnia, The Lord of the Rings Trilogy and King Kong none of these productions can be classified as New Zealand films or productions, given they were substantially funded and owned by US studios, which has resulted in the majority of the financial benefit being realised by the studios.

2.5. While we acknowledge that incentive mechanism can be valuable in helping establish a production base in the country, without additional or supporting investment processes, the local creative talent can not access this grant scheme simply due to the current high thresholds and lack of NZ financial institutions to cashflow such incentives.

2.6. The only NZ films to have reached the LBSPG thresholds are River Queen ($24m), Perfect Creature ($17m), The World's Fastest Indian ($18m), and The Vintners Luck ($16m).

2.7. The NZISI contends that while the LBSPG has a valid role in attracting larger overseas productions to the country to support the development of production skills and creation and use of infrastructure, it does not fit with the NZFC role of supporting NZ films.

2.8. **Recommendation:** The NZISI recommends that the NZFC together with the Ministry of Economic Development and the Ministry of Culture and Heritage, work on a strategy that places this grant fund in the hands of a specific film investment entity and be restructured to allow it to be used to leverage NZ creative content development through a more traditional investment approach.

2.9. The SPIF is an instrument created more recently by the Government that will provide up to 40% grant for NZ qualifying expenditure for eligible NZ feature films and up to 20% for other screen productions including television.
2.10. The SPIF has reduced the thresholds in recognition of the scale of productions that are likely to be true NZ content.

2.11. The SPIF was created to “support increased production of medium and larger scale NZ cultural screen content” but is also specifically geared towards producers rather than the story writers and directors.

2.12. In establishing this grant, the Ministry of Culture and Heritage and the Ministry of Economic Development acknowledge that even at this level of budget threshold, mostly larger scale films are being supported.

2.13. The LBSPG recognises through post/digital/video (PDV) incentives support for some of the specific pipeline production where NZ has creative capacity.

2.14. This particular portion of the grant could support the identical techniques adopted in the PDV creation within the game development entertainment productions, although it is rare indeed that a game production, unless bundled with film, will pass the thresholds specified in the grant rules.

2.15. The SPIF scheme, which has thresholds more appropriate to the game entertainment segment of the industry, specifically excludes grant support of ‘computer games’.

2.16. Global revenue as measured by PriceWaterhouseCoopers, shows that global filmed entertainment generated US$84b last year compared to the gaming segment which generated US$55b.

2.17. It is acknowledged by the NZISI that the SPIF grant, with a minimum threshold of $4m for a feature film, is well placed to support the creation of NZ entertainment content.

2.18. However, as a result of the grant being available only on the completed delivery of the finished product, it is likely that only producers, with access to either investment or studio funding, will be able to leverage the grant.

2.19. This results in the likelihood that the SPIF will, like the LBSPG, be used principally to support offshore developed and owned content with some NZ productions services.

2.20. This will again ensure that the NZ industry remains mainly a production services industry which has little ability to retain long term value extraction through interest or control of the intellectual property in entertainment projects.
2.21. Therefore, the NZISI believes that administration of the SPIF in its current form by the NZFC is largely incompatible with the objectives of the Commission in developing NZ films.

2.22. **Recommendation:** The NZISI recommends that the NZFC together with the industry, work on a re-design of this grant fund so that it can be used to support the fully convergent industry of film, tv, VFX, animation and gaming.

2.23. **Recommendation:** The NZISI also recommends that the NZFC together with the Ministry of Economic Development and the Ministry of Culture and Heritage, work on a strategy that places this grant fund in the hands of a specific film investment entity that will manage the incentive through a more traditional investment approach.

2.24. The NZFC Independent Filmmakers Fund (IFF) is conceived with the intent of supporting independent NZ film content and is an area specifically focused on NZ creative skills development in the sector.

2.25. However, the scale of the IFF is considered too small to make any meaningful impact and the conditions that apply require that the filmmaker has prior international and domestic exhibition and ‘success’.

2.26. **Recommendation:** The NZISI recommends that this fund be wound up and any remaining funds be integrated into a redesigned universal fund that is managed by an appropriate external industry led investment entity, and has guidelines that achieve the support of these skills, content and projects.

2.27. The professional development programmes led by the NZFC are broadly appropriate and should be continued but could take into account other programmes led by NZFC.

2.28. The NZFC operates an Industry Infrastructure Programme (IIP) which is designed with the stated purpose of supporting funding of infrastructure overheads that will help achieve the delivery of planned projects.

2.29. The IIP is intended as it is set out as a mechanism that will partly support infrastructure that will support the NZFC mission of supporting ‘distinctively New Zealand films’ through activities of script development, talent development, marketing and production processes.
2.30. To this end, the IIP should be applied to organisations that support either a discrete project of general industry development.

2.31. In the past year a NZFC allocation of $1m was designated as being for the support of infrastructure which included funding for the support of guilds, festivals and the Film Archive.

2.32. It is considered by the NZISI that there is considerable overlap between the objectives of the professional development programmes and indeed this may already be the case within the NZFC.

3. INVESTMENT IN DIGITAL ENTERTAINMENT AND CONTENT

3.1. It is broadly accepted that there is rapid convergence of traditional entertainment mechanisms such as film exhibition, interactive games and other channels for content delivery.

3.2. The proliferation of channels to market including publishers, exhibitors, producers, cable, broadcast, telecommunications firms, mobile networks and the internet has increased competition and blurred revenue streams for even large scale content owners such as the studios.

3.3. New business models are being considered that circumvent the traditional gatekeepers.

3.4. However, a consistent theme is that ownership, or more specifically control over the intellectual property (IP) dictates where and how the value can be sourced and retained.

3.5. New Zealand is facing a possible crisis in that what has become a substantive industry is in fact little more than a service sector with limited ownership of or control over the IP and as a result reduced share of financial returns than could be achieved.

3.6. Without a considerable effort to shift the industry towards one of content creation, the perceived strength of the sector in NZ is at risk.

3.7. To provide suitable interventions to shift the sector towards an IP generator, we must first play to our strengths.

3.8. In New Zealand these strengths are our artistic creativity, an existing reputation for quality, a distance from the core control centres of the US which provides us with an independence and an inventiveness.
3.9. An apparent threat to our industry is a growing global battle for incentives which encourage flight of production to wherever the largest incentive lies, as has been demonstrated by the Singapore investments.

3.10. Generation of IP and content control requires investment in skills and development of creative people covering all aspects of writing, conceptual art, visual effects, design and technology or process development.

3.11. The NZISI believes that much of public sector intervention in the establishment of national and regional infrastructure to support the production sector, either by way of direct Major Regional Initiatives or indirectly through screen production grants, have established a suitable environment in which local content can be created.

3.12. However, as discussed above in section 2, the NZISI believes that funding and investment structures are now either inappropriately structured or of a scale that do not allow NZ content developers to make best use of them.

3.13. Public sector intervention is now called for by the NZISI to both further develop industry skills in the area of business capability, and establish an effective capital investment regime to support all levels of content development across the broad convergent sector.

3.14. Only when such support for skills and investment development, will New Zealand creatives be able to develop a credible pipeline of local content over which they have IP control.

3.15. With such a pipeline of content, the NZ industry will further develop higher value retention and help de-risk the private investments that may be required for subsequent new infrastructure such as studios and fibre based broadband.

3.16. The SPIF funding allocation by the Government, while admirable, is in effect soft money and like tax breaks that preceded this mechanism, are highly competitive with offshore grants and incentive schemes.

3.17. Due to NZ’s limited economic power, it is highly unlikely that we can respond to match and future incentive competition from overseas.

3.18. The full appropriation as reported in the Budget09 for SPIF is $68.5m over a total of five years but in the first year saw an allocation of a little over $3.3m (approx 1.9% of fund).
3.19. Whether this is indicative of the limitations of the SPIF design and application thresholds, or something else, it does leave a sizeable possible fund that could in part be effectively reallocated to trial an investment structure as an appropriate way of stimulating local content more effectively.

3.20. The NZISI is proceeding with the design of a sector investment fund on the broad form of a venture investment model which has been well tested by the NZ Venture Investment Fund.

3.21. The design of such a fund, which would be industry led, would afford the Ministry of Culture and Heritage and the Ministry of Economic Development to direct any LBSPG and the SPIF reallocations into a proper investment engine.

3.22. Further, as an industry led entity, at complete arms length from Government, it would be a more appropriate entity to administer the LBSPG and SPIF funds in support of the investment pool while these are gradually phased down over an agreed period of time.

3.23. **Recommendation:** The NZISI recommends that the MCH and MED instructs NZFC to explore a partial allocation of the SPIF fund to an acceptable industry designed and led investment entity.

3.24. **Recommendation:** The NZISI recommends that NZFC should work with MCH and MED to agree a strategy and structure under which administrative responsibility for the LBSPG and SPIF are shifted from NZFC to a suitable industry led investment body.

3.25. **Recommendation:** The NZISI recommends that the NZFC assume a role of independent monitoring the economic outcomes of the investments made, by way of venture or grant, by an appropriate industry led entity and report such economic metrics to key stakeholders including government agencies and industry bodies.

4. ADDRESSING OTHER INDUSTRY WEAKNESSES

4.1. It is accepted that our distance is in some cases a blessing with many offshore creative people stating that New Zealand is “the way Hollywood was meant to be”, with remoteness providing NZ with a unique independence which permits additional creativity.

4.2. However, this also brings with it a remoteness to traditional distribution systems on which our content creators will rely until future distribution models arise.
4.3. The NZFC is an effective and credible agency to access these distribution channels and promote the content created in New Zealand.

4.4. But its true independence is questionable when it is also an investor through either existing Film Funds or indirectly through allocation of grants.

4.5. There is evidence that systemic scale issues act as a barrier to entry for second tier firms to develop in New Zealand in spite of the apparent depth in creative talent which is symptomatic of either a lack of suitable skills training or capital development of these industry participants.

4.6. With the exception of a handful of deeply connected individuals, there is a lack of breadth in connectedness with above-the-line talent and agents; however this is a role that he NZFC is ideally suited to fulfil.

4.7. The historical lack of capital together with the distance from markets and lack of relevance of our industry to major distributors of entertainment content, has nurtured a desire and some ability in parts of the NZ industry to explore new distribution models.

4.8. The structural volatility of the NZ currency has meant our industry is subjected to fluctuations in comparative value which has created a risk to the industry and while this is beyond the control of the NZFC, deepening our content creation base is not subject to these variations.

4.9. There is a dependence on the reputation and capacity of a small group of companies, predominantly located around the Miramar cluster to raise the profile of NZ content development, where in fact this film specific cluster is heavily oriented towards supporting the service structure.

4.10. Based upon recent industry interviews conducted by Price Waterhouse Coopers on behalf of Grow Wellington, there is a strongly communicated wish for better facilitation of capital for creation of IP, greater support for skills development and a wish to deepen the international connectivity.

4.11. **Recommendation:** The NZISI recommends that the NZFC strengthens its support for international connectivity inclusive of marketing and distribution development for NZ content.
4.12. **Recommendation:** The NZISI further recommends that for the NZFC to effectively leverage the international efforts, it should have greater ring fenced funding to conduct this activity even if it means re-allocation of some of the current grant funding to support this activity.

5. **MOVING ON**

5.1. The NZISI does wish to acknowledge the work of the NZFC over the past few years and notes that the extant Film Fund has been effectively applied to some good quality NZ film content.

5.2. However, the convergence of the industry which now includes game, animation, technology, tv and merchandising spinouts, means that the structures for investment such as the film fund are not appropriate for the current or future industry.

5.3. More specifically, as has been discussed above, the NZ industry must consider a swift shift towards content and IP creation to mitigate against global competition in the production services segment which will undoubtedly see any current comparative advantage in this area quickly evaporate.

5.4. Such a shift towards greater IP content control would lead to a greater share of down-stream value being retained in New Zealand.

5.5. To support this shift, and to maintain an independence in distribution marketing, the NZFC should be restructured to allow it to divest itself of any funding role and be in fact better funded to conduct the ‘in-market’ promotion of NZ content and IP.

5.6. The existing grants can be better structured into a composite investment/grant pool managed by a suitable structured and qualified industry led investment entity.

5.7. The NZFC is well qualified to monitor and report on the economic outcomes of such investments, which would be made with the core intent of creation of NZ content ownership or control.

5.8. The New Zealand industry has voiced its desire for appropriately structured capital mechanisms, suitable skills support and in market connectivity and the NZISI has a mandate as a membership organisation to communicate this message to the Ministry of Culture and Heritage on its review of the New Zealand Film Commission.
Paul Davis

Areas Covered
This submission is concerned primarily with Topics 2 and 4 of the Terms of Reference, particularly the question as to whether the Commission should be involved in the international licensing of film rights. I’ve also taken the liberty of making brief observations on New Zealand distribution and the Commission’s on-line presence.

Qualification to comment
I have been involved in international film sales and marketing since 1984, initially in New Zealand and then for fifteen years in London where I worked for Gavin Film (1988-91), a small specialist sales agent, and then at two of the leading London based independent companies: Majestic Film and Television (1991 – 1997) and Intermedia (1997 – 2003). Intermedia was a significant player in independent film development, financing and licensing in the early 2000s. Over these twenty-five years I have experienced first hand the vagaries of the business, dealt with many international distributors and filmmakers, and observed from the inside the mindset of successful (and some unsuccessful) sales operations and how they are structured and function.

Since returning to New Zealand I have from time to time undertaken consultancy work for the Commission, and was a member (and recently Chair) of the Sales Agency Advisory Committee (SAAC), an ad hoc industry group set up to provide advice to NZ Film. I co-produced We’re Here to Help and was an executive producer on Sione’s Wedding (managing the film’s successful New Zealand theatrical release) and The Tattooist. I am currently involved as a producer with the development of two feature films with South Pacific Pictures.

While I have been a supporter of NZ Film, I believe changes could result in significant improvements. I hope my comments – offered in good faith - might help encourage this Review to consider alternatives. However, one thing I have learnt over the years in the industry is that William Goldman’s oft quoted “nobody knows anything” holds true, and I accept that my view will be one of many.

Confidentiality of information
Please note this submission contains some confidential information to which I was given access as a member of the SAAC and is subject to a non-disclosure agreement. This submission, therefore, must be treated as confidential and is submitted on the condition that its use does not put me in breach of that agreement.

Summary of Suggestions

• That the international sales and publicity/promotions functions of NZ Film be separated
• That KPIs relating to international sales and New Zealand distribution have a quantifiable financial dimension
• That the Commission ceases acting as a traditional sales agent and moves to brokering and overseeing relationships between film makers and international sales agents
• That the Commission regards its on-line presence as a priority

International Activities

General Observations

1. Over the years I believe the Commission’s sales operation has become locked into a methodology that doesn’t now fully exploit its full potential to deliver the goals of:
   a) placing New Zealand stories before a wide international audience to benefit the country as a whole, and
   b) generating revenue from the sale of international rights that can then be reinvested in further films.

2. I feel the sales arm is still operating much as it did when it evolved in the 1980s, ie it is a routine where staff automatically attend each of the major film markets and screen to distributors whatever is available. Or, alternatively, a film may be premiered at a major festival at which buyers are present. Both approaches generate good publicity – particularly back in New Zealand – but do not necessarily produce sales. Any sales achieved are often seen as a bonus to the publicity generated for New Zealand and its films by the market or festival presence. In other words, goal a) out-weighs goal b).

3. However, as more sophisticated production financing utilizing offshore funds is used, defined sales targets must now be met to repay these investors (eg in the case of Dean Spanley and Under the Mountain). The stakes are now higher: failure to meet these targets may have the immediate effect of the Commission losing its sales rights and being relegated to a diminished recoupment position. But more importantly is the negative impact on the industry of a general loss of confidence by these funding sources toward investing in New Zealand films.

4. Commercial film sales agents are acutely aware of the need to reach sales targets; if they don’t they cease to exist. The mindset of any sales agency I have worked for has always been focused on sales, contracting and collecting. The staff knows that if they don’t achieve they don’t get paid and they are usually incentivized with bonuses. This is very different from a government agency where salaries are paid irrespective of whether sales targets are achieved.

5. To illustrate the above, one need only look at the Key Performance Indicators (KPIs) for NZ Film in the 2007/08 Annual Report:

   “16. Effective launch of each film handled by NZ Film at relevant international markets
   Achieved: NZ Film launches new films at AFM, Rotterdam, Clermont Ferrand and Cannes.
17. Number of productive relationships with A list festivals.  
   80% of feature films handled by NZ Film to achieve 'A' list 
   festival launch assessed on a 3-year rolling average 
   **Not achieved:** eight out of twelve achieve A-list festival launch 
   = 67%

18. Assistance to enable 5 producers to participate at markets 
   **Exceeded:** 12 producers assisted to participate at four markets.

ie, there is no KPI linked to the only meaningful KPI for a sales agency: 
achieving sales targets. As it now stands, NZ Film can achieve its KPIs 
for the year without making a single sale.

6. This is not to say that the Commission doesn’t recognize the importance 
themes for 2008/09” section it states: “.. in an increasingly competitive 
marketplace, gaining international interest and finance for New Zealand 
films is critical. A key focus this year will be ensuring that the NZFC’s 
sales agency NZ Film is able to fulfill its mandate to the best advantage 
for filmmakers. This is an essential element in the NZFC’s continuing 
endeavours to build relationships and facilitate connections between 
producers and international financiers.” The Commission clearly 
recognizes the importance, but does it have the best structure to achieve 
these aims?

7. When the aim is to “facilitate connections between producers and 
international financiers” the only common language is the dollar; our films 
have to be seen to be achieving sales. But despite these important goals, 
the Commission’s expectations in this seem to be very low. The *Statement of Intent* 
has the following information in the table *Appendix 3 Prospective Statement of Financial Performance* for the three years to 30 June 2011 (I have taken only relevant lines from the chart and added the 
% lines):

<table>
<thead>
<tr>
<th></th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NZFC Features</td>
<td>7,900</td>
<td>7,800</td>
<td>7,800</td>
</tr>
<tr>
<td>SPIF - NZFC Co-invest</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total Investment</strong></td>
<td>9,900</td>
<td>9,800</td>
<td>9,800</td>
</tr>
<tr>
<td><strong>Film Sales Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Film Income</td>
<td>1,050</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Percent return</td>
<td>11%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,467</td>
<td>1,507</td>
<td>1,500</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>International Sales/Marketing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Commission</td>
<td>280</td>
<td>500</td>
<td>250</td>
</tr>
<tr>
<td>Cost Net of commissions</td>
<td>1,187</td>
<td>1,007</td>
<td>1,250</td>
</tr>
<tr>
<td>Cost as a % of Film Income</td>
<td>113%</td>
<td>50%</td>
<td>125%</td>
</tr>
</tbody>
</table>

For such an important focus, these target results seem mediocre, with an average of only 13.6% return on investment from sales. Given four films a year, this is an average of $337,500 in sales per film. Converting this at an exchange rate of 0.60 to the US$ it is just over US$200,000 per film. To put this into perspective, this is what one would reasonably expect for sales to three or four modestly sized territories. Not only would this be very unattractive to an overseas financier, but it seems hardly worth the effort of running a sales operation at all. And in only one year out of the three (2009/10) is the sales income forecast to exceed the cost of making those sales.

8. If the return on investment could be raised to just 30%, an extra $4.8m would be returned over the three years for investment in new films, probably at no additional cost of sales. Focusing on improving the sales function would clearly mean more NZ films could get made.

Separating Sales and Publicity/Promotions

9. NZ Film has two primary functions: licensing international rights (sales), and generating an international profile for New Zealand films (publicity/promotions). Over the decades, I feel these two functions have become intertwined and blended into one, with the result that the effectiveness of the sales side is reduced. But on the other hand, NZ Film has been very good at creating and maintaining a high and positive profile for New Zealand films.

10. In my experience, getting publicity for films is easier than getting sales. I do not underestimate the skill required to devise and implement effective publicity and promotions strategies and produce high quality materials and events, but if the budget is adequate it is possible to buy this up to a point. Independent film sales, on the other hand, is tough at all levels. The best sales agencies keep their sales people focused only on tasks related to sales and their performance is measured purely by sales achieved. An individual’s performance is thus clearly measurable. However, the multiple tasks required of NZ Film (exacerbated by the soft KPIs) means that a poor result in achieving sales is quite easily hidden by a good result in publicity.
11. I would recommend that the first step towards improving the Commission’s sales performance is to separate the sales and publicity/promotions functions.

12. Publicity/promotions should keep doing what it does so well now - getting films into festivals, generating press coverage, supporting film makers, supporting the domestic release of New Zealand films, organizing festival and market support for producers, etc - but as a more independent unit. In the Statement of Intent, this is “GOAL 4: To maintain a high international profile for New Zealand films and filmmakers”.

13. Of course, sales needs to know what publicity/promotions is doing, and to ensure they are not working at cross purposes, but whoever is responsible for sales needs their performance to be measured primarily on an “achieved sales” KPI alone.

14. However, given that demonstrating successful international sales is the best way to achieve the goal of “facilitating connections between producers and international financiers”, sales’ requirements should come first. For example, a film should only be screened at a festival if that exposure is certain to help with sales and not to achieve publicity KPI of getting a target percentage of films into A list festivals each year. Sometimes the two are not compatible.

15. I offer no detail has to how publicity/promotions should be structured or staffed, but I do feel that it should add to its responsibilities the promotion of all New Zealand films, particularly domestically. It is interesting to note that in its recent press release on marketing strategy, Screen Australia states that it will “support the marketing of all Australian screen production, not just projects in which we invest”.

16. It seems odd to me that this does not happen now given that the Commission has the objective of providing a “talent pathway”; the pathway is enhanced by film-makers working on New Zealand films whether or not they are funded by the Commission or sold by NZ Film. This is not now happening. As I write this, a New Zealand film – Separation City – opens next week but it has no profile on the Commission’s website. It was not funded by the Commission, but it does have tax payers’ funds invested via the Screen Fund. [More on the on-line presence below.]

A Different Approach to International Sales

17. NZ Film differs from commercial sales agencies in another significant respect. Commercial agencies tend to specialize in a particular type of film - usually both in budget range and genre - and develop close relationships with a core group of distributors who specialize in handling that type of film in their respective territories. They use strong titles as locomotives to pull weaker ones and they carefully time their production/acquisition flow to ensure they have a steady supply of films
through each year’s cycle of film markets. In other words, they are tuned
to supply a specific market demand. The distributors’ anticipation that
marketable films will continue to flow from that source helps the sales
agent collect on monies owed, pre-sell new films, and mitigate box office
disappointments.

18. NZ Film, however, cannot operate in this fashion as it has no effective
control over the films that it will be selling; these may range from classy
art films to low budget horror, quirky love stories to ethnic based drama.
Neither can it ensure an even flow of films. But it chooses to operate as if
it were a commercial sales agency. I don’t believe it should, or indeed that
it needs to.

19. There seems to me that there is something of a fearful attitude from most,
but not all, film-makers towards changing something that has been in
place for so long. To a degree, this is understandable because the current
set-up insulates producers from the harsh international sales
environment. With a few notable exceptions, it seems to me that most
film-makers are not really concerned with how much their films generate
from international sales (but perhaps the recent 40% producer profit share
cut-through may change this). Apart from a trip to a festival or market,
their contact with the international market tends to end in Wellington.

20. I believe that this insulation is counter-productive to the industry and is
contrary to the Statement of Intent view that “International success is
dependent on effective links between New Zealand’s film output and the
international marketplace”. I have the impression that this set-up suits a
lot of our film makers, but I believe that after over two decades it is time
for them to be more ambitious in seeking international representation. But
NZ Film, despite its best intentions, holds them back.

21. Two recent seminars organized for film makers by NZ Film illustrate this
point. Both were concerned with distribution in international territories and
the invited overseas speakers were mainly distributors with whom NZ
Film, in its capacity as a sales agency, deals. I don’t criticize the quality of
the speakers and the good intentions behind the seminars and at the time
I thought they were a good idea, but on reflection I feel it would have been
much more beneficial to our producers if the subject was not distribution
but sales agency representation, with the objective being to equip them to
seek offshore sales representation.

22. When the necessity of the sales function is discussed, an argument is
always put forward that if it weren’t for NZ Film, many of our films would
get no sales representation. There is truth in this, but given the very
limited sales for some films, does it really matter?

23. In suggesting possible alternatives for sales, I’d like to have been able to
consider a title by title break down of sales on films over the past five
years. While I have information on some sales from SAAC reports,
unfortunately I don’t have detail on all films. However, Sue Murray’s
recent “Review of the New Zealand Film Commission’s Sales and Marketing Group” includes in “Appendix G: Exposure of NZ Films” a list of the number of countries sold for each film, which can be used to give a rough idea of how successful each film has been. (It should be noted that “countries sold” does not necessarily equate to “deals done”, as a single sale to a territory group, eg Eastern Europe, is usually counted as being to the aggregate of countries in that group. It also may misled as to revenue as it doesn’t indicate how much each sale was worth.) I’ve only taken the last five years (2003 – 2008) and only included films handled by NZ Film. Where sales rights were split, the number of sales by each is noted. Obviously, sales made after the report are not included and this may affect the numbers for Dean Spanley, Apron Strings and Second Hand Wedding.

<table>
<thead>
<tr>
<th>Title</th>
<th>Countries Sold</th>
<th>Split Sales Rights</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>World's Fastest Indian, The</td>
<td>68</td>
<td></td>
<td>2005</td>
</tr>
<tr>
<td>Black Sheep</td>
<td>61</td>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>Perfect Creature</td>
<td>50</td>
<td>(Arclight 42; NZ Film 8)</td>
<td>2005</td>
</tr>
<tr>
<td>Locals, The</td>
<td>46</td>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>No 2</td>
<td>41</td>
<td></td>
<td>2005</td>
</tr>
<tr>
<td>River Queen</td>
<td>40</td>
<td>(The Works 38; NZ Film 2)</td>
<td>2005</td>
</tr>
<tr>
<td>Perfect Strangers</td>
<td>36</td>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>Eagle vs Shark</td>
<td>34</td>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>In My Father's Den</td>
<td>23</td>
<td>(Element X 3; NZ Film 20)</td>
<td>2004</td>
</tr>
<tr>
<td>Ferryman, The</td>
<td>20</td>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>Tattooist, The</td>
<td>18</td>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>50 Ways of Saying Fabulous</td>
<td>10</td>
<td></td>
<td>2005</td>
</tr>
<tr>
<td>Out of the Blue</td>
<td>10</td>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>Fracture</td>
<td>4</td>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Dean Spanley</td>
<td>3</td>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Spooked</td>
<td>1</td>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Devil Dared Me To, The</td>
<td>1</td>
<td>(Boll AG; NZ Film 1)</td>
<td>2007</td>
</tr>
<tr>
<td>For Good</td>
<td>0</td>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>Kombi Nation</td>
<td>0</td>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>Apron Strings</td>
<td></td>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Second Hand Wedding</td>
<td></td>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Show of Hands</td>
<td></td>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Song of Good, A</td>
<td></td>
<td></td>
<td>2008</td>
</tr>
</tbody>
</table>
A glance at the chart shows that a few films do very well, but most don’t. Some don’t sell at all. There seems to be three categories of film:

- A top few which have solid international appeal
- A middle range where sales will be much more difficult
- A substantial group of purely festival films

24. As this is a general data set too much shouldn’t be read into it, but it begs the questions: did NZ Film need to be selling the top few films? And would they have returned more to the Commission if they had been handled by commercial sales agencies? I think the answer with respect to The World’s Fastest Indian and Black Sheep (and arguably Dean Spanley) is that they would have been attractive to agencies and they probably would have done better. This is an irony for NZ Film: the films it sells well it probably doesn’t need to be selling.

25. The chart also shows clearly that a lot of the films have no international market at all. NZ Film probably shouldn’t be wasting time trying to sell them at all. In other words, forget Goal b) (revenue) and just chase Goal a) through festivals and the like.

26. What other options are available? I would like to suggest that the Commission should get out of the sales agency business (as described in 17, above), drop the “one size fits all” approach and set up a structure that looks at each film as a special case, tailoring a sales approach for that film.

27. In particular, I suggest the current “sales” function be moved up a level in the distribution chain, ie it becomes responsible for licensing films to sales agents, not licensing rights to individual territories as it is now.

28. This would be more a “producer’s rep” type role, working with film-makers at an early stage to identify appropriate sales agencies and making approaches on behalf of or together with film makers, and then working closely with the agency through the sales cycle to ensure the film is properly represented and reports and payments are forthcoming.

29. The Commission should be realistic about obtaining advances against sales from agents. In many cases it just won’t be feasible. Rather, the Commission should offer support to the agent, particularly through its Publicity/Promotions arm, meeting the cost of festival and other promotions as it does now, and ensuring the production of first class marketing materials. The Commission should encourage the development of skills within the industry to produce this; it should not try to keep the skill base in-house.

30. The comments above on sales having to know what publicity/promotions is doing, and the need for sales to take precedence, can still be managed with an off shore sales agent.
31. With a sales agent involved at an early stage, the aim would be to facilitate input to the film makers to help with the film’s international marketability. If a film has the commercial strength, agents will be able to pre-sell rights in conjunction with their other titles. (It is interesting to note the level of pre-sales achieved by Capitol Films on Under the Mountain; far in excess of what NZ Film could achieve as it lacks leverage. It will also be interesting to note what sales are achieved by NZ Film on Vintner’s Luck, which if it had been with a strong agent would almost certainly have been significantly pre-sold.)

32. For those films which do not have the commercial strength to find an agent on their own, the route should be festival exposure (as now) and then perhaps to an agent for TV sales. Ideally the Commission will enter into an output deal for an agent to represent these rights.

33. I feel that such a model would require a lower sales overhead than at present.

34. As noted before, in this area the Commission recognizes the need. In the Statement of Intent, 4.4 GOAL 4 states: “While a small number of independent New Zealand producers have established links to international sales agencies and distributors, the wider industry has lacked effective ‘route to market’ opportunities. The NZFC has identified this as a weakness for an industry seeking international growth and improved performance.” But I believe its solution: “it is a gap that the NZFC is filling through the active, annual market participation of its sales agency at major film festivals and film markets, in partnership with producers” is inadequate.

New Zealand Distribution

Success in our market is vitally important for our industry, and has on the whole been very successful over this decade. New Zealanders seem to have shed the “cultural cringe” of the past and will willingly pay to see local films if they perceive them to provide entertainment. I would just like to make a couple of observations in this area.

1. The Commission’s distribution support for local films is commendable, but I feel the subsiding of prints means that releases are sometimes too large for the film, which means cinema numbers are spread too thinly and films don’t hang in for as long as they need to build their audience.

2. As mentioned above, I feel the Commission should be supporting every New Zealand qualifying film which requests support, irrespective of whether the Commission has invested. A successful film is good for the film makers and helps build our audience, irrespective of where the finance has come from.

3. Film makers need to be more closely involved in the detail of the local release of their films: the choice of cinemas, the terms, the marketing
campaigns, the analysis of box office, etc. It is the training ground to learn the principles to understand what is happening with their films in the international market.

4. And finally, I think there's a need to look at the KPIs which, again, have no financial measure of success, ie from the 2007/08 Annual Report: “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.” While attendance numbers are important, one can “buy the gross” by over spending on advertising; what is ultimately important is the bottom line. It is worth looking at the return to the Commission from the local releases of The World’s Fastest Indian and Sione’s Wedding; I feel fairly certain the difference between the two won’t be commensurate with the almost $3m difference in gross box office.

On Line Presence

I have left these comments to the end, but perhaps they are the easiest and fastest changes that can be made to increase the Commission’s effectiveness. For an industry operating half a world away from its major markets, the Internet should be embraced as a tool to really bring our films to the world. It really is a no-brainer. But at present it is woefully inadequate.

I have already noted above that Separation City is completely missing, but a quick look at the site reveals that the upcoming films, or films NZ Film is selling (Under the Mountain, Vintner’s Luck, Truth About Men, Topp Twins, Home By Christmas, Matariki, The Volcano), have no presence on the home page. The “Latest Feature Films” page omits The Volcano, Home By Christmas, and Matariki even though these films are completed or in post production, and the Under the Mountain page still categorises it as being in post production when it screened at Cannes in May 2009. The “Current Slate” page was last updated on 24 February 2009.

The omissions are not confined to films. Despite the recent announcement of a new chairperson and two new board members, the site still shows the former chairperson and members. The latest budget for download is 2007/08. There are many more examples, things that one would never find on a commercial site.

1. Looking forward, I feel the Commission should make its on-line presence a high priority. It should aim to have the best on-line presence of any national film agency in the world. It should aim to set standards for innovation and quality. It should be a show case for our film making. We have the talent in New Zealand to do this.

2. I would suggest that the Commission’s site become the aggregate site for all that is happening in film in New Zealand and it should negotiate with other industry sites to facilitate this. The home page should be featuring our current films so anyone seeking information on aspects of film in New Zealand is exposed to our new films.
3. As we seem to be a world leader in the production of Short Films, we should aim for our website to be the world leader for those interested in the medium. The Commission could set up a social networking style site as a forum for short film makers around the world. If the purpose of funding shorts is to give our emerging film makers exposure, after a brief festival window, all Commission funded shorts should be made available for download.

4. There are many other areas in which the Commission can promote itself on line, for example RSS feeds to festival contacts updating them on film progress, and a password protected area for them to obtain further information. On certain films, there could be updates from the set during production. The options are many.

5. Obviously there would be a cost to this, and probably a dedicated staff member, but given our geographic isolation, I can't see how the Commission can afford not to use the tremendous potential the Internet provides.

Paul Davis
Thank you for the opportunity to provide comment on the review of NZ Film Commission (NZFC).

This submission is written by Tim Thorpe from Tim Thorpe Consulting Ltd which provides analytical and advisory services to the screen industry.

This review of the NZ Film Commission is timely. Not only is it some 30 years since the NZFC was established but increasing comment from within the film industry about the activities of the NZFC, some of it public, suggest that it has been timely to put matters to rest or consider changes.

Before going on, I wish to acknowledge the contribution of the NZFC and its staff towards developing the New Zealand film industry to date. Its contribution is not always recognised within the industry itself.

Film Maker Versus Film Sector Maker
The NZFC has a somewhat schizophrenic personality. It is expected to both encourage the making of films and otherwise assist growth in the film sector. The two require a different emphasis.

It is my belief that the NZFC needs to prioritise. Further to this I believe its priority should be as a sector growth (or development) agency, not a film maker. I am confident that this is what it was always intended to be. I note comments by the NZFC’s first chair William Sheat who has said words to the effect that “We started off by attempting to grow the sector, but got carried away by our success in making films”.

The NZFC is not a studio. It primary role under Functions (a) – (d) of its Act is “to encourage” not “to do”. It is not a “.co.nz” which is the current extension on its website url but a “.govt.nz” government agency. Film making is comparatively easy compared with sector development, has a higher profile and is easily measured. But it is only one sign of sector growth. For the NZFC film making is a means to an end, not an end in itself.

Examples abound of where the difference lies. The NZFC supports industry development activities but only for directors, producers and writers. This is a film maker’s perspective. If the NZFC was interested in growing the sector it would also be prepared to fund activities for technicians and actors.

The NZFC is also very proud of its sales agency role via NZ Film, one of only 10 such agencies in the world (out of 52 surveyed) according to the 2008...
Review of NZFC’s Sales and Marketing Operation by Sue Murray. From a film making perspective NZ Film may have been successful, but from a sector development perspective it is a failure in that there is no private sector sales agency to take on this role. Government agencies should not be undertaking a role more appropriate to the private sector.

Recommendation: That the prime focus of the NZFC is clarified. It is my recommendation that this is as a film industry development agency.

It is my belief that it is an appropriate time for the sales agency role to be tested in the open market by offering the back catalogue and NZ Film brand name to the private sector. This may be by straight sale or in some other joint management capacity. If there is no interest expressed then it is still appropriate for the sales agency role to be revisited. It is not appropriate for NZ Film to compete for good films with other sales agencies. The NZFC should adopt a policy and actively pursue a strategy that NZ Film will eventually be placed in private sector hands.

I fully support the NZFC being involved in general marketing and promotional activities. My comments above refer specifically to the sales agency role.

Recommendation: That NZ Film is prepared for eventual sale or joint management with the private sector.

Culture
The word culture does not appear in the NZFC legislation until 2004 and then only in a minor amendment. The NZFC has always been a “content” funding agency, not a “cultural” funding agency. This enables the NZFC to manage such funds as the Large Budget Screen Production Grant (LBSPG) which was set up for economic development purposes and the Screen Production Incentive Fund (SPIF) set up for mixed purposes, ostensibly cultural.

Also note that some movies, such as horror films, do not necessarily reflect New Zealand culture but they are New Zealand content and able to be supported by the NZFC.

I believe that the NZFC’s role as a cultural funding agency needs clarification.

Recommendation: That the NZFC’s role as a developer of creative content, not as a cultural funding agency, be reconfirmed.

Funding and Recoupment
If the industry is to become truly sustainable then it needs to rely less and less on the government for funding and more on other sources. This is one of the reasons behind the SPIF, introduced just last year. NZFC funds have been reduced in line with the introduction of SPIF. However, of the remaining funds, the NZFC has recently reprioritised its funding so that more is available for production and less for other purposes.
From a film making perspective it may be appropriate to increase production funding. From a sector development perspective other options may be more effective. Moreover there is a disconnect between the government which is trying to reduce its funding for production and promote other forms of investment and the NZFC which appears to be trying to increase government funding for production.

I do not support the NZFC retaining any recoupment rights in films which it funds. While I acknowledge that the NZFC does receive some returns on this funding, the figures that I have obtained from its Annual Reports show that returns are around 10 percent of total funding since 1990, 8% since 2000. These are not high, and do not include the costs of collection.

Government funding agencies in other sectors – such as sport, research or economic development – do not take recoupment positions so why should film? There is no requirement in the NZFC Act that requires it to take a recoupment position so, again, why does it?

If the NZFC was a film maker then there may be some justification, however, as a sector development agency then the returns are best retained by the production company. The returns to the NZFC are not sufficient justification for retaining a recoupment position.

Nor do I buy the argument that retaining recoupment is no different to other investors which encourages producers to learn about what happens in the real world of finance. The NZFC is not “other investors” it is a government agency. If it is concerned that it will not have sufficient funds to invest in productions it should ensure that the productions it can fund are more attractive to other sources.

**Recommendations:** (1) That the NZFC is more focused on assisting film makers to obtain alternative sources of funding and (2) that the NZFC’s recoupment position is discontinued.

**Training and Development**

Firstly I would like to applaud the NZFC for the training that it undertakes for the sector. It is the only agency in the screen industry, including television, that routinely funds professional development training. In a sense it is carrying the weight of obligation for the sector.

However, I think that more can be done with respect to training and development by the NZFC and across the wider industry. The training carried out by the NZFC does not appear to be particularly well planned or structured or integrated with existing training frameworks and providers in the tertiary training sector.

This issue is far larger than just the NZFC. It is an issue for the broader sector, including other screen industry government funding agencies. It is one in which MCH has attempted some research and profile raising and in which the NZ Screen Council also became involved before its demise. There is no
Industry Training Organisation (ITO) for the sector with the collapse of FAEM (Film and Electronic Media) nearly a decade ago.

Because of this I do not wish to particularly concentrate on issues facing the NZFC directly as these need to place in a broader context. I would, however, like to see this review used as a mechanism for prompting a close look at training in the screen industry.

It is highly unlikely that the sector will be able to provide sufficient funding if it is asked to contribute the full costs of training. It is also unlikely that government will provide the full cost. However, a system combining a production levy such as that which funds Skillset in the UK, some contribution from funding agencies (such as the NZFC) and funding through “normal" tertiary education channels may together be sufficient to provide the sort of training infrastructure that the sector is currently lacking.

**Recommendation:** That the review promote an in-depth review of training and education provision in the screen industry.

**Other Matters**

**Research and Information**

It is good to see information and research amongst the TOR for the review. Sue Murray in the report mentioned above (p10) also noted that this was an issue and felt that the NZFC could do more. I agree.

The NZFC already collects a range of information but on an *ad hoc* basis and without necessarily providing any analysis. This includes such information as box office receipts and returns on its investments. I have personally worked with some of this information, such as adjusting box office receipts for inflation, and supplied it back to the NZFC. I have also offered to look after its statistics on an outsourced basis but nothing has prevailed. I do not believe that it is a lack of resources so much as a lack of interest and understanding what it might be able to provide that hinders the NZFC from doing more.

I note that Function (e) of its legislation call for the NZFC to “gather, collate, disseminate, and publish information that, in the opinion of the Commission relates to the making, promotion, distribution, and exhibition of films.”

**Recommendation:** That the NZFC provide additional resourcing to upgrade, maintain and publish research and statistics on the film industry.

**Industry Support**

I am in two minds about the amount of industry support that the NZFC provides to the guilds and associations. On the one hand it is not a good sign when a government agency has to prop up industry associations. On the other if it didn’t then it is highly likely that they would fold. On balance I believe that funding should be curtailed, but over a 3-5 year period in order for the guilds and associations to adjust.
I do not believe that the NZFC should be providing funding to Film NZ. Film NZ already receives funding from government and NZFC’s funding is an anachronism, particularly given the size of budget that Film NZ is now able to call upon.

**Recommendation**: (1) That administration funding to guilds and associations should be withdrawn over the medium term, while self-funding is encouraged, and (2) that funding to Film NZ should be withdrawn forthwith.

Yours sincerely,

Tim Thorpe
Director
Clive Neeson

Advocations:

Advocations to the film commission based on our film production journey are as follows:

1. In order to truly recognise "significant NZ content", heritage and culture, NZFC needs to be run by people who recognise what that is - namely NZers.

2. Insistence on a producer for funding is a block to creative first timers. First time directors usually do not have the funds to afford a producer and producers can also gobble up the valuable funding if it is granted. NZFC should exist to recognise and assist directors who have the talent and who are otherwise blocked by affordability, rather than erect a barrier based on such.

3. Insistence on an director track record eliminates new talent. The only way talented directors can become recognised is by directing their first film. If they are excluded at this point, a catch 22 situation works against them.

4. Many creative directors are also inherently creative producers - and certainly become so after creating an ambitious film on an extremely low budget - (in this way, NZFC has helped!).

5. First time film makers are always on their "back foot" confidence-wise, and look upon people like NZFC and their feedback as a gauge of their worth. Being declined funding without explanation is a daunting experience at a time when every ounce of positive energy and self belief is required to complete a film. It takes enormous morale recovery to carry on as well as a problem in finding alternative funding at a crucial stage.

6. NZFC should recognise the potential to leverage their investment dollar by investing in films which have demonstrated their own ability to leverage (ie, making every dollar go further) and films which have already shown commitment by large proportion of self-funding.

7. In our experience, all the above could have been addressed if the NZFC selection process was replaced or supplemented by an opportunity to meet face to face with them, present the project in person to a panel, demonstrate all aspects of the project and our ability to direct and produce it, validate everything and invite all questions. In such a process, they would be able to make an accurate judgement of first time directors and, including skills as a producer.

Yours Sincerely
Clive Neeson (MSc)
Anna Cahill, Screen Directors Guild of NZ

The SDGNZ represents Screen Directors and Editors who work in the Film and Television industries in this country. Membership is voluntary and we currently have a membership of 260 individuals. Dedicated to the creative, cultural and financial wellbeing of New Zealand Directors and Editors

THE REVIEW

The SDGNZ submission looks forward to mapping the future we imagine for the New Zealand film industry. Much that has gone before is of great value and we thank you for the opportunity to “look to the future” and assist in the process of further invigorating New Zealand Film with new ideas and initiatives.

At the centre of the creative art of the motion picture stands the director; and it is our belief that this review must reflect this fact and support the role of directors as key creatives.

OVERVIEW

In the past thirty years or so the country has witnessed a renaissance in the production of feature films. This to a large part was due to the government response to a burgeoning film industry that led to the NZ Film Commission being created in 1978. The SDGNZ supports the continuation of this body as one of the key drivers and funders of our film industry.

This volume of production has had a major impact with New Zealand audiences and has taken New Zealand stories to all parts of the world. These films have also shown that there can be a successful marriage of economic and cultural objectives; and that there is a high correlation between economic success and the pursuit of indigenous story telling.

The NZFC needs to have faith in and support New Zealand directors who create strong films which audiences here and abroad want to see.

When directors, along with their creative collaborators; actors, writers, editors and cinematographers, are properly supported, our experience tells us that we are capable of bridging that cinematic chasm which so often separates art and commerce.

The centre span of this bridge is the director.

The record of achievement in attaining this objective has established beyond doubt that no successful New Zealand film is possible without the strong leadership of a New Zealand director.
The record also shows a very high positive correlation between economic success and the desire to tell our own stories.

TERMS OF REFERENCE

1. What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context? This will include looking at technological changes, and the development, financing, production, marketing and distribution challenges that the New Zealand industry faces in an international setting.

SDGNZ sees the challenges facing the New Zealand film industry as:

- The private investment market for film is limited for both projects and for businesses;
- Project financing is becoming increasingly difficult with less gap financing, pre-sales and equity available;
- Budgets for New Zealand films are small and it is difficult to produce internationally competitive films on New Zealand budgets;
- Perceived tension between commercial and cultural imperatives;
- International structures of industry assistance are changing to become less favourable to NZ productions (for example the changes to the tax arrangements in the UK);
- Decreasing number of US distributors;
- The impact of the current global financial crisis;
- The speed and force of technological change requiring continual skills retraining and capital expenditure;
- Platforms for delivery are ever-increasing impacting upon business models;
- Increasingly supply of low budget digital product into the natural market of New Zealand films increasing competition;
- The small size of the NZ market works against the creation of a sustainable local industry;
- The volume of homegrown product is at too low a level to sustain a local industry;
- Maintaining and supporting a distinctive NZ voice in audiovisual output against competing pressures;
- Foreign production is relied upon to underpin the industry and its infrastructure – something that is fraught with danger given its dependency on NZ dollar fluctuations and increasingly competitive offshore industry;

SDGNZ’s view is that a good New Zealand film is a marriage of commercial and cultural imperatives and the outcome is a good box office return. It is possible to have a feature film industry in New Zealand only if it is underpinned by a sustainable indigenous industry.

2. How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet
More emphasis needs to be placed on the key creatives; the directors and writers who originate the ideas, develop and realise them. For directors there is no career path in New Zealand, at present leaving the country is seen as a career path. SDGNZ would like to see this situation change. Talented New Zealand directors need to be identified and encouraged enough to be able to work in New Zealand and abroad. Diaspora directors could be encouraged to work back here on their projects.

The Film Commission could fund a series of low budget digital films each year. This broadens the option to identify talent beyond short films; while allowing directors, writers, actors and producers to take creative risks they are often not able to take on with larger budget features.

Rates for directors should be at a sustainable rate. An obstacle for directors and many of the creatives in the film industry is irregular work flows and large gaps between projects. Film rates of pay for directors are often very low. Whilst we are pleased that some arrangements are very fair and equitable i.e. producers and directors receiving the same or similar fee for their work, this is not always the case.

Distribution and back end arrangements for directors in New Zealand should give them a fair share of the return on their creative work. Currently back end arrangements do not serve directors well. If a film is a box office success then key creatives have the right to share in that success. This sustains and keeps talented people working in the industry producing better works with further financial benefits.

Production decisions of the board and staff of the NZFC are often misunderstood by the industry. Currently the NZFC occasionally asks filmmakers to review and give advice on proposals that have been submitted for funding. SDGNZ suggests a more formal model of a peer review group which allows peer assessment of all the projects in development and the investment decisions made by the NZFC. A selection of writers, directors, editors, actors and DOPs (approximately 3/4 people) would make up a small committee of peer assessors through which all projects are discussed and advice is given on the strengths and weaknesses of each project. This gives industry input into decision making and provides feedback from the crux of the industry itself. The peer review group would be frequently rolled over to ensure rigorous and fair process. It would be made up of practitioners with a strong track record in the film industry and be lead by the NZFC CEO.

The current development process is not necessarily producing improved films. If development is to be kept within the NZFC, those staff working in development would ideally have the highest level of requisite skills and a strong understanding of the production realities of filmmaking.
At present a director or writer can secure development funding from the NZFC only if a producer is attached to their project. This limits the options for writers and directors to push their projects forward in the early stages. Few producers come from writing or directing backgrounds and their presence on a project early on adds to the financial cost of development. The SDGNZ suggests a director or writer should be able to apply for and receive initial NZFC funding without a producer attachment should they so desire.

2. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:

- Create and ensure a sustainable environment for key creatives
- NZFC could look to institute a low budget feature film strand as part of a career step to further develop creative talent
- The NZFC should look to ensure improved economic status for the director
- Peer review group be set up to assess projects
- NZFC development staff to have requisite skills and knowledge of production realities
- Directors and writers be allowed to seek initial film development funding without requiring a producer to be attached to the project

3. What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC? What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?

We support the SPIF as it represents further funding for the film industry. The Screen Production Innovation Fund is designed to give a tax payer subsidised grant to a New Zealand Film. However, as the SPIF is structured at present, it is very easy for a foreign owned production company to take advantage of the SPIF with very limited use of New Zealand personnel. This very situation has recently arisen, where a SPIF film brought in a foreign director, when a New Zealand director could well have been used. Overseas directors working in New Zealand on projects that could be helmed by a NZ director diminishes work and career prospects for our directors. While we would like to see all New Zealand creatives used on these projects, at least the points system as it stands should be amended to put more emphasis on using local talent. The consultation over this points system was very limited and the SDGNZ was not initially invited to be a part of this process.

Larger New Zealand production companies are in a better position to take advantage of the SPIF and smaller independent producers who work on lower budget film are less likely to be able to take advantage of the SPIF due to the high budget threshold. The argument for funding of digital features would further allow, developing companies and independent producers, writers and directors to continue growing the larger companies of the future.

Foreign Productions shooting in New Zealand offer no benefit to New Zealand directors, whilst they sustain crews with work there is little benefit to key creatives here. We suggest that consideration be given to the establishment
of a foreign film levy system not unlike countries such as Canada, where off shore productions, availing themselves of the large budget rebate scheme, are required as part of that approval to set aside a percentage of their budget of the New Zealand spend. This could be made available for approved projects by the New Zealand industry guilds. This may include underwriting, training schemes, internships and mentoring programmes, master classes, travel grants and the like.

[It is interesting to note that SPADA at present receives a levy from foreign productions of $15,000 per production; this could be increased and shared with the other guilds whose members are often directly adversely affected by a loss of work opportunities.]

The above paragraph contains incorrect details concerning SPADA’s collection levy process for members and has been replaced with the following:

Various guilds and organisations have long lobbied for the inclusion of a levy on all International productions shooting in NZ; it is our understanding that on some productions SPADA already receives a levy of this type; this could be formalised, increased, and shared with the other guilds whose members are often directly affected by loss of work opportunities for guild members in key craft areas.

3. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:

• Further obligations be attached to the SPIF to ensure that a New Zealand director and editor be attached to projects as a matter of right. (Notwithstanding our international agreement with Australia to allow Australian director, editors and personnel to be attached and we acknowledge this).

• Policies be put in place to ensure that New Zealanders’ employment is maximised on all projects supported by or administered by the NZFC

• Foreign productions that shoot in New Zealand pay a foreign levy. This is to be shared with the Guilds whose members do not stand to gain work from the production. (Similar to the Canadian model).

4. What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?

Marketing budgets need to be creatively utilised. Second Hand Wedding is an example of an extremely well marketed film with great box office success. Inventive marketing of film is crucial in the multi platform environment. Technological changes create challenges and also represent exciting opportunities to screen works in new and innovative ways. Steven Soderbergh, a director from the United States, released his film Bubble theatrically and on DVD in the same week in 2006 to ensure audience was maximized.
NZFC has succeeded in getting films into significant festivals, a good number of short films have got into Cannes and larger films into Toronto this year (Vintners Luck, Topp Twins: Untouchable Girls) and Berlin (Strength of Water). These festivals are competitive and the NZFC has developed strong relationships with them which assist in getting attention and subsequent sales in the international market. This should continue.

Even if filmmakers whose films have not been financed through the NZFC are selected for these significant festivals they should be supported by the NZFC on a needs specific basis – Who are they? What do they need? They are obviously achieving success.

4. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:
   - Marketing budgets are creatively utilised
   - New Zealand filmmakers who have films selected for significant festivals are supported
   - The sales and marketing branch of the NZFC should be retained and utilised where appropriate for a project
   - Competing sales agencies should be able to have a fair opportunity to consider New Zealand films to allow the best outcome for the film

5. Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

SDGNZ believes NZFC’s role is to support, grow and develop the industry in the production of New Zealand films and this should be its permanent focus.

SDGNZ realises there are significant pressures facing the industry due to the current financial climate. However SDGNZ believes that there should not be fundamental changes to the NZFC’s statutory role without strong rationale behind any change.

5. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:
   - There should not be fundamental changes to NZFC’s statutory role without strong rationale behind any adjustments

6. What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

The NZFC lists in its Statement of Forecast Service Performance 2009:
Goal 2: To Build a Talent Pathway
Goal 5: To Maintain Strong Stakeholder Relationships funding support for infrastructure such as Guilds at least five joint ventures with Guilds……

Professional development and training

SDGNZ wants to see the retention of the Film Commission’s commitment to professional development. The NZFC’s support for filmmakers to develop
projects through Binger and Sundance is well in place and should remain. The bringing over of international tutors and film makers to take master classes has improved the standard of work on screen. This could be further devolved to the various Guilds, with NZFC consultation and financial support.

Determined independent directors with international successes and aspirations should also be identified and supported when their track record clearly reflects their ambition. A personal relationship between the NZFC and the director should be further encouraged, particularly in relation to the career development and the marketing and selling of a film.

The National Rugby League in Australia has a player support system that identifies player’s individual needs and then addresses them. A similar system could be adopted for directors and other creatives to assist in developing the strongest filmmakers to their best potential. What are their skill gap areas? What needs do they have, for example accountancy/business, career development support or health support? Young directors - especially by the time they are working with the very best performers and professionals in the industry - should be treated like world-class standard athletes (i.e. All Blacks). This would require a system of communication and support that reflects the investment made in them. “Who is this director, what do they need to succeed?”

Mentor programs could be created for young new directors and other industry creatives with elder statesmen and women in the industry. New Zealand has valuable resources in its own existing talent, many of whom are willing to pass on their knowledge.

**Industry support**

The New Zealand industry must have a leading hand in deciding its trading relationships and its future. Infrastructure organisations have contact with grass roots which need to be indentified and nurtured. No one organisation has the mandate from the industry to represent the different disciplines and diversity in representation is essential to ensure a balanced healthy industry. SDGNZ Membership growth of 30% over the past year indicates that the industry needs and wants this sort of support. Guilds have global relationships with overseas industry organisations which are beneficial for issues facing global and local environments and ensure strong connections in a world where this is more necessary than ever for industry survival.

6. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:

- Retention of NZFC’s commitment to professional development initiatives
- Identify talented directors and support their development (NRL support system)
- The NZFC could further support directors of determination and quality with a view to their future beyond one or two projects
- Develop strong working relationships between the NZFC and the director
• Initiate a mentoring programme for young filmmakers (this could be done in partnership with industry organisations)
• Continue to support industry infrastructure organisations which are integral to representing the various disciplines in the industry

7. Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

The NZFC should continue to provide information and undertake relevant research for topical issues. This process should include dialogue with industry infrastructure organisations where this is relevant. The research reports should then be available to the industry via the NZFC website and newsletter.

7. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:
• The NZFC should carry out research for current issues
• The research process should include discussions and input from industry organisations when appropriate

8. Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

The NZFC could work closely with producers and directors who have investment relationships both in New Zealand and internationally. Many of our members have strong investor relationships that often fly “under the wire” because there is no platform or understanding of these relationships. Directors are often in a unique position to meet with those who love their work and want to invest in them or their next project, they can develop strong goodwill relationships, which are not formal and should be encouraged. Similarly New Zealand producers should be financially enabled to form international relationships with potential financiers.

At present filmmakers can select their sales agent. However anecdotal feedback suggests that there is not enough competition at present and that some of the larger international sales agencies either find it difficult to get hold of the New Zealand scripts or do not bother at all, because they understand that most of the sales agency arrangements lie with the NZFC. In the case where another sales agency may be in a better position to sell a New Zealand film this should be supported.

8. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:
• That New Zealand producers and directors are encouraged to develop international investment relationships and are given tangible support to do so
- That directors and producers be supported to go out to markets and sell the films that they produce and be in an environment where they can form international relationships
- That the NZFC support and utilise the best sales agency for the film

9. Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money.

The NZFC at present has no industry representation which is a shift from the previous board. SDGNZ believes that if the NZFC board is involved in governance only then the development and funding decisions would need to rest with the CEO of the NZFC. SDGNZ feels that if the number of gatekeepers to funding and development is restricted in this way then there needs to be an alternative arrangement. Earlier in this submission the SDGNZ referred to the formation of peer review group which would begin to address this issue.

Alternatively, the NZFC board should include representatives of the film industry which includes directors, writers, performers and producers. SDGNZ wishes that the industry be consulted in respect to any proposed future restructure. As there is currently no industry representation on the board this is of significant concern.

9. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:

- If the board of the NZFC should be involved in Governance and strategy only, then the funding decisions of the NZFC should reside with the CEO of the NZFC in consultation with the peer review group
- Alternatively, the NZFC board should include representatives of the film industry
- That the industry be consulted in respect of any proposed future restructure

10. How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

The SDGNZ submission has covered much of this in previous points.

SDGNZ believes that representative industry organisations have an intelligent grasp of what is happening in the industry and should be consulted with quarterly to represent the needs of their members. Views of film professionals should be included in the strategic vision and goal setting for their own industry.

The industry needs to engage politicians in the issues and unique nature of filmmaking. The strategic vision for the industry should be set by them in
consultation with the politicians. This strategic vision would be implemented and give the NZFC clear, tangible and measurable goals.

10. SUMMARY AND RECOMMENDATIONS FOR CONSIDERATION:
   • The NZFC should meet with industry with representative organisations quarterly
   • The strategic vision for the industry should be set by politicians in conjunction with the film industry
RESPONSE TO TERMS OF REFERENCE FOR THE GOVERNMENT REVIEW OF THE NEW ZEALAND FILM COMMISSION

1. What are the challenges facing the NZFC in a rapidly changing domestic and international film industry context? This will include looking at technological changes, and the development, financing, production, marketing and distribution challenges that the New Zealand industry faces in an international setting.

One of the biggest challenges the NZFC faces is justifying its existence in the current environment where there is a perceived democratisation of access to filmmaking equipment and while the principles of economic rationalism dominate policymaking. Nonetheless, there is still a huge need for a film funding body to ensure diverse local audiences have access to quality films that contain representations of people and places with which they can identify. Cinema is arguably the most popular art form and plays an important role in constituting social identities and providing a forum where issues of cultural, social and political concern can be discussed. It is therefore important that the NZFC maintains a strong cultural mandate.

2. How can the NZFC most effectively act in a facilitative role to enable the industry to develop and produce high quality film projects that meet New Zealand cultural content objectives and reach a domestic and international audience?

The NZFC must ensure that it continues to make long-term plans and should avoid focusing narrowly on easily-measurable short-term outcomes, such as those that must be presented in annual reports. It needs to continue its role of supporting a sustainable New Zealand film industry, which would not exist without the NZFC. To do that, the agency should undertake research on the best means of developing skills relevant to filmmaking, as well as on retraining methods and opportunities, and audience development options. It is essential therefore that film policy makers and analysts consider the screen production industry as a whole, taking into account the linkages between filmmaking and related activities, such as television production, commercials and music videos, as well as other cultural sectors such as music and video games, while recognising the distinctiveness of each sector. It is a difficult time to research and plan strategies given the constant developments and convergence in digital technology and economic models. An effort should therefore be made to “future proof” policy, ensuring that it can adapt to new technologies, consumption patterns and business models.

3. What impact has the introduction of the Large Budget Screen Production Grant Scheme and the Screen Production Incentive Fund had on the public funding environment and the role of the NZFC?
What is the role of the NZFC in helping New Zealand production companies take advantage of these new incentives?

No comment.

4. What is the NZFC’s role in providing assistance to ensure that New Zealand films reach an international market? Are there tensions between the NZFC’s own interests and the interests of filmmakers and third party investors in marketing and selling New Zealand films domestically and internationally?

Sue Murray’s review of NZFC Sales and Marketing seems to me to adequately answer this question.

In terms of short filmmaking, NZFC support has been invaluable to ensure this work reaches the international stage. Many New Zealand filmmakers have benefited from the NZFC Short Film department submitting their films to festivals, providing directors and the occasional producer with travel grants to attend ‘A list’ festivals, and marketing their films.

5. Are there changes to the NZFC’s role that are called for given the challenges facing the New Zealand film industry and the NZFC in the international environment?

No major changes are needed. There is a need, however, for agencies such as the NZFC and New Zealand on Air to work together, to better serve NZ audiences in an environment of economic and technological convergence.

The national ‘brand’ continues to be relevant despite cosmopolitanism and globalisation, but it should not be conceived of in a narrow sense. That is, while it is still relevant to insist on ‘New Zealand content’, a broad definition of national identity should be accepted, taking into account the diverse cultural and social identities that New Zealanders hold. This should allow for hybrid identities and marginalised voices to be represented in New Zealand filmmaking. For ideological as well as practical reasons, it is important that international co-productions are embraced. Some sort of public education campaign may be necessary to convey the benefits of co-productions and explain why New Zealand finance is ‘poured into’ productions such as Dean Spanley.

6. What are the NZFC’s objectives and strategy for professional development, training and industry support? Examine these in the light of the international and domestic environment and best practice.

NZFC’s support via the Short Film Fund and Screen Innovation Production Fund, along with other means of industry support and professional development, has represented an extremely important contribution to ‘research and development’ in screen production. The somewhat narrow focus of the Short Film Fund on ‘talent development’ for future feature filmmakers has reduced the potential level of creative experimentation and technical innovation in short filmmaking, yet this still occurs to a significant
extent. Short film is an excellent site for skills development, retraining, professional transitions and the development of creative partnerships. Many industry reports (see those published in 2003 by the Screen Production Industry Taskforce, Industry New Zealand and Competitive Advantage New Zealand) highlight the need for interpersonal networks and skills training in the screen production sector, but they fail to recognise or analyse the role of short film in this regard. My thesis provides some examples of the opportunities offered to short filmmakers by the NZFC, yet there is a need for more research on this topic.

7. Examine the NZFC’s current approach to providing information and research and whether any changes should be made in this area to meet the needs of filmmakers and audiences.

With its limited funding, the NZFC struggles to offer much information or research, compared with the British Film Institute, for example. The NZFC rightly prioritises industry-oriented programmes, yet it could form collaborative relationships with New Zealand researchers and overseas agencies to improve the resources it offers filmmakers and audiences.

The audience study commissioned for the publication A Coming of Age was a useful contribution to film research in New Zealand. While it would be difficult to justify increasing resources on public relations, it is important that the NZFC provides clear and full information to New Zealand citizens so that they understand its role, particularly in the complex international political economy of filmmaking. As mentioned above, the public could perhaps be better informed about the benefits of international co-productions.

8. Examine the relationship between the NZFC, private investors, filmmakers and the international industry with a particular focus on roles in raising finance, developing, producing and marketing New Zealand films. Are there areas where greater collaboration would be desirable and if so how might this be achieved?

No comment.

9. Are the NZFC’s structural, governance and management arrangements effective and similar to those of relevant national film bodies in other countries? How can the NZFC improve organisational/operational capability and value for money.

It is difficult in a small country to find people who are appropriately qualified yet have no conflicting interests to serve the NZFC board or work in the agency. An effort should be made nonetheless to appoint those with experience in screen production, as filmmaking is a distinctive industry that does not operate in the same way as manufacturing or banking, for instance. It is important that those given responsibility for New Zealand filmmaking fully understand the unique characteristics of this small nation’s cinematic industry and culture.
10. How can the NZFC be responsive to the needs of New Zealand filmmakers to ensure that active industry professionals are involved in setting its strategic direction?

The NZFC should work wherever possible with industry guilds, educational institutions and film associations in its provision of policy development, relevant research and training programmes so that they are responsive to the diverse needs of the filmmaking community.

11. Are the NZFC’s strategic aims and objectives relevant to the current international and domestic environment and do they take account of the need to manage future funding demands?

See my response to questions 1 and 2 above.
Josh Samuels

Dear Sir:

I would like to begin by extending my full support to the review taking place of the New Zealand Film Commission. It is timely and appropriate to look at an institution which may well be described as the cornerstone of the film industry in this country.

Regarding the review, can we expect there to be discussion on the notion of converging media. Namely, will the Film Commission respond to the rise of the Internet and iPods and the trend of filmed media being distributed through non-traditional sources such as the cinema and television?

Digital cameras are beginning to take up a larger share in movie production. The fact that people can now become their own studios via computers (shooting footage, uploading it, editing, burning DVD’s and distributing DVD’s themselves) flattens out the chain of production brings the consumer closer to the marketplace. The access to information and media (via the Internet) and availability to the tools of production call to my mind the need for speed in producing local content for a global audience. Does the Film Commission review plan to look into the possibility in changing production modes in an attempt not to get left behind the rest of the world, and provide funding for more DIY style filmmakers to create work?

New Zealand is in a unique place in the world. Being on the fringe of the Western world we see its goings on and how it relates to us. Also being a small country, population wise, there is not much of a domestic market where films can recoup their budgets let alone make a profit. I have noticed that many New Zealanders do not like local content programmes or movies. How does the review plan to combat the systematic cultural pressure of producing films for an audience who does not want to see them? One need only look across the ditch to the flailing Australian Film Industry which produces such highly specialised local content films for an indifferent viewing public. Does a Film Commission plan to combat this tendency?

I, for one, do not believe that the ideals of commerciality are antithetical to creating quality local content. Classic New Zealand films such as Goodbye Pork Pie, Sleeping Dogs and Bad Taste are all highly commercial films which take New Zealand as their setting and contain local talent but are also universal stories in nature. More productions with of this type will lead to NZ stories getting out there and therefore a legitimisation of New Zealand culture among the Western world; achieving both the principal aims of the New Zealand Film Commission of promoting 1) New Zealand culture both home and abroad 2) making a profit from these films 3) building a film industry that will be both strong and dynamic.

Dynamism is key here due to the changing nature of the film industry as a whole. With New Zealand’s small population and small infrastructure change
can happen more rapidly here to meet the demand of the marketplace, both national and international. This puts the New Zealand Film Commission and New Zealand in general, in a unique place to encourage outside investment while retaining a distinctive Kiwi flavour to the New Zealand Film Industry.

I have summarised my questions for your ease:

1) Will the Film Commission respond to the rise of filmed media being distributed through non-traditional channels?
2) Does the Film Commission review plan to look into the possibility in changing production models, and provide funding for more DIY style filmmakers to create work?
3) How does the review plan to combat the problems surrounding “cultural cringe”?
4) Has the Film Commission considered that more productions with a universal appeal will achieve the goals for local content quotas and global marketplace appeal?

Also I would be interested to know if there are any public forums where people can express their views on these matters to the people who make the decisions.

Yours sincerely,

Josh Samuels
Judith McCann, Film NZ

Introduction

Film New Zealand is the national film office providing information, introductions and support to filmmakers, both internationally and nationally. It is an industry-led organisation funded by Government to generate economic growth and employment within the industry by marketing New Zealand locations, capability and infrastructure globally to attract business to one of the world’s best screen production destinations. In pursuing that goal, Film New Zealand (Film NZ) works collaboratively with its strategic partners, New Zealand Trade and Enterprise/Investment New Zealand and the New Zealand Film Commission along side the industry itself, and in partnership with regional film offices: Film Auckland, Film Volcanic, Film Venture Taranaki, Film Wellington, Film Queenstown and Film Dunedin.

Marketing New Zealand screen production industry – its locations, capability and infrastructure - recognises implicitly the value of the New Zealand Film Commission’s investment in domestic screen production with ‘significant New Zealand content’, the talent that is being nurtured and the industry crew base, services and businesses that underpin the films being produced here.

The Review sets out to “examine and identify what is needed to enable the New Zealand Film Commission (NZFC) to work in the most effective way possible as New Zealand’s film funding agency in a rapidly changing environment and taking account of wider policy and economic imperatives, including fiscal sustainability.” This submission focuses on how Film New Zealand works with the New Zealand Film Commission, identifies where from our perspective the opportunities and challenges lie, and suggests initiatives that would contribute to a more sustainable environment for the film funding agency, the screen production industry and Government in the future.

The topics suggested within the Review’s Terms of Reference are referred to by number throughout this submission.

1. Strategic Relationship

Film New Zealand (Film NZ) has benefited from an enduring and productive relationship with the New Zealand Film Commission (NZFC) since Film NZ’s creation as the national film office by industry with support from the NZFC in the 1990s.

In 2009, Film NZ continues to benefit from NZFC funding at an annual level of $40,000 through its Industry Infrastructure programme. Consistent with the 2003 Film New Zealand Trust Deed that underpins its charitable status, NZFC nominates a Trustee who participates on the Board of the Film New Zealand

1 Film South representing Canterbury and West Coast closed its doors in 30 June 2009.
Trust contributing to its governance, strategic direction and the organisation’s operational performance. NZFC’s nominated Trustee is also a member of the Trust’s Finance and Audit Committee.

This relationship reflects the intersecting economic and cultural drivers that position the New Zealand screen production industry so prominently on the global entertainment stage as both the creative home of talented filmmakers and as a destination for international productions. Together, domestic and international production contributed gross revenues of $1.266 billion to the New Zealand economy in 2007/08, with feature film representing the most significant sub-sector for both screen production companies (52%) and contractors (45%). Overall the screen production industry’s economic impact is found throughout the nation with the most significant impacts being centred in Auckland, Wellington and Queenstown/Dunedin (Otago Southland) where the industry’s crew base and infrastructure are concentrated.

At a film industry networking function hosted by Film NZ in May, the Minister of Economic Development, Hon Gerry Brownlee, summed up these achievements by New Zealand’s screen production industry:

“We often say that New Zealand punches above its weight. And the screen industry is one of the best examples of this.

We have a precious pool of talent in New Zealand. Talent which shows through at every level of the industry.

It’s talent you can all be proud of, and a talent the Government recognises and wishes to encourage.”

Acknowledging the strategic relationship between Film NZ as the industry-led national film office and the NZFC as the public film funding agency, this Review also provides an opportunity to address confusion among overseas clients due to the Film Commission’s title and the prevalence internationally of that term to denote film offices.

2. Domestic Filmmaking Reinforces International Confidence

New Zealand’s screen production industry consumes primarily infinitely renewable resources: imagination, innovation and entrepreneurial ingenuity. It is high value, creates intellectual property and generates exports.

As the national film office, Film NZ works closely with the industry on domestic projects as well as international ones. We acknowledge that the strong profile gained by New Zealand’s own unique feature films adds value to Film NZ’s

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3 Film NZ Networking Function
http://www.beehive.govt.nz/speech/speech+film+nz+networking+function
marketing efforts internationally. Even more importantly, domestic feature film production – along side the growing number of domestic television productions and continuing international television commercials that screen around the world – contributes to the sustainability and upskilling of our talent pool and the depth of services/facilities businesses that, in turn, attracts and gives confidence to international filmmakers considering bringing production to New Zealand.

New Zealand’s ability to sustain and grow its domestic feature film production is therefore a key consideration for Film NZ. To that end, Film NZ has lent its support through written proposals to Government for NZFC’s budget bids and the call for a domestic production incentive similar to the Australian Producer Offset that resulted in the introduction of the Screen Production Incentive Fund in 2008. NZFC’s role within the New Zealand filmmaking environment has been and remains crucial to the industry’s success as an exporter of original films and services, and as a source of national inspiration and entertainment.

2.1 Incentives: Large Budget Screen Production/Post, Digital, Visual Effects (LBSP/PDV) Grant

Introduced in 2003 and enhanced in 2007, this incentive has attracted significant production activity and, since its extension to PDV work, further business for New Zealand’s post-production, digital and visual effects companies. To the end of June 2009, LBSP/PDV grants had been approved involving 20 productions \(^4\) with an estimated economic value of around $1.2 billion.

The incentive is administered by the NZFC; its effectiveness is measured and monitored by Film NZ through exit surveys. To date, no issues with its administration have been identified in those surveys.

Its attractiveness is further tested in Film NZ’s regular meetings with studios and production companies that have made use of this incentive; all have praised its efficiency and the smooth process of filing applications and receiving payment.

Film NZ markets this incentive on its website, through one-sheet summaries also available in four Asian Languages \(^5\) and through publications such as the New Zealand Screen Production Guide. These summaries in print and electronic form are distributed at overseas markets and are also made

\(^4\) The total of 20 grant recipients includes 2 productions that received grants under the PDV incentive; as this number is too small to provide cumulative data analysis. The employment figures are therefore based on 16 recipients of the LBSP grant, with two other recipients not yet completing exit surveys.

\(^5\) Incentives are available in summary form in the following Asian languages: Korean, Japanese, Traditional Chinese and Simplified Chinese.
available to the NZFC, regional film offices, New Zealand trade offices overseas, domestic industry organisations and businesses to use as key tools in marketing the New Zealand value proposition.

With respect to topic 3 in the terms of reference, the LBSP/PDV incentive thresholds limit the scheme’s accessibility to New Zealand production companies for entirely domestic films.

However, the business being generated has a flow-through impact. This incentive is attracting export dollars into New Zealand that are generating employment and business development within the screen production industry: based on the exit survey information from 16 productions reporting to date, cumulative employment generated for New Zealand cast and crew is:

- Crew 8,972
- Actors 1,184

The proportion of New Zealand cast and crew engaged on the productions that have shot here (excluding 2nd unit) is 85% and 93% respectively. In turn, domestic production benefits from the skills and production infrastructure that are retained and enhanced through servicing of overseas clients. The international business being attracted through the LBSP/PDV incentives is therefore contributing to industry capability and sustainability and development of infrastructure that service domestic productions as well.

### 2.2 Screen Production Incentive Fund (SPIF) Grant

As noted, Film NZ supported the introduction of SPIF in July 2008 as a crucial initiative to maintain a level playing field for New Zealand with its closest competitor and therefore counter the potential ‘brain drain’ of our talent across the Tasman in Australia.

As with the LBSP/PDV incentive, Film NZ provides online plus print and electronic information (also in four Asian languages\(^6\)) on SPIF and disseminates the summaries to overseas New Zealand government offices, regional film offices and widely within the domestic industry. An exit survey is also being introduced.

Following on the announcement of this new incentive, Film NZ facilitated briefings by NZFC for key clients in the USA to explain the new incentive and its ‘significant New Zealand content’ criteria. A briefing by NZFC was also arranged for regional film offices, and has been followed up with a further detailed briefing on how SPIF applies to official co-productions.

The comparative incentive that SPIF provides to New Zealand feature film producers still poses more significant challenges than those faced by their counterparts across the Tasman. The New Zealand threshold for feature films

\(^6\) The SPIF Asian language translations were provided on a cost-sharing basis with Film Auckland.
is NZ$ 4 million compared to A$ 1 million for the Australian Producer Offset. Co-investment levels available here from the NZFC are less generous than those available from the combined resources of Screen Australia nationally and the various Australian state agencies and film festival investment funds.

In terms of ‘value for money’ New Zealand feature films have proven very successful in striking a cord with audiences here at home – at the box office, in home entertainment and on television.

SPIF is relatively new as a tool for financing domestic production and has been introduced at a particularly challenging time for feature film production. This is discussed further in Section 3.

### 2.3 New Zealand’s Profile at International Markets

Film NZ has for many years worked collaboratively with the NZFC at two key international markets, the American Film Market (AFM) and Cannes Film Festival/Market. NZFC’s focus is on its sales of New Zealand films including introductions of producers with projects in advanced development to potential buyers. Film NZ’s focus is on responding to inquiries about filming in New Zealand, promoting New Zealand as a screen production destination, nurturing relationships with clients for potential repeat business and expanding networks with new clients. In that regard, NZFC’s support for producers attending markets – and the presence at such markets of representatives from New Zealand companies and facilities – in turn reinforces Film NZ’s marketing by providing direct confirmation of capability on offer here.

Outside these two international markets, Film NZ provides representation for the New Zealand screen production industry at BIFCOM in Busan South Korea, Filmart in Hong Kong, and the AFCI Locations Trade Show in the USA. Both BIFCOM and Filmart coincide with film festivals that at times include New Zealand films. NZFC regularly attends Toronto International Film Festival, Berlin Film Market and Sundance. The latter two – along with both the AFM and Cannes - attract significant participation from film offices from around Europe and/or North America and Asia.

In relation to topic 4 of the terms of reference, therefore, it is important to note that, increasingly, the clientele both Film NZ and NZFC deal with are inter-related with production/finance executives intersecting with acquisitions. Incentives are intrinsic to domestic and locations-based production decisions. The synergies this environment creates paves the way for smarter ‘whole of New Zealand’ market presence.

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7 To date, Film NZ’s resources have not accommodated representation at these, though Investment NZ has attended Berlin and Toronto.
More specific comment of the NZFC’s sales operation is outside of Film NZ’s purview, except to note that the promotion of New Zealand films by the NZFC since 1978 under the ‘New Zealand’ banner has positioned the nation within the global marketplace as a source of talented filmmakers. Without that profile, the marketing of New Zealand as a screen production destination would have posed a much different set of challenges.

2.4 Official Co-Productions

Within the incentives offered internationally for screen production, New Zealand’s co-production agreements have proven valuable in financing production especially in relation to the United Kingdom in recent years.

The list of countries with which New Zealand has such co-producing arrangements are cited on the Film NZ website with links to NZFC’s website. Numerous inquiries about co-producing with New Zealand are received annually both via the website and in meetings at overseas trade shows and markets. Since the introduction of SPIF for which official co-productions are eligible as ‘significant New Zealand content’, interest has risen notably.\(^8\)

Film NZ as an industry-representative organisation was invited by MFAT in 2008 along side the NZFC as administrator of the treaties to participate in the negotiations of the co-production agreement with the Republic of Korea that was signed in August last year.

Interest in promoting co-production remains strong particular within Korea where in May this year the Korean Academy of Film Arts (KAFA) and the Korean Film Commission (KOFIC) with assistance from NZ Trade and Enterprise officials in Seoul organised a workshop on coproducing with New Zealand. Though NZFC was unable to send a representative, Film NZ coordinated the participation of two New Zealand producers who have business relationships with Korean counterparts. The event was deemed a success by the Korean hosts, and a Korean producer group is now expected to attend the SPADA Conference in November to participate in a co-production workshop.

The building of networks among New Zealand producers and those in countries with which New Zealand has co-production agreements represents therefore another facet of the strategic partnership Film NZ shares with both NZFC and also NZTE.

Official co-production agreements set as a bilateral goal a balance of benefits flowing into the two countries’ industries over time. In reality, more co-productions have filmed in recent years in New Zealand, meaning that the PDV sector here has been disadvantaged. Whether the availability of SPIF grants will be sufficient for New Zealand producers to invest in minority co-

\(^8\) The prospect of a 40% incentive has also increased inquiries about official co-production criteria from the USA despite the fact that there are no US co-production treaties.
productions filming in the co-producing country and returning here for the PDV work remains to be seen. However, this needs to be encouraged and supported strategically to sustain the PDV sector’s capability.

2.5 Domestic Production Inquiries

Over the past few years, generic production inquiries received by Film NZ from the domestic industry are averaging about the same as international generic inquiries: 200 domestic one-off inquiries were dealt with compared to 213 international ones in this past financial year ending 30 June 2009. These are often straight-forward inquiries about locations and filming. Project specific inquiries from New Zealand producers are also received frequently seeking information or locations images that Film NZ provides.

Regional film offices, particularly those involved in permitting production activity, are also involved in domestic inquiries. Their services contribute to the ease with which domestic feature films and other productions are completed on time and budget. In many cases, the regional film offices also provide support to the local industry through initiatives ranging from capability development to industry events.

Since the introduction of SPIF, official co-production projects are featuring more in Film NZ’s inquiry servicing and inbound visits: several of these had come to Film NZ independently in advance of the New Zealand producer’s attachment and Film NZ had provided locations and associated information. Film NZ’s assistance in covering costs, for example, of a location scout to provide advice and accompany the overseas producer or director on their first visit to New Zealand is targeted to reinforce their confidence in the practical production elements – including the support available from the regional film office(s) concerned - that New Zealand offers within the co-production creative and financial arrangement.

2.6 Industry Development

As noted previously, the NZFC Industry Infrastructure programme provides funding contributions towards specific outcomes for national industry organisations, guilds and associations, including Film NZ, that are reflect the depth and professionalism within the industry: New Zealand Film Archive, New Zealand Writers Guild, Nga Aho Whakaari, Screen Directors Guild of New Zealand, Screen Production and Development Association, Women in Film and Television. Film NZ endorses the NZFC’s decision this year to extend Industry Infrastructure programme funding to the New Zealand Film and Video Technicians Guild.

With reference to point 6 of the Review terms of reference, the viability of industry guilds and associations to represent their members’ interests and deliver skills upgrading opportunities at that grass roots level is crucial to sustaining and growing the industry’s capability. Film NZ and many of the regional film offices work closely with these bodies and regards their vitality and representational strength as fundamental to the industry’s future. With
respect to specific NZFC professional development initiatives for directors and writers, Film NZ will leave more detailed assessment to those involved professionally in the crafts.

2.7 Whole of Government

Film NZ’s work across a range of departments and agencies – from Conservation through Local Government and Immigration to Inland Revenue – serves the interests of the domestic film industry as well as securing a ‘film friendly’ environment for the international productions. Though NZFC may not be directly involved, its representation on the Film NZ Board of Trustees provides its domestic policy perspective in tandem with the industry Trustees’ practical expertise: this is a further illustration of the cross-fertilisation of economic and cultural outcomes.

For example, Film NZ and the Department of Conservation have been collaborating this year on the review of DOC Standard Operating Procedure dating from 2002: Guidelines for Managing Commercial Filming on Public Conservation Lands. Both also agreed to review and update the joint Film NZ/DOC Code of Practice for Filming on the Public Estate that was launched in 2005. In carrying out these reviews Film NZ has led consultations with the industry, involving SPADA, individual location managers and producers. The new DOC Guidelines and updated Code of Practice will be released shortly reflecting a more pro-filming attitude within DOC and will benefit domestic filmmakers seeking to use locations within the Conservation estate.

More work remains to be done with DOC and the Conservancies to win acknowledgement that filming has less impact than recreational or tourism concessions and that the screen production industry can be a valued contributor to the ‘conservation economy’ now recognised on 2009-2011 DOC Statement of Intent.

There are numerous other areas where a stronger ‘whole of Government’ approach can contribute more effectively to the sustainability of New Zealand’s domestic industry talent and capability. Renewal and expansion of the ‘film friendly protocol’ for local/district councils, ensuring access to locations within regional park management plans, etc., are examples of where measures to facilitate filming benefit domestic production.

Film NZ and the regional film offices are working with the industry to address these issues, thereby enhancing the environment that supports NZFC’s objective: a strong and vibrant domestic film industry. Film NZ is in discussions with other branches of Government to extend ‘film friendly’ arrangements that will benefit domestic as well as international productions.9

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9 Agreement in principle has been reached with the Royal New Zealand Navy for an MOU on filming on naval locations, including Devonport Base in Auckland. This represents a first step in extending this arrangement to other branches of Defence being the Army and Air Force.
3. Opportunities to Seize

This Review opens the way to moving forward with some positive new measures that can further enhance New Zealand’s cultural objectives in filmmaking and strengthen its intersection with economic wealth through the creation and export of intellectual property conceived here and the infrastructure that supports its creation.

The screen production industry is high value for New Zealand in this 21st Century. It generates exportable low impact products that are constantly changing and capable of serving multiple markets within New Zealand and overseas. The individuals involved are innovative, skilled and entrepreneurial, contributing to economic wealth and capable of growing that contribution as part of the global entertainment media market.

But first a practical suggestion:

3.1 Address the Confusion with a New Name

When the New Zealand Film Commission was established in 1978 it had a precedent across the Tasman with the Australian Film Commission (AFC).  

Around the same time, the Association of Film Commissioners International (AFCI) was formed in the USA bringing together state- and city-based film commissioners that assisted on-location production. The AFCI has since expanded into a global network of over 300 film commissions in around 30 countries from Sweden to South Africa and from Jordan to Japan, from Canada to Buenos Aires and from Seoul to Queenstown. Most if not all of the AFCI members offer incentives to productions locating in their jurisdiction.

Film NZ, along with most regional film offices – specifically, Film Auckland, Film Venture Taranaki, Film Wellington and Film Queenstown – are members of the AFCI. None employ the term ‘Film Commission’; instead we have adopted the term ‘film office’ to avoid further confusion with the New Zealand Film Commission.

Film NZ and the regional film offices promote awareness of the ‘film office’ network in New Zealand. Our established clients now understand the respective roles. But despite best efforts, the NZFC still receives offshore inquiries about filming in New Zealand that are then referred to Film NZ. Name confusion also surrounds NZ Film as the NZFC’s sales arm and Film NZ.

10 Australia has ended any confusion with the creation last year of Screen Australia absorbing the AFC. Ausfilm remains its national film commission/office.

11 Neither Film Volcanic nor Film Dunedin has become AFCI members; Film South was a member.
Full descriptions of both NZFC and Film NZ are provided in the New Zealand Screen Production Guide 12 and on the Film NZ website. However, we all continue to spend time on explanations about the nomenclature and which one does what.

It has been suggested from time to time that NZFC and Film NZ names should be exchanged. We are not proposing that is the most straight-forward solution. Rather one much-needed change – if not of role as suggested in point 5 of the terms of reference – is a more contemporary and readily recognisable name should be considered for the NZFC and its sales arm as part of this Review.

3.2 Whole of Industry

The NZFC has illustrated the inter-relationship between its development of talent and New Zealand films with the attraction of major international productions through what it has termed the ‘pipeline of opportunity’. The pipeline identifies the talent inputs in parallel with financial inputs through the pipeline from short films through to international productions.

12 Published by Film NZ biannually with project funding from Investment NZ, the award-winning Guide now available in its 3rd edition is the prestige marketing tool on New Zealand locations, capability and infrastructure as a screen production destination.
From Film NZ’s perspective, the pipeline reflects the ‘whole of industry’. It illustrates how capability is enriched, for example, by the creative opportunities that the international television commercials sector provides for New Zealand feature film directors from the emerging to some of our most experienced such as Vincent Ward, Niki Caro and Christine Jeffs. Implicitly it extends into the PDV sector where the world-class facilities and talent working with internationally acclaimed directors from Peter Jackson to James Cameron are also available to domestic filmmakers. To quote Robin Laing, producer most recently of *The Vintner’s Luck*:

“As a producer of New Zealand films, I rely not only on the creative talent that conceives the script and directs its translation onto the screen. I rely equally on crews that are up to speed and equipment and facilities that are world class and well maintained. This requirement can only result from a level of ongoing production activity that renders worthwhile the capital expenditure necessary to upgrade and upskill. Our access to facilities such as this one – Park Road Post Production - is now available in part because New Zealand is a destination for international production with a strong domestic production base. And, Ministers, I would like to note that this facility has been built for the industry. It is a gift to us - and one we value as a world class venue that remains affordable to domestic productions of all sizes. So thank you to Peter Jackson … for his generosity in building this for filmmakers rather than strictly for profit! “¹³

The pipeline enables talent to practice and hone their craft working from their base in New Zealand; businesses to grow and expand domestic and export services; audiences to enjoy their unique images and stories on screens big and small.

However, several of the financial inputs in that pipeline are now fragile:

- **Direct Government NZ $** - the NZFC investment pool has been reduced to offset SPIF costs, thereby compounding the impact flowing through from the next two inputs;
- **Private NZ $** - the financial recession and fallout for individual and corporate investors in New Zealand has undermined potential sources of private investment. The attractiveness to New Zealand private investors is further reduced by the impending tax amendments that will require eligible deductions involving SPIF grants to be spread over two years;
- **International Investment $** - the global production financing climate has shrunken dramatically with the demise of hedge funds and the retreat of banks from film financing. Pre-sales and/or acquisitions are now

¹³ Extract from speech given by Robin Laing at the Film NZ Industry Networking event for Minister Gerry Brownlee held at Park Road Post Production in May 2009.
harder to secure and, if secured, are at lower prices. Television networks are cutting back acquisition prices due to advertising revenue downturn. Decline in advertising spend in turn reduces TVC production business. Home entertainment revenues are under threat from piracy and new internet channels for which the profitable business model is yet unclear.

With less stable financial inputs especially internationally for the immediate future, the pipeline will have difficulty sustaining economic outcomes, and in turn place the NZFC’s cultural and social outcomes at risk.

More importantly, the pipeline at its larger budget end is where the international investment downturn impact is also being felt on the international productions New Zealand is seeking to attract as export servicing. This is aggravating the ‘at risk’ considerations in maintaining a sustainable level of international production in New Zealand when we already face increasing competition from incentives being offered by other countries and state governments for the same business.

3.3 Scope of the Pipeline

New Zealand screen production benefits from having more than one funding door with agencies sitting alongside the NZFC such as New Zealand On Air and Te Mangai Paho delivering funding for television production and Creative New Zealand for emerging/experimental filmmakers. In addition there is now the SPIF incentive for qualifying feature films, television programmes (series or single programmes), documentaries and short animation. All support the creation of uniquely New Zealand intellectual property that possesses potential export value and can contribute to wealth creation.

New Zealand’s creative talents are also excelling in international markets in digital/interactive media such as games. These too should be recognised within the pipeline; their distribution and profit participation model offers potential blue sky opportunities for growth that would add to the broader industry’s sustainability.

The advent of new online markets – and new audience demands – combined with rapid technological evolution in production methods and delivery involving 3D and internet/mobile downloads need to be addressed through the strategic partnership of Government and industry collectively to sustain the high value the industry has already demonstrated with government support.

3.4 Broadening Industry Development Initiatives

NZFC’s range of professional development programmes are linking filmmakers here with internationally recognised expertise to build skills and confidence. As previously noted, Film NZ leaves specific craft based advice with respect to point 6 of the Review to others with more direct involvement.
However, as NZFC is the administrator of the domestic and international incentives schemes, Film NZ sees an opportunity to imbed within those incentives internships for key production management and crew. Without seizing opportunities to replenish production skills base and give opportunities for professionals to move up to more experienced levels, our screen production industry risks facing shortages in many key areas. The inclusion of upskilling opportunities is common practice in overseas incentive schemes and most productions within the USA have interns or trainees in multiple craft areas.

Developing this kind of initiative would require consultations with industry guilds, identifying within Government avenues for funding internships and managing placement, monitoring and results. Film NZ believes that in collaboration with the NZFC and the industry, replenishing the skills base at a professional level could be a value-added outcome from both the LBSP/PDV and SPIF incentives.

3.5 Marketing New Zealand Inc.

Film NZ along with its strategic partner NZTE/Investment NZ and the regional film offices have adopted 'New Zealand Inc.' as the concept that we are all marketing from a national perspective to attract business into New Zealand that will flow into diverse regions but overall benefit the country as a whole. It is the New Zealand value proposition: one national taxation system, one national set of incentives, one industry that works on a national basis.

The synergies between NZFC’s international market presence as a recognised sales agency and investor, and Film NZ’s promotion of New Zealand as a screen production destination developing client networks have been noted. There are other players out there, including New Zealand Trade and Enterprise through its representatives overseas and its capability development support for New Zealand companies, Ministry of Foreign Affairs and Trade, Tourism and now regional film offices through sister city arrangements and/or regional economic development initiatives.

And within this multi-faceted marketing, there are New Zealand screen industry professionals and businesses that are well-recognised players on the global stage.

Film NZ is moving towards a more comprehensive and strategic global marketing presence that will showcase internationally the richness of New Zealand’s screen production industry offering; in doing so we are working closely with NZ Trade and Enterprise and the Ministry of Economic Development. NZFC is a natural strategic partner in this, as is Tourism. There are opportunities to rationalise and cross-pollinate our respective efforts to improve value and work more strategically with the industry and Government.

NZFC can continue to play its role internationally in support of New Zealand films and filmmakers. More strategic collaboration among Government
agencies and the industry including Film NZ will deliver cost-effective promotion of New Zealand Inc.

3.6 Research and Market Intelligence

With limited resources for strategic research there is a need for a more coordinated and focussed approach. NZFC reports back to the industry following international markets. Film NZ gathers and shares market intelligence also. NZ Trade and Enterprise and its agency Investment NZ commission strategic studies and/or feasibility studies in conjunction with industry.

Since 2005 the screen industry benefits from an annual industry survey that is conducted by Statistics NZ: the results of the 2008 survey now provides four years of comparative data that has grown in value with the survey’s scope and industry buy-in. Film NZ replaced the Screen Council on the stakeholders group in 2007/08 alongside representatives from the Ministry of Economic Development, Ministry of Culture and Heritage and New Zealand Trade and Enterprise.

Also on the positive side is the NZFC’s release of information on its investments and regular analysis of domestic films’ box office performances here in New Zealand. Given the NZFC’s access to box office data, it would be useful also to analyse the domestic box office performance of productions filmed here to assess whether their ‘New Zealand’ location adds interest for local audiences.

This positive trend in information sharing could be further enhanced with collaborative research planning involving both Ministries – Economic Development and Culture and Heritage – along with NZFC, Film NZ and NZTE. Film NZ does not have a research budget though it does recognise that without comparative information based on solid research New Zealand’s value proposition as both a source of and a destination for screen production within the global market is lacking some key foundation blocks.

3.7 Sustainability

New Zealand’s geographical location and pronounced global concerns with carbon offsets raises the spectre of ‘film miles’ challenging the attractiveness of New Zealand as a screen production destination. New Zealand’s reputation as ‘100% Pure’ is not just a Tourism tag but one that affects businesses with the screen industry.

In 2005, the New Zealand film industry was involved in developing the Greening the Screen Toolkit, a practical online guide for reducing the environmental impact of screen production.

The Greening the Screen Toolkit and website – www.greeningthescreen.co.nz - put New Zealand at the forefront of sustainability initiatives for the industry worldwide. More recently, due to a lack of funding, Greening the Screen
remained dormant and, with the notable exception of a small number of companies, New Zealand’s screen industry effectively rested on its laurels though regional film offices such as Film Queenstown have taken initiatives to demonstrate the monetary value to a production of ‘green screen’ practices. Internationally, other industries have moved ahead and now ‘green’ filming is a feature of and marketing tool for major centres overseas.

In November 2008 Film NZ hosted a workshop at the SPADA annual conference to re-present the sustainability issue to the industry. As a first outcome based on the recognised value of the Greening the Screen toolkit and website, Film NZ has funded an update of the website content and taken over responsibility from SPADA for the website hosting. Greening the Screen is being re-launched by Film NZ in early August.

Film NZ also convened in March this year a working group involving a cross-section of industry members to address environmental sustainability issues within New Zealand’s screen production industry. The group is seeking to establish a pan-industry body that will take on sustainability issues and drive initiatives. Film NZ is committed to supporting this and would welcome involvement of NZFC along with other funding agencies.

3.8 Other Review Topics

There are questions raised in the Review terms of reference that exceed the direct experience that Film NZ can bring to bear in providing its perspective in this submission, for example:

- # 9 involving the NZFC’s structure, governance and management arrangements;
- # 10 concerning its responsiveness to filmmakers needs in setting its strategic direction;
- # 2 in relation to quality film projects that meet New Zealand cultural content objectives;
- and
- # 11 with respect to managing future funding demands.

In terms of the direct relationship involved in the funding arrangement that Film NZ has with the NZFC, we have found it straightforward, clear in terms of accountability and reporting, and responsive. It is an annual application process under the Industry Infrastructure programme and therefore less involved than filmmakers seeking to advance their projects.

4. Conclusion

Film NZ recognizes that the NZFC has played a critical role in the development of New Zealand’s screen production industry and in particular New Zealand feature films that have entertained audiences at home and generated a profile internationally that is outstanding for such a small nation.
There is no question that New Zealand’s ability to attract international production work rests on the domestic industry: the filmmaking talent, the equipment and facilities capability, the postproduction, digital/visual effects sector, and the infrastructure.

Film NZ welcomes this opportunity to provide its perspective on the role of the NZFC, how collaboration is working and where opportunities for strategic partnerships could build on the industry’s established strengths in the future. Film NZ is committed to working with the NZFC as a key agency of Government alongside other partners and the industry to promote innovation and expand its talent, capability and infrastructure as a globally-competitive centre for production.

Film NZ has shared this submission in draft form with its regional film office partners. We acknowledge that Film Auckland has made its own submission; we attach also in annex a letter from Film Wellington supporting this submission.
Catherine Fitzgerald, WIFT NZ

WIFT NZ is pleased to make the following submission in respect of the Government Review of the Film Commission which we understand to be focussed on ensuring effectiveness and fiscal sustainability in public expenditure on New Zealand film funding.

INTRODUCTION TO WIFT NZ

WIFT (Women in Film and Television) NZ is a not-for-profit incorporated society established to:
- encourage, facilitate and support the involvement and advancement of women in the screen industries of New Zealand;
- provide education and other events to industry members which promote the development of, and create opportunities for, the advancement of women in the screen industries of New Zealand;
- develop the New Zealand screen industries for the benefit of those industries and the general viewing audience.

WIFT NZ currently has a nationwide mixed-gender membership of 450 representing all aspects of the screen industry; and delivers a full programme of professional development and mentoring, skills enhancement, networking, information and communication services to the industry. As a pan-industry body we are unique in delivering services across gender, ethnicity and occupation.

WIFT NZ receives critical infrastructure funding of $55,000 per annum from the NZFC which supports one full time and one part time staff member - supported by interns and volunteers - and a small one-room office to allow us to deliver a full programme of activities to members and non-members.

Women participate in all roles and at all levels in the New Zealand film industry, in greater proportion than almost any other country in the world. Notwithstanding that under-representation in several areas remains an issue for women, the recent or impending release of high profile films Untouchable Girls: The Topp Twins, The Vintner’s Luck, Home By Christmas and The Strength of Water) demonstrates a high level of writing, directing and producing participation. We trust this is a sign of things to come.

EFFECTIVENESS

The New Zealand Film Commission Act charges the New Zealand Film Commission (“the Commission”) with contributing to the development, production and distribution of films which enrich our national heritage and a cohesive, informed and economically productive industry. These dual goals have delivered

- tangible results “outputs” – over 160 theatrical feature films and a very much larger number of short films, animations, independent television dramas and documentaries, which have affirmed, challenged and expanded New Zealanders view of the peoples of New Zealand; and
• less tangible but ultimately critically important “outcomes” which benefit New Zealand and New Zealanders in terms of culture, identity and economic benefits within New Zealand and internationally.

We believe that, over the last 30 years, the Commission has been a critical factor in the development of a maturing, highly skilled and innovative film industry, which now includes many businesses with no direct dealings with the Commission itself.

The government at this time employs a suite of interventions to maximise economic and cultural benefits including (but not exclusively):
- the Large Budget Screen Grant and associated schemes which recognise the economic and industry capacity building value of commercial and international films in New Zealand;
- the SPIF rebate, a grant which seeks some cultural as well as economic benefit;
- equity loans to fund low-budget, first feature and culturally-specific films.

It also plays a critical role in the official sanction of co-productions, which will only become more vital because of the industry’s critical reliance on co-pros for expansion.

Whilst the Commission has interpreted its role and managed its activities to greater or lesser effect at various times, its very presence has ensured the delivery of an on-going minimum number of New Zealand films.

Whilst the average number of films the Commission directly supports per year has remained pretty much constant since its inception, the number and range of people aspiring to make them has increased exponentially.

WIFT considers that current and ongoing fiscal restraints notwithstanding, an effective agency must be committed to public/private partnerships which ensure low-budget and high-risk culturally important films continue. It needs to do this both financially and through direct or indirect support for all other contributors who invest in national cinema and future talent including filmmakers, cast, crew, suppliers and facilities.

Without such support New Zealand cinema is threatened, particularly when competing with international, highly-commercial entities.

It is acknowledged that it is difficult to objectively assess in advance which films will make a significant contribution to cultural heritage, connect with New Zealand audiences or launch careers but we urge retention of support and a structure based on informed and inspired judgment.

Finally, we note that lower-budget, culturally important films are most at risk in times of financial constraint and it is imperative that a tendency to overly conservative decision-making in difficult times be avoided.
GOVERNANCE
WIFT NZ is of the view that the Commission Board should focus on its governance role.

We also strongly believe that industry knowledge and experience should be represented at Board level to inform strategy, and that appointments should reflect a commitment to ensuring women are equally represented at the Board table.

OPERATIONS
Funding decisions should be made by staff with relevant project knowledge, expertise and experience, supported by external advice as required.

Decisions need to be made in a timely manner and approached as a partnership between filmmakers and funders.

The level of artistic involvement from development staff in individual projects is also of some concern and we recommend that clear guidelines be set which balance the interests of creatives and funders.

Robust assessment, evaluation and review procedures are recommended, to include external assessors / advisors. This will also maximise the potential for success but will ensure that projects that have little likelihood of commercial or cultural success are discouraged at the earliest stages.

TRANSPARENCY AND COMMUNICATION
A mature, open and mutually respectful relationship between the staff of the Commission and filmmakers leads to greatest value for both.

WIFT NZ supports transparency in all decision making and communications to allow all people dealing with the Commission to have confidence in planning and development.

STAFFING
As the industry grows, the Commission will increasingly deal with more people seeking funds, information and expert assistance. Ways of sharing the load with the wider industry are advisable.

INDUSTRY INFRASTRUCTURE AND PROFESSIONAL DEVELOPMENT FUNDING
The screen industry is supported not just by the delivery of particular projects but by investment in the skills, knowledge and capacity of the wider industry.

Some of the responsibility for developing industry infrastructure and professional development has historically been devolved to industry bodies
such as WIFT NZ and the guilds, and we support developing this framework into the future.

Devolution of the role minimises administrative costs at the Commission, allows Commission staff to concentrate on film production funding, and develops networks across the sector which work positively for the ongoing viability of the industry.

However, we are of the view that infrastructure funding can and should be more robustly accounted for and that funding allocations should be based on reach, quality and value returns for investment rather than on historic relationships.

We also question what seems to have become a widely-held view within the commission that infrastructure and professional development funding should be restricted to writers, producers and directors only. While many of our members are engaged in these favoured areas, others are not, and we endorse the position that technical areas are critical to success and that professional development in these areas should be supported through pan-industry bodies and guilds.

**SUMMARY**
WIFT NZ applauds the achievements of the Commission to date and welcomes the opportunity to review and evaluate the appropriateness of the Commission’s current focus and operations.

As a pan-industry organisation working with and for people right across the sector we support the following positions:
- that the Commission’s ongoing existence is essential to ensure the continued production of a quality New Zealand cinema;
- that value return for investment should be a core principle for the Commission, emphasising that value is not only and not exclusively commercial, but encompasses cultural value;
- that operational and governance roles should be clarified and that the associated structures both in terms of skilled personnel and process are appropriate, robust and fit for purpose; and
- that there be a commitment to ongoing funding support for industry partners who provide essential professional development to the sector, essential for its long-term health, and that such funding be allocated on the basis of outcomes for investment.
Edwin Petersen

I am a typical, struggling filmmaker. I have looked at the NZFC site for possible areas of funding that I could apply for. Without a experienced producer or an experienced director attached to the project, there is nothing to apply for. This makes it hard for first time directors to get funding or even recognised. I love the first writers competition. This gives script writers the chance to make a name and get seen. I would love to see opportunities for first time directors. More training workshops available to filmmakers, and more competitions to help discover talent. I have seen that in America they have the great pitch fest. Where representatives from the film studios, television studios and production companies sit down and listen to writers and filmmakers pitch their film scripts and ideas. The studios get first chance at stories they might want to buy or produce and the filmmakers and script writers get heard. It’s win, win.

I also thought a competition for film trailers might be a good way to get a taste of a film. An annual competition, hosted by NZFC with prize sponsors, that people could send trailers of their films with the winners being considered for further development by NZFC. Even if there was a mentoring program in place during the development to make sure the quality is of a high standard. I thank you for your time and look forward to all the progress that you are going to make for all film makers in New Zealand.

Cheers Eddie
Andy Calder

Dear Peter Jackson et al,

Apologies for the delay replying.


Best regards,
Andy Calder
Pita Turei, Nga Aho Whakaari

Nga Mihi kia korua. Ko tenei taku korero mo tenei kaupapa.

We welcome this review for the opportunity it represents to put right inconsistencies in the original act and regard for Te Tiriti O Waitangi and the principles developed by the Government and its agencies.

This submission requests that the Act be reviewed in a manner that properly reflect the partnership between Maori and the Crown and empowers ‘kaitiakitanga’ custodianship of our ‘cultural capital’ and parity of resource and opportunity for Maori to tell Maori stories.

This submission further requests that the terms of reference for the review recognise the importance of Maori cultural capital in the successful functioning of the Film Commission in achieving its goals.

Nga Aho Whakaari acknowledges the New Zealand Film Commission in the support it has extended to Maori story tellers, film makers and practitioners as well as Nga Aho Whakaari.

Further Nga Aho Whakaari acknowledges the role the New Zealand Film Commission has played in supporting forums that have advanced the development of an articulate community of Maori Film Practitioners.

We do however note that in the terms of reference for the review we do not have a specific role or a specific reference regarding the use, exploitation and maintenance of our unique cultural capital and therefore request an opportunity to participate in the review as an organisation on behalf of our members and the film making community as a whole.

Naku na Pita Turei
Executive Director