

Increasing value from Government investment in the New Zealand Screen Production Grant

Engagement with Māori



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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**Manatū
Taonga**

Ministry
for Culture
& Heritage

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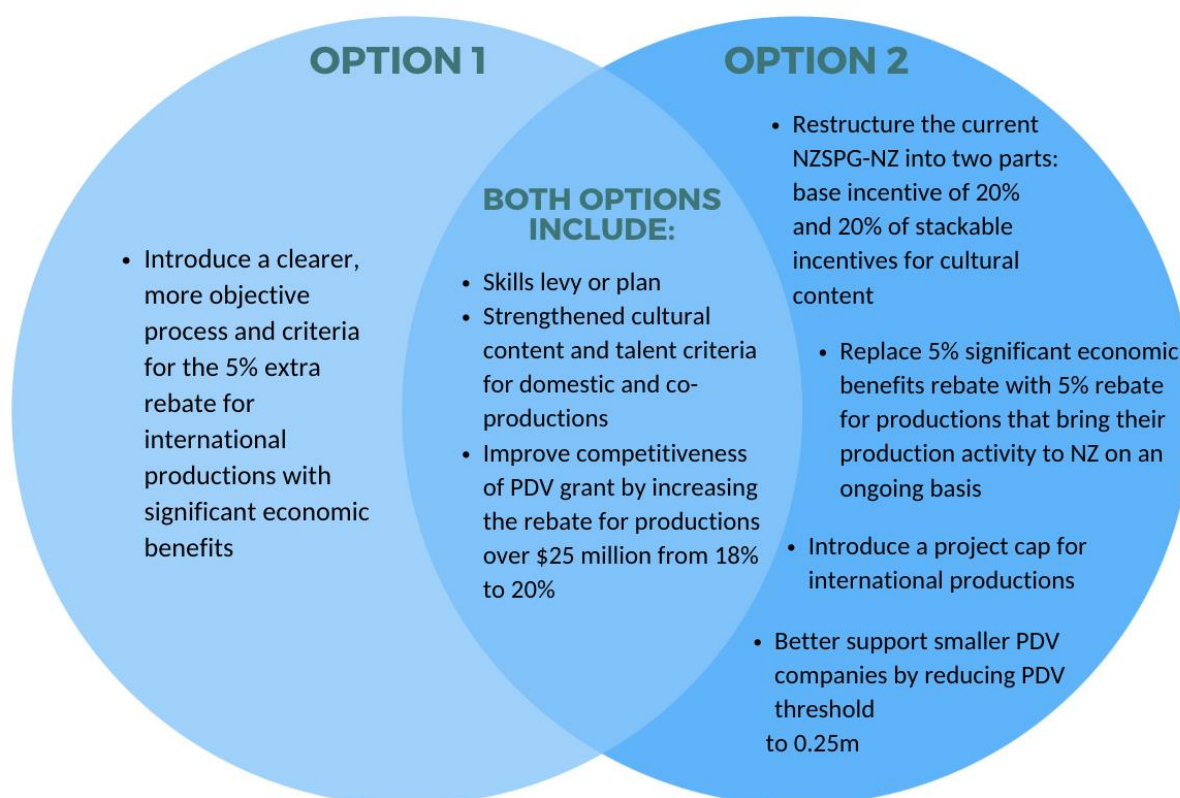
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Setting the scene

The New Zealand screen industry contributes a range of benefits to the economy and is one of the world's prime locations for screen production.

It is worth more than \$3.3 billion to the economy and directly employs more than 16,000 people. Currently, the impacts of the COVID-19 pandemic are still being felt by the sector. In 2021, the Government launched a review of the way it funds parts of the Film and Television industry to ensure that Crown investment in the screen sector is effective and generates economic and cultural value for the sector and for New Zealand.

Te Amokura were engaged by the Ministry for Culture & Heritage (MCH) and the Ministry of Business, Innovation & Employment (MBIE) to facilitate two engagement sessions with Māori from the screen sector to gather feedback around the proposed changes to the New Zealand Screen Production Grant (NZSPG).



Another focus area within the engagement was solutional discussions around whether either of the proposed changes can influence the following:

1. Creating a steady pipeline of screen productions

2. Improving sector skills and career pathways
3. Supporting the development of compelling and ambitious New Zealand content

Finally, we sought to understand from participants how they view **tino rangatiratanga** in a screen sector funding context and what could be done to ensure **ōritetanga** within screen sector funding.

Capturing Māori voices

In total, 12 Māori representatives within the screen sector attended the online workshops. This included producers from scripted and unscripted genres and representatives from screen industry government organisations and state-owned broadcasters. The participants brought their wealth of experience and knowledge spanning multiple decades in film, television and digital platforms. All are passionate about te ao Māori and telling our stories at home or abroad, many of whom have also been recognised domestically and internationally for their work.

The Māori engagements were designed into two online workshops, consisting of Māori expertise from local and international content producers with international experience and film and television exponents who understand the needs of the sector. Participants had a strong understanding of the grant process and criteria.

Break-down of Māori Stakeholders



Engagement Participants

Hui 1 = 6

Hui 2 = 6



Film & TV Producers

Hui 1 = 3

Hui 2 = 4



Screen Industry Organisation & State-owned Broadcasting Representatives

Hui 1 = 3

Hui 2 = 2

The New Zealand Screen Production Grant

The NZSPG is one of the major sources of government funding for the screen sector in Aotearoa. It is made up of four different categories which are administered by the New Zealand Film Commission. However, only a small number of Māori in the sector have successfully received it. Of the 7 producers who contributed over the two engagements, three have been granted the NZSPG.

Participants experiences

“I’ve just completed my second SPG project as a producer. Again, it’s with another international partner, and it is absolutely give and take and a lot of compromise”

A lack of knowledge about how to access the SPG is a barrier for Māori. Having little understanding of the criteria and who qualifies for the grant ultimately restricts access to Māori in the first instance, let alone the complexities of the application process. For those who have endured this process, it seems to be too complicated and time-consuming. One participant mentioned that due to the laborious nature of creating content, the lengthy time required to fill out the application was a huge obstacle, while another producer added moving through the SPG criteria itself is arduous. She noted that the SPG application is roughly 60 pages, and a lot of the jargon used is complicated. This participant expressed that she was only able to successfully acquire the SPG because of colleagues who had navigated the grant previously.

“We were fortunate that we had an EP and an accountant that had done both a SPG and a co-production before, so I relied heavily on them”

The form of the NZSPG as a rebate was another major hindrance for many, which could also explain the low uptake of Māori productions applying for the SPG. One participant noted that the reality for her company and other small Māori production companies is that they do not have large ongoing productions that can bankroll a loan for six months. However, she is hopeful that there will be greater access moving forward in the proposed options.

“Not many companies can afford to bankroll a loan for six months to a year, especially with current interest rates”

Considerations

Simplifying the NZSPG application process

To resolve one of the biggest barriers to accessing the SPG, one suggestion was to make the application process easier by developing a reference sheet to fit alongside the SPG application which provides a breakdown of the important parts of the SPG, and includes practical instructions to successfully complete the application.

Review rebate requirements for Māori productions

Participants also encouraged a different set of rebate requirements specifically for Māori productions to ensure more equity for Māori in comparison to larger and more established production companies with deeper pockets. This will be explored further in the section below.

The Proposed Changes to the NZSPG

While the proposed changes to the NZSPG aim to steady the pipeline of screen production, improve sector skills and career pathways, and support the development of New Zealand content, there were mixed reactions to the proposed changes. However, all agreed that a joint approach within the sector was needed to ensure that a more circular model is formed which supports different parts of the production ecosystem.

OPTION 1	OPTION 2
<ul style="list-style-type: none"> Introduce a fairer and more robust 5% extra rebate process for international productions with significant economic benefits. 	<ul style="list-style-type: none"> Restructure the current NZSPG-NZ into two parts: base incentive of 20% and 20% of stackable incentives for cultural content Replace 5% significant economic benefits rebate with 5% rebate for productions that bring their production activity to New Zealand on an ongoing basis Introduce a project cap for international productions Better support smaller PDV companies by reducing PDV threshold to 0.25m
BOTH OPTIONS WILL REQUIRE THE FOLLOWING	
<ul style="list-style-type: none"> Skills levy or plan Strengthened cultural content and talent criteria for domestic and co-productions Improve competitiveness of PDV grant by increasing the rebate for productions over \$25 million from 18% to 20%. 	

While the participants understand the objective of the grant to entice the big hitters such as Disney and Amazon and appreciate the existence of the international players to help sustain the sector, the trade-off is smaller budgets for local productions that primarily promote Māori content.

As previously mentioned, participants addressed the complexities around the NZSPG application process. One participant noted that the proposed changes to the SPG do not provide further clarity or simplicity.

“There are all sorts of funny ways to get an extra 5%, but it’s just not clear”

Considerations

Additional 5-10% rebate for Māori productions

The 40% rebate towards QNZPE should be increased by 5-10% for Māori productions. This addition will better recognise the uniqueness that Māori stories and creatives bring to the screen sector. It is evident that film and television with te reo and Māori cultural content do well locally and internationally, reflected in films like *Boy*, *Hunt for the Wilderpeople*, *Whale Rider* and *Once Were Warriors* which are included in the top 10 highest-grossing New Zealand films, and reality television series *The Casketeers* which was picked up by Netflix in 2019. In this instance, it would be important to establish criteria for what qualifies as a Māori production to access the further 5-10% rebate.

Increasing NZSPG-international rebate by 10%

The screen sector is sustained by international productions filmed in New Zealand. In order to increase New Zealand’s appeal as a production location, the sector has to get more competitive with the international market. A participant suggested that the rebate for the NZSPG-International should be raised from 20% to 30%, noting that most countries are hitting 30-35% rebates. By raising the rebate percentage, more productions will be lining up to film in New Zealand, and the money can then be reinvested into building the capability of the workforce.

Outcome 1 – A steady pipeline of screen productions

How do we incentivise a steady pipeline of screen productions to support industry growth?

In order for productions to successfully acquire the SPG, they must have funding from non-New Zealand Government sources. For feature films, the minimum threshold for non-New Zealand Government funding is 10%. For television and other non-feature film productions, the minimum is 25% and sometimes higher. This means that productions that do not meet the minimum threshold miss out on the grant, which then slows the pipeline of local screen production.

“The quantum of content for shows like Shortland Street is a significant investment, even though they do not make the minimum threshold. How can we look at the settings to ensure shows like this continue?”

According to participants, the pipeline of international screen production seems to be doing well at the detriment of local screen productions. Currently, participants are noticing that the New Zealand market is inundated with international productions, taking with it local industry workers. While it is great for industry workers to experience working on international projects at home, local productions are fighting for the same crew to be on their projects and are being beaten by wages the international productions are paying, resulting in a shortage of workers and delaying local production.

“It was hard finding skilled crew because they were all taken by these big productions that have a lot more money than we do and can pay more”

“That’s ultimately what the SPG does, is that you do bring in huge productions that have \$80 million and just take all our people”

Considerations

Lowering the minimum threshold of non- New Zealand Government funding to increase Māori uptake

One participant highlighted that lowering the minimum threshold of non-New Zealand Government funding to \$500,000 would open up finance opportunities for emerging filmmakers and would result in more Māori producers accessing the NZSPG. Some feedback received from a Māori producer was that two of her feature films would have benefited greatly if this was the case.

Prioritise Government investment into Māori screen workforce

Participants want to see more Government action to increase and encourage rangatahi coming into the sector with the right skills to fill the worker shortage in local screen production. This will be explored further in the section below. While it was noted by participants that international screen production is thriving on New Zealand shores, local screen productions are affected by the lack of industry workers.

“To have a steady pipeline, you have got to have the people there”

Outcome 2 – Improving sector skills and career pathways

How do we build a resilient workforce with the right skills and career pathways?

Participants indicated that improving sector skills and career pathways in the screen sector should be a Government responsibility. Currently, production companies are feeling a weighted responsibility to train and hold onto young creatives coming into the sector and believe the Government should be doing more to support the budding workforce. Most participants reinforced the lack of current investment in the upskilling of industry workers.

“Growing capacity and capability should be a part of the Government’s investment into the screen sector”

Another participant questioned whether the skills levy addresses the issue of the missing joint-up approach as producers are already training their employees on the job, and a skills levy does not meet their expectations.

Māori production companies have a philosophy in which they upskill all their employees, and it was strongly suggested that Pākehā companies implement the same philosophy. Participants mentioned that they are getting workers that do not necessarily have the right skill set required for a production crew, there is a pattern whereby workers are hired for international productions to acquire the SPG, but their roles are reduced to consultants or interns.

Considerations

All of sector approach

Participants highlighted the need for all Government agencies working across the sector review as well as the Tertiary Education Commission to align and design a sector-wide strategy to develop the workforce. There was a strong belief that this is the first step required to ensure cohesive and aligned outcomes.

Māori producer training

One suggestion to upskill and grow the capability of budding Māori producers on an international scale was developing a program whereby Māori producers are taught how to pitch their projects, develop mood boards, prepare their finances and understand what sales agents are looking for when partnering. One participant mentioned that she received a

little bit of training on the kaupapa highlighted above, which helped her when she travelled to international festivals pitching her project to sales agents and ultimately led to her getting an international partner.

“An element of upskilling for Māori producers is what it means to attend a festival and the support you need to get through their door and make that 10 minutes the best 10 minutes of pitching you’ve ever done in your life”

Outcome 3 – Development of compelling and ambitious New Zealand content **How do we support the development of New Zealand content?**

One participant stated that it is extremely hard to develop compelling, ambitious content if there is not enough money within the sector to do so. There is potential for many more New Zealand stories to be shared on a world stage, but due to low financial investment within the sector, productions do not have enough money to sustain their projects.

“Development is an ongoing issue where small production companies who are not earning are trying to develop compelling and ambitious New Zealand content”

Participants understand that funding and investment are often dictated by how much of an audience the final product is set to gain. Assessors take into consideration how many tickets will sell and what the box office return will be, and often this takes priority over the cultural value of a project. Many whānau cannot afford to pay for movie tickets or subscribe to streaming platforms. However, a small audience does not change production costs. As a result, Māori productions have had to think strategically and be resourceful with their money because they still aim to make quality content despite having anywhere up to 50% less funding than what a non-Māori production would have.

“There’s an accessibility issue for our audience, but it is also about reframing our whakaaro around what the return of [a production] will be”

“If we’re talking about quality, then we should be getting the same amount of money that a non-Māori production gets”

There was some confusion around what ‘New Zealand content’ is with participants imploring the Ministry to create a definition or some guideline of what qualifies as New Zealand content. A participant used Television New Zealand (TVNZ) as an example, who

have outlined that any content commissioned under them must have a ‘cultural warrant of fitness’ around it; a strategy that ensures that it is culturally appropriate and accurate, there is capacity building and the people are working in a culturally safe environment.

Considerations

Lowering the minimum threshold of non-New Zealand Government funding for Māori productions to increase cultural content

It is evident that participants want to see more cultural content on screen. The feedback provided above reflects the need for a lower minimum threshold of non-government funding (\$500,000) for Māori productions. In order to prevent overuse of the SPG with the lower threshold, it’s important that the Ministry implements criteria to qualify for the lower threshold, some points to consider include:

- A strategy that outlines the project’s significance to Māori culture
- Depicts an important part of Māori history
- A quota for Māori production crew
- A strategy to upskill production crew

Te Tiriti o Waitangi and the NZSPG

The following questions around Te Tiriti o Waitangi were posed to participants, the answers captured were voiced from an aspirational space.

What can be done to ensure ōritetanga within screen sector funding?

Establish a Māori Film Commission

One participant voiced that the ideal future state of ōritetanga within screen sector funding is the establishment of a Māori Film Commission that administers the SPG to Māori productions.

“Then you have got your own whare that is not only built for you specifically, but understands you, nurtures you, and is ultimately there to support you because the current whare is not there to support you at all”

More Māori in the development, application & delivery of the NZSPG

Participants want to see more Māori across the board in all aspects of the SPG who appreciate and understand the cultural value of Māori production, including assessors, criteria-setters and executives. One participant noted that the lack of Māori assessors is one

of the main barriers to accessing the SPG, as applications are being assessed by people who do not understand the purpose of Māori productions and how they contribute to the screen sector.

“You need more Māori or those who are more understanding of Māori cultural content at the top, otherwise you will have no charge”

Ratings vs. culture

The trade-off between cultural return and box office return when it comes to investment decisions needs to be addressed as the first step towards ōritetanga.

What is tino rangatiratanga in a screen funding context?

Story sovereignty

All participants agreed that tino rangatiratanga could never be achieved totally under a Crown-administered fund. However, in a screen sector context, tino rangatiratanga for participants looks like moving to a space of story sovereignty and ensuring that Māori stories are freely being shared by Māori. Currently, producers are tasked with telling Māori stories in a way that fits with the current funding models, being the financial return, and financial risk mitigation to appease bond guarantors and various other people, but there is no focus on cultural return. Participants question how tino rangatiratanga can be achieved with the current standards.

“Cultural return can be easily diminished because it does not factor into a lot of the ‘how we have to get the money’”

“I feel like the purpose of administering funds is for culture and heritage”

Setting a cultural base

It is important to participants that a cultural base is set for every production in Aotearoa, whether it is Māori or Pākehā. This can be done by assigning a Māori cultural advisor – who is listened to – to any project produced in Aotearoa that has accessed the SPG. There is an element of danger when international productions come to Aotearoa with no cultural understanding when filming on whenua Māori, marae or sites of significance. Having a Māori cultural advisor to give tikanga advice and facilitate respectful relationships between international productions and mana whenua will mitigate the risk of cultural clashes.

Key opportunities identified

- Build a collaborative sector to allow better transition into the workforce and alignment of skill sets that meet industry needs
- Better understand why Māori productions do not fit the criteria for the NZSPG so the barriers can be dismantled
- More support provided to Māori productions and producers to access the NZSPG ie; reference sheets and pitch training
- Lower the minimum non-New Zealand Government funding threshold to \$500,000 for Māori productions that fit within the criteria of what qualifies as a Māori production
- Add a further 5-10% on top of the 40% rebate towards QNZPE for Māori productions that fit within the criteria of what qualifies as a Māori production
- Work in partnership with Māori to develop a criterion that outlines what a Māori production is
- Increase the rebate for the NZSPG-Internation from 20% to 30% to be more competitive on the international market and encourage more international production in New Zealand

Māori stakeholders are an important part of the screen sector, through their creativity, natural storytelling and Māori worldview. It's integral to support Māori by engaging with them in a meaningful way, understanding the existing barriers to accessing the SPG and building Māori capacity across the sector. In order to ensure more equitable outcomes for Māori, they need to be a part of the SPG's development, application and delivery. Greater access to the SPG for Māori will guarantee more authentic New Zealand content with high cultural value.