

Report 1.

A summary of our workshop findings during the public consultation

Review of government investment in the screen sector

7 February 2023

Prepared by *ThinkPlace* for *Ministry of Business, Innovation and Employment* and *Ministry for Culture and Heritage*

Purpose of this document

The purpose of this document is to provide a summary of the series of virtual workshops undertaken as one part of this public consultation with the screen sector. Other consultation methods will not be discussed as these were managed by MCH and MBIE. This summary report will be used by MCH/MBIE to consider in preparation of their final proposals to the Minister on the Screen Production Grant.


Acknowledgements

We would also like to thank those from the sector that contributed their energy and enthusiasm alongside their industry perspectives of how to improve the SPG for all.

Common abbreviations and acronyms used

MCH	Manatū Taonga Ministry for Culture and Heritage
MBIE	Hīkina Whakatutuki Ministry of Business, Innovation and Employment
NZSPG, or SPG	New Zealand Screen Production Grant
PDV	Post (Production), Digital and Visual effects
QNZPE	Qualifying New Zealand Production Expenditure

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Review context

The Government's goal is to lift the value of its investment in the screen sector to better support a successful, sustainable, and resilient sector.

To do this the Government is reviewing its funding to the sector to make sure that the policy settings in place maximise value for the benefit of the New Zealand screen sector and for the New Zealand public.

The New Zealand Screen Production Grant (NZSPG) will be a focal point for the review. The review is being jointly led by Manatū Taonga the Ministry for Culture and Heritage (MCH) and Hīkina Whakatutuki the Ministry for Business, Innovation and Employment (MBIE).

As part of the review, MCH and MBIE wanted to engage the sector and the general public through a series of methods to receive feedback on their proposals. Methods included written submissions, surveys, information sessions and workshops.

Review objectives

- Support the development of a more resilient and sustainable New Zealand screen sector.
- Support improved conditions and better pay and career pathways.
- Improve social cohesion by supporting the development of New Zealand cultural content that reflects the diversity of New Zealand and reaches a broad audience.
- Maximise the benefits generated to the wider New Zealand economy from the screen sector.



Image Source: Unsplash, 2018



Workshop approach and process

ThinkPlace was engaged as a third-party facilitator to support the consultation, facilitate workshops and support developing content for the information sessions.

The three public information sessions run by MBIE and MCH had over 280 people attend.

The six workshops facilitated by ThinkPlace engaged with over 100 people over three weeks.

There was also variation in the size of the companies' people were a part of, from small local based businesses, to those who work with or in large international production companies.

Attendee invitation

Participants were informed of the workshops through a range of channels including the Ministries' websites, the three public information sessions and e-mail communications from MBIE, MCH and the New Zealand Film Commission.

Workshop attendees

The workshops had a range of participants from the domestic and international screen industries with a higher attendance from those who are based in Aotearoa.

There was a large variety in the roles of those who attended, with a spread across production, digital and visual effects, producers and directors, writers, actors, artists and documentarians.



Workshop design

- Each session had a maximum of 25 participants to ensure that everyone was able to contribute meaningfully, and robust conversations were encouraged and enabled
- Sessions were held online via Zoom to allow for people to join from across Aotearoa and internationally
- Sessions were 90 minutes in duration to enable a robust conversation, without creating 'Zoom fatigue' and to respect participants' time
- The sessions were semi structured, including 35 minutes in smaller breakout groups focused on how the proposals contributed to the three targeted outcomes, being:
 1. A steady pipeline of screen productions
 2. Improved screen sector skills and career pathways
 3. Development of compelling and ambitious New Zealand content
- Participants were randomly allocated to one of the outcome areas unless they had previously identified a specific area they wanted to discuss
- If they desired, participants were able to attend more than one workshop to be involved in more than one outcome area discussion
- Facilitators captured feedback and ideas from participants via Mural, an online whiteboard, with support from MBIE/MCH staff taking additional notes
- In response to a lower level of feedback on proposals related to PDV, the final workshop included an additional break out group focused on PDV.



Image Source: Unsplash, Jason Goodman, 2019

High-level summary of feedback

General themes

Cross-cutting themes that relate to all or some of the outcome areas

Outcome areas

- A steady pipeline of screen productions
- Improved screen sector skills and career pathways
- Development of compelling and ambitious New Zealand content



Summary of feedback

1. Certainty within the SPG settings is crucial to supporting the sector

3. While cultural content was seen by most of the sector as important, strengthened cultural criteria may not be the best way to support this

5. The domestic industry needs to be futureproofed by investing in and maturing local skills and talent and diversifying the project pipeline

7. It is critical to consider how the SPG works in the broader ecosystem and sector strategy

9. The industry wanted the cultural and economic value the sector brings to Aotearoa to be better recognised and understood

2. Settings within the SPG should help to increase cultural, financial and resource equity in the screen sector

4. The SPG settings must balance the needs of the interdependent domestic and international industry

6. There are barriers to the SPG that need to be considered as some may conflict with the intent of the rebate and sustainable growth of the sector

8. Ensure the settings are simple and neutral



General themes

The following summary discusses feedback that relates to all or some of the outcome areas.

1. Certainty within the SPG settings is crucial to supporting the sector

Uncertainty in any aspect of the SPG was seen to be detrimental to a thriving and resilient sector. Many participants spoke to a fear of increased subjectivity and SPG review timeframes interfering with both international and domestic productions. This certainty would ideally include:

- Confidence in access to financing in the production stand up period
- A clearly understood process and objective eligibility criteria
- A clear objective/intent of the SPG and flow through to the settings

2. Settings within the SPG should help to increase cultural, financial and resource equity in the screen sector

We heard of inequities being faced by people who are Māori, Pasifika, Pan-Asian, people of colour, women and those who are part of the rainbow community working in the sector which need to be levelled – *“Majority of the women earn less than the living wage”, “Rūrangi couldn’t easily find a NZ platform to share it, until it won international awards.”*

The sector also spoke about certain expertise and skills being better remunerated than others. People wanted to see the SPG better support people working in creative roles in the screen sector such as writers and those developing New Zealand content and IP, not just those working in more technical roles – *“I had a film 7 years in development and could take \$14,000 in fees, often earn about \$9 an hour.”* People wanted to be valued financially for the work they are doing and not consistently be ‘doing it for the love of it’.

People also felt certain genres or formats were not being supported by the SPG as much as others. Documentary was one genre that people felt was especially difficult to get equitable financing for, and therefore is extremely hard to generate a sustainable career in.

3. While cultural content was seen by most of the sector as important, strengthened cultural criteria may not be the best way to support this

Overall, there was a strong negative response to cultural content criteria being strengthened for a range of reasons:

- The current SPG New Zealand content criteria being viewed as sufficient
- The ambiguity and subjectiveness of further definition for cultural content
- The negative economic impact it may have due to prohibiting some productions from meeting the criteria to access the SPG
- The view that genre/type of content should not be dictated by Government
- The view that cultural content is produced by people when they are at a level of excellence in their career and craft
- The view that other SPG or non-SPG mechanisms could better support cultural content
- Potential for the stackable incentives to lead to (further) exploitation of people and their stories – *“The Film Commission does not have robust criteria right now and diversity is being exploited currently.”*

While additional requirements to receive the current 40 percent rebate were not supported, many attendees considered that additional incentives (on top of the current SPG rebate) would encourage more cultural content.

To support cultural content, participants stated the need to reduce barriers to access the SPG and/or create more pathways to access the SPG; enabling more creative storytellers to translate their own cultural stories and others for the global market.

Spain and Korea were often referenced as comparisons for their recent growth in content export.



4. The domestic industry is interdependent with the international industry

Many participants see the international and domestic industries as separate but deeply connected.

The success and sustainability of the domestic screen sector currently relies heavily on large, international productions that keep the sector in work and continually developing their skills and careers. Without these international productions, the domestic sector could find it difficult to function sustainably. Conversely, the domestic industry is crucial to developing early career skills and providing opportunities for early in career talent, as well as developing New Zealand IP.

Care needs to be taken in how the domestic industry is grown over time, without shutting out the international industry inadvertently, or the international market shutting out access for the domestic industry.

5. The domestic industry needs to be futureproofed by investing in and maturing local skills and talent and diversifying the project pipeline

Participants discussed the need to future-proof the SPG against any changes in global trends and the cyclical demand changes that occur in the industry. Suggestions were made to mature the domestic industry by attracting a diverse mix of productions, creating room for creation of NZ IP and ensuring developing skills. Future-proofing ideas included:

- A greater range in the size and type of projects, including increased focus on documentaries
- Range of genres and wide expression of New Zealand culture
- Mix of international and domestic projects and investment models
- Development of skills and storytelling ability
- A wider range and richness of narratives and stories being told
- Greater investment in PDV.

6. There are perceived barriers to accessing the SPG that may conflict with the intent of the rebate and the sustainable growth of the sector

There are current barriers to the SPG which the sector wanted to see removed. The aim should be to increase access to the rebate, especially for small to medium-sized productions and for those experiencing inequity in the sector.

Some perceived barriers included:

- Not being fully aware of the SPG
- Not knowing how to apply or having the capability to do so
- Not having the required capacity available to apply
- Application process being too onerous
- Production budgets being too small to meet the thresholds
- Inability for productions to secure finance due to SPG rules around co-funding.

7. Consider how the SPG works in the broader ecosystem and sector strategy

Many participants wanted the SPG and the outcomes it is trying to achieve through the review to be considered more closely with other key players, settings and funding mechanisms in the sector. Participants wanted to see more flexibility in funding pathways to enable productions to be supported by more than one major funding body. PDV was raised as a key growth area for the sector that the SPG could enable through international market opportunities and competitiveness.

Suggestions from the sector included:

- Work with the lead agencies and organisations that contribute to the screen sector to explore and adapt other funding mechanisms, so that productions are better nurtured and supported by a richer and more collaborative screen sector ecosystem



3. High level summary of feedback

- Consider enabling productions to be able to co-fund a project (e.g., Te Māngai Pāho, NZ On Air, Aotearoa New Zealand Public Media, NZ Film Commission)
- Work closely with universities to ensure graduates are coming into the industry equipped with job-ready skills.

8. Ensure the settings are simple and neutral

Participants regularly noted that the market changes rapidly and called for the SPG to be designed in a way that is not limiting as platforms, content trends and international demand evolve. This was envisioned as achieved through more neutrality and/or adaptability in the settings.

Over-complicating the settings or application process was seen by the sector as being unattractive in the international market and creating barriers in the domestic market for those looking to access the SPG.

9. The sector wants to be better valued and understood by central and local government for its economic and cultural contributions

We heard the sector didn't feel that they were valued by government in the contributions they make to Aotearoa economically and culturally. This included both central and local levels.

The sector would like to see better measurement of these contributions, especially over the long term across different outcomes. Participants saw the need for this 'fuller picture' of the value the screen sector provides to support government decision-making, including local government understanding of regional training and production initiatives.



Image Source: Unsplash, Sam McGhee 2017



Feedback in response to the outcome areas

A STEADY PIPELINE OF SCREEN PRODUCTIONS

Consistent, quality work is strongly desired by the screen sector and this aligns with the predominant future vision of a sustainable and thriving sector. The general sentiment is that this involves greater focus on the growth of both international and domestic productions at all scales and sizes.

It was the view of some that the SPG is currently effective in supporting a steady pipeline and that proposed changes may not create significant value, but instead create additional complexity.

Key Themes in the feedback

Diversity and balance for a resilient pipeline

While there was a clear desire to not have the SPG restrain large projects that support the growth of the industry, it was identified that the balance between big international productions and smaller domestic productions is delicate. Stakeholders suggested adjusting, or even splitting the SPG to encourage both international and domestic productions, and to attract more mid-range budget productions to create a rich, diverse and sustainable pipeline of long-term, repeat business.

Many participants see significant value in international productions' ability to help support the growth of the domestic screen industry. Increasing New Zealand's competitiveness for securing international productions through the SPG and other mechanisms was seen to be critical to continue to help fund and build capability in the domestic industry.

We heard that New Zealand is currently seen as a less desirable location due to the cost and resource associated with bringing a production here compared to other countries, which are more affordable due to them being geographically closer and easier to access and resource. There was a growing concern that the SPG settings and the application process could be making us even less desirable. Clarity, simplicity and certainty for financing projects, especially large international productions, were viewed as critical determinants of a successful SPG.



Conversely, understanding the unique demands of the domestic market and the funding mechanisms to best support it sustainably was identified as being critical in reducing a continued reliance on large-scale international productions.

A strong pipeline requires certainty around the rebate

Many felt that the proposal to have stackable incentives on top of a baseline of 20% and up to 40% would reduce the certainty when it came to securing financing for domestic productions. Securing financing is a crucial part of the business model for productions, and the reason many do not make it to screen. Participants noted an investor will be more likely to support a production if they have upfront certainty around the finance plan for the production, including the contribution from the SPG rebate.

Expanding New Zealand's value proposition

Some stakeholders saw the SPG review as a means to improve, expand and promote the domestic sector's value proposition. This would make us more attractive to local and global markets and support a steady and more sustainable pipeline.

In addition to creating a strong skills and talent base as proposed in outcome area #2: (Improved screen sector skills and career pathways), incentivising the industry to adopt more carbon-friendly practices and strengthening Post, Digital, and Visual effects (PDV) capabilities was seen by some as being critical to increasing New Zealand's competitiveness on the international stage as well as supporting our national climate, cultural diversity and sustainability goals.

Opportunities

These ideas surfaced during the workshops from participants which relate to this specific outcome area: *A steady pipeline of screen productions*). Ideas have been summarised and where appropriate a quote provided to further illustrate the point being made.

International competitiveness

- Ensure that New Zealand remains competitive and viable in the international market as a place to produce films and complete post production work.
 - Adjust rates that match or are above what other countries are offering e.g. Increase the PDV rebate from the current 18% to 30% to match Australia and other countries to make it worthwhile to produce in a remote location.
 - Ensure there is certainty around the uplift, and improve and simplify the experience of the uplift application and process.



Pipeline co-ordination

- Seek to attract more than just large international productions – *“Mid and smaller sized international productions bring a lot of benefits in their diversity, unique skills and talents.”*
- Consider the infrastructure necessary to enable a stable pipeline.
- There was discussion of a need for better cross-agency cooperation and some form of high-level forecasting and oversight of expected production pipelines so the industry can better anticipate, adapt and allocate the right skills and talent for incoming projects.

Increasing uptake of the SPG

- Remove the cap on domestic financing – *“Australia has no domestic cap so they can attract higher level of finance.”*
- Reduce differences between genres – *“level funding between TV and film to 10% - not different.”*



Image Source: Unsplash, Samantha Borges, 2020



Production, Digital and Visual Effects (PDV) Grant specific feedback

Through the review, the competitiveness of the NZSPG-PDV grant was identified as an area for improvement. Two breakout group sessions were held on this topic in the final workshop and the themes from participant feedback have been captured below. This is a low sample size and feedback should be considered against other consultation feedback gathered through other formats.

The future is bright for PDV in New Zealand

Participants noted a strong talent base and growth for PDV compared to the rest of the industry. Leveraging international productions has enabled greater investments in infrastructure, benefitting the local industry. Looking for opportunities to encourage greater PDV activities in New Zealand from large productions locating here was seen to be a complementary pathway to strengthen the domestic industry, but not to be entirely relied upon.

New Zealand can fill a need in the international market

Feedback suggested that PDV growth is not as constrained by our remote location and there is an opportunity to win projects that are not shooting in New Zealand. In particular, growth in smaller and medium-sized productions could be enabled by exploring access to the PDV for clients and projects that have no presence in New Zealand otherwise. With full capacity overseas, participants suggested increasing the rebate percentage to be competitive with Australia and Canada.

Unlocking the small and medium-sized vendors

With strong capabilities in small to medium sized businesses in the PDV industry, participants saw an opportunity for an improved NZSPG-PDV and lowering the threshold for SPG access to leverage and support the smaller post-production houses to get more work coming in. International productions play an important role here with local work being thin, but a problem was raised of big scale productions not sticking around for sound and music. Ideas to support this included allowing eligibility for the 5% uplift if using NZ post-production, as well as better promotion of the PDV to help create awareness of its accessibility at that lower level. Another improvement to support small and medium-sized vendors suggested was to access the rebate in tranches, with parts of it coming early in the post-production process rather than waiting for 90 days after the completion of the project to better support cash flow.

Flow on effects

Improving the NZSPG-PDV to target the offering of sound and music production, for mid-sized and smaller productions, could have trickle-on effects. With an underdeveloped screen music sector, leveraging New Zealand's assets of composers and an orchestra was seen as a latent opportunity. The 5% uplift for post-production suggestion previously discussed could benefit local sound designers, orchestras, and facilities.

Furthermore, getting more international productions in the door was seen as a mechanism to improve employability and skills in the PDV industry.



IMPROVED SCREEN SECTOR SKILLS AND CAREER PATHWAYS

In general, there was strong alignment from the sector around the need for skills development as a means to achieve the other outcome areas and provide foundational support for a thriving sector. A skills levy or plan was seen as a critical investment that aligns with international expectations and most of the feedback focused on the practicalities and intended benefits of such a scheme.

Key themes in the feedback

Investing in and diversifying our domestic talent in the right way

A common viewpoint was that without investment in a strong and sustainable base of skills locally, there is no domestic or international screen sector.

However, behaviours (such as low pay and long hours) that perpetuate or normalise livelihoods that are not financially viable were a real and heartfelt concern for some attendees. This speaks clearly to the need to increase the focus on enabling screen sector career pathways to be desirable and sustainable. This must include a greater focus on incentives for utilising our local creative talent (beyond just production crews) and diversifying for skills portability through ongoing, quality training.

International versus domestic contributions

There was a strong view from domestic-focused participants that the levy or plan best be focused on international productions for a range of reasons; including fear of the inability to fund a levy, an increase in production budgets of domestic productions that are already under pressure, and the fact they are already investing in skills and career development naturally. This expectation for larger international productions to support the development of local industry skills is familiar to many other countries and is seen as a sensible and viable way to support local talent for the benefit of both sides of the industry.

A requirement for skills development, but to be achieved flexibly

In general, there was minimal feedback opposing this proposed change but there was a desire by some to rethink how it would be structured. The main request, fueled by different needs and circumstances of international and domestic productions, was that there must be flexibility in how this requirement of the SPG is achieved.

A suite of options that include paying into a levy, developing a plan, or using an existing or accredited training programme was desired; changing the conversation from a one size fits all solution for the sector, to the sector being able to have a choice in which one would suit their production best.



Where are the skills gaps?

Given the consensus regarding the need for skills development, participants were generally quick to focus on the target of the proposed levy and how and where skills and career pathways investment could be equitably applied.

This included a clear focus on improving the following:

- Creative careers and IP development, including performers, actors, writers, and directors, and storytelling skills more broadly
- Crew development right across the industry, and beyond technician specialists
- Critical business skills such as agreements, IP management, international distribution and licensing.

Supporting skills development, attraction, and retention as an integrated system

Some in the sector spoke to inadequacies in the current education and training system for producing workers that are ready for the production environment.

In addition, we heard that on-the-job-training cannot be beat. How the levy delivers impact in developing sector skills and talent in a coordinated manner with film schools, vocational education reforms, and the industry was seen by some as a critical need to address these underlying challenges.

Opportunities

These ideas surfaced during the workshops from participants which relate to this specific outcome area: *Improved screen sector skills and career pathways*. Ideas have been summarised and where appropriate a quote provided to further illustrate the point being made.

Equity in training

- Skills training must be easier to access for our diverse groups – “*Create pathways for people to get experience on the job e.g. through structured internships.*” “*Help them get their foot in the door.*”
- Consider ways to get more women (and gender diverse people) into roles in the industry – “*Gender specific schemes aren’t allowing for women to take a position or role, it’s just mentoring and shadowing opportunities, it isn’t solving issues.*”



Settings to support training and career development

- Use the SPG to encourage the use of local production crew – *“Require international productions to use 90% NZ crew, not 70% like it is currently.”*
- Incentives for using local performers – *“Increase the use of New Zealand’s above-the-line talent by providing a 5% incentive for international productions.”*
- Only apply the levy to international productions or if there is a domestic levy ensure that is easy to comply with and is low cost to ensure it is financially viable for businesses to contribute to.
- Consider alternatives to just the levy – *“Accredited through audit and reviews. Rather than one size fits all levy.”*

Working closer with education partners

- Rebates directed into industry-specific training, including regional summer schools, so that graduates can step into filling a range of useful roles.
- Help extend those courses that are already doing great work in creating quality and industry-ready talent
- Work closer with universities to set graduates up to be business ready.
- Potential for university departments to support smaller filmmakers with access to resources – *“Ensure there are ways to partner with tertiary education to maximise the total amount of money to increase skills development.”*

Working closer with the Sector

- Create ways for leaders in the sector who have existing training programmes to be able to share them (e.g. Avatar) – *“How might we go about creating clusters of expertise?”*
- Scalability is important, but we need the pipeline and infrastructure to enable this. This needs to be developed alongside industry.
- Consider an industry body to help drive and convene this training – *“How about an umbrella guild? As there is an industry body missing across the whole sector.”*
- Consider partnering with associated industries to contribute to the levy – *“Can we incorporate and allow lighting companies and suppliers to contribute.”*
- Incentivise ongoing shows (E.g. Shortland Street) to be a training ground for new talent to get on the job experience.



Training focus and objectives

- Conduct research to understand where the gaps are in the industry that need strengthening – *“Where is the ecosystem view? So we can see where, what and how much training is needed and by when?”*
- Skills development is vital across the whole industry, not just the usual technician focus.
- Look at whether we can pivot or retrain existing skills from within and towards the industry – *“Ability to go sideways/retrain/pick up another skillset.”*
- Consider ways to facilitate the education pathways into the screen sector – *“Other careers have [partially government] funded education, without this it makes it harder for the screen sector to compete.”*
- International productions need to be given the confidence that we have (or will be able to train/upskill in time) the skills to complete their productions to the quality that they demand.
- Encourage and provide training for the foundational skills in the screen sector, including distribution and licensing (especially with an international focus) and more capability to protect our unique IP.



Image Source: Unsplash, Kal Visuals, 2020

DEVELOPMENT OF COMPELLING AND AMBITIOUS NEW ZEALAND CONTENT

This outcome area was the most contentious and many participants had strong views on the proposed policy changes. While the majority could see strong, unique, and diverse cultural content and storytellers as key cultural assets for New Zealand, some attendees articulated their view that a strengthened cultural threshold can also act as a barrier to creating content for a global market.

Key Themes in the feedback

Strengthening a cultural content test would reduce access to the 40% rebate, negatively impacting the domestic sector

The majority of participants thought the proposal to use stackable incentives to strengthen cultural content and creative talent would impact the sector and broader economy negatively as it may inhibit productions from meeting the criteria to access the SPG. There were some people who viewed strengthened criteria as a way to fulfil Te Tiriti obligations within the SPG, however these people still had concerns as to how this would be done authentically and carefully.

Some participants considered other government funding mechanisms that function on a contestable basis (unlike the SPG) are better suited to [inherently subjective goals like] strengthening cultural content. Participants suggested that, rather than strengthening the SPG's requirements, a better way to encourage more cultural content in SPG productions would be to allow concurrent access to other, contestable Government production funding (including via NZ On Air and Te Māngai Pāho).

The subjectivity of what is defined as 'cultural content' would impact financing

There was strong feedback against more subjectivity being introduced into the SPG based on the potential negative impact it would have on the ability for productions to secure financing upfront. Success or failure of an application based on a greater level of discretion and interpretation of an individual or small panel was seen to increase uncertainty in the availability of financing and introduce delays in the process which would be detrimental for getting projects of all sizes off the ground. The proposal to have stackable incentives on top of a baseline of 20% up to 40% many felt would further reduce the certainty when it came to securing financing.

There is tension around whose role it is to define what New Zealand content or cultural content is

There were tensions expressed in terms of who was best placed to objectively define cultural content (if it were to be defined). Some placed emphasis on



the importance of centering Māori narratives as our core cultural content through the SPG. Others saw cultural content as any New Zealand stories and narratives told by New Zealanders from any of our diverse cultures.

There is risk of cultural stories and personnel being exploited

There was discussion also about the risk of stories which are seen as taonga to Māori (or uniquely precious to any culture) being told by people who don't have a relationship to those stories, or know the correct tikanga to tell these stories, and the risk of exploitation around this in order to meet criteria and gain incentives. Some participants reported this is already happening through other grants with cultural criteria and warned against opening up the SPG to this risk.

Compelling New Zealand content and the global market

Participants noted there is both an increase in demand globally for indigenous stories as well as a lack of consumer awareness and interest in New Zealand-specific cultural content.

There was concern by many stakeholders that strengthening the cultural content threshold would have unintended consequence of making it even harder to enable New Zealand creatives to tell our unique stories to global audiences.

There were opposing views on whether more overtly cultural narratives (e.g., telling Māori stories using Te Reo) would be compelling for the global stage.

Many participants considered that specifically targeting cultural outcomes, stronger cultural content and New Zealand intellectual property will come as the result of a stronger more vibrant domestic sector, so the focus should be on maturing the sector rather than directing cultural content.

Opportunities

These ideas surfaced during the workshops from participants which relate to this specific outcome area: Improved screen sector skills and career pathways. Ideas have been summarised and where appropriate a quote provided to further illustrate the point being made.

Removing barriers to access and increasing pathways

- Lower the QNZPE threshold to enable creativity to flourish specifically for underrepresented communities in the sector to grow their skills and confidence – *“Reduce the minimum QNZPE threshold – suggest \$500k for doc, and \$750k for other formats.”*
- Introduce an incentive (e.g. 5%) on top of the current 40% rebate for productions that fulfil greater cultural and creative talent criteria.
- Ensure the process is simple – *“Too much process can really dilute the power of the stories.”*
- Focus on creating awareness of the SPG – *“Māori need access to opportunity/training and knowledge to use SPG.”*



- Consider how to partner with others enable greater access to the SPG – *“We are always looking for other avenues to fund our projects like the Ministry of Health, but this always brings in different agendas.”*
- Promote diversity, equity, and compelling content through other indirect means such as increasing skills and access to the SPG.

Creative development support and protection

- Supporting early phase story development for cultural content – *“How might we provide early development funding. Often there is 3-4 years invested by creatives and writers working on a short film, before it even gets to production.”*
- Support funding equity for the creatives (writers, storytellers, directors, etc.), so that these roles are as desirable and sustainable as those higher valued skills working in production and PDV – *“We will only satisfy the other outcomes if we explicitly support the creative side.”*
- Require producers to share a % of the royalties (with the creative talent who have developed the IP).
- Research is needed to support appropriate cultural content production – *“The SPG is not the right way to properly support cultural content. We need to allow for more research to be done. And we need better and stronger protection for our Māori and Pasifika stories – and also for the people tasked with crafting and telling these stories for us.”*
- Approach creatives who are telling cultural narratives and hear what help they need to have sustainable careers – *“How can we better look after the wellbeing of our creatives, to make creative careers in our industry much more sustainable?”*
- Ensure people are enabled to tell their own stories – *“Hollywood is knocking on the Pacific's door and we need to protect the way the stories are told.”*
- Enable the screen sector to play a role in sharing knowledge and history – *“How can we pass our intergenerational knowledge on?”*

Understanding the experience

- Need to do research into the current Māori and Pasifika film-making experience and how to support its growth – *“We don't have the 100 years of film experimentation other cultures do.”*

**Opportunities
developed in the
workshops**



Additional opportunities of interest from the workshops

The opportunities in this section are those that do not relate specifically to one of the outcome areas and have not been included in the previous section.

Environmental sustainability

- Climate change will reduce appetite for bringing productions to New Zealand and there needs to be a way to offset carbon footprint for International productions.
- There could be SPG incentives to ensure productions are sustainable – *“Could help productions that have carbon targets for domestic and international.”*
- See the screen sector as a way to diversify New Zealand's economy in a more sustainable way – *“The creative industries can change the extractive nature of the economy. Bring that to the regions.”*

Financing

- Adjust the SPG financing process to reduce the amount spent on financing costs toward the end of the production – *“Eliminate the portion of the budget going toward financing. Its currently 3-4%. This seems irresponsible.”*
- Enable easier financing of productions by allowing co-funding – *“Enable Te Māngai Pāho and NZOA to fund with NZSPG.”*
- Prioritise producers recouping funds so there is more to share back with those involved in the production – *“Can we look at order of recoupment of the SPG. Move NZ contributors above the line into priority position.”*

Measurement and communication of wider benefits

- Improve communication of the value the screen sector brings to Aotearoa – *“Don't underestimate the contribution that film productions make all over the NZ economy (and cultural landscape)”*
- Capture data to tell a compelling story – *“New Zealand Government needs to get better at measuring our activity and impact on the economy”*
- Focus on the screen sector's ability to diversify New Zealand's economy – *“Our film industry has perfect opportunity to play a role in diversifying our economy.”*
- Communicate more clearly the intent of the SPG, including through the naming – *“The name ‘grant’ - it confuses people. Should be ‘rebate’.*

The proposals and their viability

Proposals and their viability

Outcome 1. A steady pipeline of screen productions

Option	Proposed change	Viable/ unviable	Rationale
1	Introduce a fairer, more robust process for international productions that provide significant economic benefits to New Zealand to receive a 5% increase to their rebate.	VIABLE with amendment	The sector wanted to ensure the international market were encouraged to choose Aotearoa as a location and the uplift was considered as one way to improve our demand and reputation. If this change led to the international market feeling valued and it was able to get a competitive rate the sector would support this. Making it harder to get the uplift would not be supported by the sector.
2	Replace the 5% extra rebate for productions providing significant economic benefits with a 5% extra rebate for production companies that bring their production activity to NZ on an on-going basis, and/or	VIABLE with amendment	The sector supported the idea to encourage repeat business. They saw this as a way to increase the resiliency of the pipeline and career pathways. They did not think the mechanism being proposed was viable due to how productions were financed. Participants did not discuss alternative mechanisms or ideas to encourage repeat business in depth.
2	Introduce a cap per project (international) to incentivise more medium-sized productions because large scale productions take a disproportionate share of skills and infrastructure.	UNVIALE	The sector did not think a cap per project (international) would lead to more medium sized projects. They also highlighted the potential negative consequences for the domestic market that could result from a cap due to the domestic market being dependent on the international market. Care needs to be taken in how the domestic sector is grown over time, without shutting out the international market inadvertently.
1 and 2	Improve the competitiveness of the Post, Digital and Visual Effects (PDV) grant by increasing the rebate for productions over \$25 million from 18% to 20%.	VIABLE	This proposed change was supported while suggestions were made that the rebate rate would need to be increased to match or exceed other countries to really become competitive. Given the remote location of Aotearoa, our small sector, and the increased focus on sustainability with the rise of climate change, a more competitive rate would be a useful driver for post-production work.
2	Better support smaller PDV companies by reducing the minimum threshold for Government support from \$0.5m to \$0.25m.	VIABLE	This proposed change was strongly supported to enable smaller and medium sized productions to access the SPG. This would impact greatly on minority voices being able to access the SPG and increased access for PDV projects.



Outcome 2. Improved screen sector skills & career pathways

<p>1 and 2</p>	<p>Introduce a skills levy or a skills plan requirement for NZSPG-funded productions to support training and development initiatives in the sector.</p>	<p>VIABLE</p>	<p>Majority of responders supported this change however were concerned about the implementation details of this and wanted the sector to be closely involved in its development. Key concerns around its development were:</p> <ul style="list-style-type: none"> • whether it only applies to international or domestic as well • to ensure it is flexible enough to allow productions to choose a plan or a levy, dependent on what works best for them • to ensure any overarching training body was the right fit for the job and were training and upskilling people in a way that made them industry ready to fill key gaps. <p>Further research was suggested to understand what the current skill and capability gaps in the industry are.</p>
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Outcome 3. Development of compelling and ambitious New Zealand content

<p>1 and 2</p>	<p>Introduce strengthened cultural content and creative talent criteria for New Zealand productions, to support the development of compelling and ambitious New Zealand content which reflects the diversity of New Zealand's, cultural perspectives with a strong focus on Māori culture.</p>	<p>VIABLE with amendment</p>	<p>Overall, the sector did not support this proposal and there was a strong negative response to it due to:</p> <ul style="list-style-type: none"> • The ambiguity and subjectiveness of the definition for cultural content • The negative economic impact it may have due to inhibiting some productions from meeting the criteria to access the SPG • The view that genre/type of content should not be dictated by Government <p>Most people saw a need for and supported the strengthening of cultural content and creative talent but did not see this proposal as the best way to achieve this.</p> <p>There were a few voices in support of exploring this proposal further, as they saw merit in this helping to uphold the government's Te Tiriti obligations. They noted:</p> <ul style="list-style-type: none"> • Correct tikanga and careful design would be required to ensure changes did not lead to productions exploiting tangata whenua and taonga to meet the criteria • More impactful ways the SPG could support the development of Māori culture (e.g. investment in training for tangata whenua and removing barriers to accessing the SPG for smaller productions).
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5. The proposals and their viability

			<p>Most participants supported people getting additional benefits on top of the current SPG rebate for those who meet greater cultural content criteria, but they did not want changes to reduce the amount they receive currently from the SPG.</p>
2	<p>Introduce strengthened cultural content and creative talent criteria for New Zealand productions and co-productions.</p>	VIABLE with amendment	<p>The sector warned that a strengthened criteria for co-productions could have an impact on the decision making for international productions to choose Aotearoa as a location.</p>
2	<p>Restructure the current NZSPG-NZ into two parts:</p> <p>A 20% baseline rebate on production costs for all domestic Screen productions.</p> <p>Further rebates, up to a total of 20% for productions that can deliver specific Cultural Content and Creative Talent outcomes.</p>	UNVIABLE	<p>Majority of responders were not in support of this proposal. While many supported strengthening cultural and creative talent they did not see this stackable incentive as a viable way to do this due to the unintended consequences it may have on the people it is trying to support (possible exploitation) and the economic risk it posed to the sector in terms of securing financing in general.</p> <p>There were several suggestions made across the workshops to add an incentive on top of the current 40% rebate for those who did meet specific Cultural Content and Creative Talent outcomes.</p>

Summary



Summary

Findings

There was a range of support for the individual proposals made within Options 1 and 2.

- Some changes were clearly supported such as the proposal for a skills levy and/or training plan.
- Some changes were strongly opposed such as the stackable incentives and the cap per project for international productions.
- Other proposals were more contentious, and the feedback was more mixed and nuanced. These changes will need further consideration as to whether they could be viable with amendment or if a new approach should be taken completely to achieve the outcomes sought.

Continued collaboration and communication with the sector

The sector appreciated the chance to be involved with the changes to the SPG. Consider developing further changes with the sector or checking back in with them to re-test the approach to achieving the outcomes through a different means. Once a decision has been reached ensure decisions are clearly articulated to the sector with clear rationales as to why the decisions have been made the way they have.

Principles for SPG settings

When considering changes to the SPG, we have summarised what we have heard the sector asking for into a short set of principles to guide this process.

1. Certainty and clarity

Objectivity good process, not ambiguous or open to interpretation

2. Enable, not prescribe

Not defining the box into which creative people and content should fit

3. Flexibility

Not a one size fits all approach, different needs can be met through different pathways

4. Adaptability

Can stay relevant for a dynamic sector

5. Clear intentionality

Being upfront and obvious about the goals, what the SPG aims to achieve and how it links to a broader vision for the sector and the economy

6. Elevate and protect

Create conditions for cultural content to be authentically represented and showcased (not a box-ticking exercise)

7. Interconnected and interdependent

Approach the domestic and international sector as two sides of the same coin and look for opportunities to grow them both for the benefit of the whole.



Observations on the process

- The sector were constructive when engaging through the workshops and there was general gratitude shown for having the platform for discussion during this review.
 - Increased participation was noted over the duration of the 6 workshops the attendance numbers grew. And several attendees joined multiple sessions.
- Recent external network events were noted that did impact on many participant's views/submissions.
 - Negative experiences at external events in terms of being the few marginalised (POC/People of colour) voices in the room and this being an uncomfortable experience for them.
 - The concept of indirect/direct funding being suited to different objectives had come from recent sector-wide discussions.
- There was frustration with the review and its potential negative impact that has been reported by the industry in terms of international demand and the ability to stand up domestic productions.
- There was concern of not investing in domestic sector enough.
 - *"We're focused on economic return of international and neglecting domestic."*
 - Local industry struggling while putting all the emphasis on international. Don't want to be service industry.



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