

Submission form:

**New Zealand Writers Guild
Puni Taatuhi o Aotearoa**

**Increasing value from
government investment
in the New Zealand
Screen Production Grant
Consultation**

How to have your say

We want to hear your views on how the New Zealand Screen Production Grant settings could be updated to help increase the value of government investment.

Submission process

The Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Culture and Heritage (Manatū Taonga) are seeking written submissions on the issues raised in this document by **11:59pm on 18 December 2022**.

This document includes a number of questions to guide submissions. Your submission may respond to any or all of these questions. We also encourage your input on any other relevant issues.

Please include **your name** and (if applicable) **the name of your organisation** in your submission. Please include **your contact details** in the cover letter or e-mail accompanying your submission.

You can make your submission:

- By sending this form to screenenquiries@mbie.govt.nz
- By mailing your submission to:

Industry Policy
Ministry of Business, Innovation & Employment
PO Box 1473 Wellington 6140

Arts Policy
Ministry for Culture and Heritage
PO Box 5364 Wellington 6140

If you have any questions about the submissions process, please direct these to screenenquiries@mbie.govt.nz

Use and sharing of information

We will use the information you provide in submissions to inform the MBIE and Manatū Taonga policy development process, and to inform advice to government about any proposed changes to the New Zealand Screen Production Grant. We may contact you directly if we want to clarify any matters you raise.

Submissions remain subject to requests under the Official Information Act 1982. Please clearly indicate in the cover letter or e-mail accompanying your submission if you have any objection to the release of any information in the submission, and which parts you consider should be withheld, together with the reasons for withholding the information. MBIE and Manatū Taonga will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

The Privacy Act 2020 applies to submissions. Any personal information you supply to MBIE or Manatū Taonga in the course of making a submission will be used only for the purpose of assisting in the development of policy advice in relation to this review. Please clearly indicate in the cover letter or e-mail accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that MBIE and Manatū Taonga may publish.

Submitter information

About you

Name: Alice Shearman – Executive Director

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Are you making this submission on behalf of a business or organisation?

Yes No

If yes, please tell us the title of your company/organisation.

New Zealand Writers Guild Inc | Puni Taatuhi o Aotearoa

Would you like to be kept informed of the outcome of the New Zealand Screen Production Grant Review?

Yes No

Are you happy for us to contact you if we have questions about your submission?

Yes No

Release of information

- Please tick this box if you do not wish your name and contact details above to be included in any information about submissions that MBIE and Manatū Taonga may publish.
- Please tick this box if there is other information within your submission that you want to be kept confidential. If you have ticked this box, please state your reasons and grounds under the Official Information Act 1982 below, for consideration by MBIE and Manatū Taonga.

Executive Summary – New Zealand Writers Guild Submission

New Zealand Writers Guild | Puni Taatuhi o Aotearoa (NZWG) thanks the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Culture and Heritage | Manatū Taonga (MCH) for the opportunity to submit feedback on the proposed changes to the New Zealand Screen Production Grant (NZSPG).

NZWG supports the aims and objectives of the NZSPG, this funding mechanism is a vital, yet often misunderstood element of the Aotearoa New Zealand screen sector ecosystem. Through the Screen Sector Strategy 2030 recommendations NZWG supports the need to fine tune and enhance this rebate system. Ensuring that it best serves the needs of both the domestic and international screen sectors who are seeking to capitalise on the use of this internationally competitive rebate.

Consultation on strategic, long-term changes to the NZSPG gives an opportunity for screenwriters to voice pertinent issues that affect the work of writers and add weight to those things that support, nurture, and grow their careers and outputs. Flourishing IP creation and ownership makes for a culturally vibrant Aotearoa. A fresh vision and conversation around this review is welcomed by NZWG.

NZWG represents writers. As the primary source of work and income for screenwriters is scripted content created and developed in Aotearoa New Zealand, NZWG will be focusing on the domestic NZSPG within our submission.

Who We Are

NZWG is the professional membership association and registered trade union of Aotearoa New Zealand script writers, established in 1976. NZWG is committed to working in a way that adheres to the spirit and the principles of Te Tiriti o Waitangi. NZWG is a member of the International Affiliation of Writers Guilds (IAWG), Council of Trade Unions (CTU NZ) and WeCreate.

Our Guiding Principles

Below are the NZWG aims and objectives relevant in this submission to MBIE and MCH.

- To protect, represent and further the interests of New Zealand writers.
- To be the national and international voice of New Zealand writers.
- To establish, maintain and improve minimum conditions of work and rates of compensation for writers.
- To promote policy, legislation, and legal and economic rights for the benefit of writers, including but not limited to the issues of copyright, moral rights, and status of the artist.

Summary of Recommendations

Our submission sets out the following recommendations to help enhance the benefits of this rebate.

- NZSPG Domestic to maintain 40% with certainty:
 - Stability for the domestic industry, without risky discretionary criteria that reduce certainty of productions
- Writers to have access to the NZSPG-generated revenue in the recoupment waterfall:
 - Sustainable career pathways
 - Reinvestment in the “pipeline”

- Cultural Content Criteria:
 - Equity of access – simplify application administration and reduce multiple barriers for SMEs
 - Support more domestic production aka the Halo Effect – multiple pathways create diverse and culturally specific content
- Skills Plan OR Skills Levy:
 - Ensure any training elements support diversity and inclusion
 - Portion of the levy to go into a domestic development fund – hothousing, development, and creation of local stories
 - Support levy administered by dedicated personnel for better commitment and oversight
- Domestic Scripted Drama Productions to have access to both NZOA/TMP and NZSPG funding
 - Lowering the minimum budget threshold for domestic productions
- Simplification of application administration process to create certainty:
 - Greater administrative and financial support for SME’s to manage NZSPG productions
- Support renaming “Grant” to “Rebate”

In the following submission you will find our consolidated responses to the questions, grouped to outline our recommendations in the relevant areas.

NZWG appreciates this opportunity to submit writers’ thoughts, views and wishes for the growth of our screen sector. We are committed to participating fully in this rethink of government investment in the screen sector that is so vital to screenwriters and that makes such a significant and valuable contribution to the future economic and cultural wellbeing of Aotearoa New Zealand.

NZWG is available to discuss these recommendations with you further.

On behalf of the screenwriters of Aotearoa.



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Part One: Background to this consultation

The case for change

Question 1. Do you agree with the issues identified with current NZSPG settings? Please explain and provide evidence to support your views.

NZWG agrees with the intent behind the issues identified with the current NZSPG settings, we do question whether these issues are helpful in identifying solutions to the broader goal of enhancing NZSPG to deliver better economic and cultural wellbeing outcomes.

Under each of the four MBIE & MCH identified issues headings, we have endeavoured to give weight to the perspective of screenwriters, who are the original IP creators for our industry. Screenwriters create and develop the scripted projects that become the productions that are funded through the NZSPG.

As you will see through these headings, some of our suggestions remain the same, yet they remedy many of the different identified issues simultaneously.

1. Incentivise business growth and stable employment AKA Smoothing the Peaks

Stable employment (commission or contracted writing work as it is correctly termed by screenwriters) is seasonal and is based on a slate of development (the R&D and risk area), relationships with producers and production companies, relationships with key creatives (directors, marquee cast, heads of departments), and is almost wholly dictated by domestic funding rounds administered by NZOA, TMP and NZFC. This slate of development is the pipeline that feeds all future scripted productions.

Screenwriters are generally not a large portion of the production pipeline area of the ecosystem. However, they are the engine room that kick off the production pipeline. Development is the business and career growth area for screenwriters. Development sits outside the scope of this review, but because it is crucial to our workers, we would like to offer some recommendations and endorse others that can sit within this review, they are:

- Development fund derived from the Skills Levy
- Writers (original IP Creators) to have access to the NZSPG-generated revenue in the recoupment waterfall
- Domestic Scripted Drama Productions to have access to both NZOA/TMP and NZSPG funding
- Lowering the minimum budget threshold for domestic productions

Scripted production only comes into being after years of story and script development termed **early development**, then a project moves onto **advanced development** (which can include analysis and identification of audience and market trends, key creative attachments, platforms and distribution attachment and additional gap financing) before a work can progress past financing into **pre-production** and then into **production** or shooting or filming.

An important consideration here. Aotearoa New Zealand screenwriters rarely have an opportunity to work on the international productions that film in New Zealand. Primarily because these productions

are developed and scripted in the territory of origin, generally years in advance of considering New Zealand as a shooting destination.

2. Incentivise skills development and career opportunities AKA Stabilising Career Pathways

For screenwriters, skills development and career stability come from being able to participate in development and scripting of their own work or the work of other writers and being paid for doing this development work. Long running scripted television series provide the best skills and career opportunities for screenwriters. As these shows take months to years to write – the duration of this employment offers economic stability, and the opportunity to write on multiple projects in a year.

Career pathways and training for screenwriters is almost wholly reliant on domestic funding rounds from NZOA, NZFC and TMP, which creates a seasonal employment pattern as the flow of work is highly dependent on funding round decisions. NZWG's recommendations to assist the skills development and stabilisation of screenwriter career pathways are:

- Development fund derived from the Skills Levy
- Writers (original IP Creators) to have access to the NZSPG-generated revenue in the recoupment waterfall
- Domestic Scripted Drama Productions to have access to both NZOA/TMP and NZSPG funding
- Lowering the minimum budget threshold for domestic productions

3. Structure and criteria to directly target outcomes AKA Achieving greater Economic and Cultural Benefits

NZWG want to highlight that the value of the screen sector will only be fully recognised for the significant economic and cultural benefits when Treasury recognise culture (in all its forms) as a wealth with the living standards framework. See the [Combined Screen Sector Submission](#) to Treasury to expand further on this point.

The Aotearoa New Zealand screen industry generates \$3.27bn gross revenue annually, and amplifies and drives social, cultural, educational, and economic growth both domestically and internationally. Yet we are still treated as a cottage industry and not measured or valued as other domestic industries of similar scale.

4. Targeting Specific Cultural and Creative Objectives AKA Strengthening the Cultural Content Test

Bureaucracy does not stimulate creativity. Creative freedom is essential to creators. Screenwriters are always highly aware of audiences – who they are writing for determines the stories they are telling, and writers are storytellers. They need to determine their own material. For this reason, the NZWG believes very strongly that the rebate should not dictate the content it funds.

NZWG also supports the intention we believe is behind this suggestion, which is to support culturally significant and authentic work. However, cultural content requirements are already found at direct funding level –NZOA, NZFC & TMP. This is where almost all future NZSPG teams (talent and IP development) start.

We have also identified that content itself isn't a barrier in the uptake of NZSPG for culturally specific projects. Because the NZSPG is largely content-agnostic no culturally rich project is missing out now because of the lack of a content test.

The key barrier for the success of culturally specific content within the NZSPG framework is access. The high level of administrative, financial, and legal requirements stops many SMEs from even applying to the Domestic NZSPG.

NZWG recommends the following to assist with better equity of access to the rebate to assist with cultural content outcomes without the need to police content, as follows:

- Reduce administrative barriers and high levels of financial and legal requirements
- Support more domestic production aka the Halo Effect
- Domestic Scripted Drama Productions to have access to both NZOA/TMP and NZSPG funding
- Writers (original IP Creators) to have access to the NZSPG-generated revenue in the recoupment waterfall
- Lowering the minimum budget threshold for domestic productions
- Adding a bonus incentive for strong cultural content under a certain budget level

Part Two: Options for change

Skills levy or skills plan

Covering Questions 2 – 5 inclusive

NZWG support the need for greater skills and development training across the sector.

As highlighted in The case for change NZWG supports a Skills Levy, here we have expanded on this point. NZWG also recommends that a cross-government approach is taken with any form of skills development, training, or education initiatives, and to work directly with Toi Mai – within the Review of Vocational Education (RoVE).

1. Skills levy

NZWG supports this idea, as a content-agnostic approach that also leaves the implementation of the training and development to those paid and committed to doing it for the benefit of the sector.

To enhance the NZSPG for the benefit of the original IP creators / screenwriters NZWG recommends the following adjustments to the Skills Levy option:

- Skills levy could be funded from the back end, i.e., revenues from NZSPG productions (domestic and international). This may be preferable to adding it to the production budget (although the budget line would get the 20-40% NZSPG benefit).
- Skills training should be defined as a broad church – not just technicians, but creatives, musicians, post-production, cast etc.
- Ensuring that skills and training is available to all learners, with considerations given to underserved learners, communities, and practitioners. And give effect to Te Tiriti o Waitangi obligations.
- Development fund derived from the Skills Levy – this would be available to all domestic IP creators. And could support hothousing, business, and IP development, embed cultural content requirements, and ensure a viable development pipeline into production.

2. Skills plan

NZWG do not support this idea. The requirement for each production to develop a specific skills plan to access the NZSPG puts the onus on each production to deliver the training and upskilling that the industry needs – this training and skilling should not be project-specific and dependent, but ongoing.

If this option is made mandatory, producers and crew have other priorities during production and will not be genuine in their commitment to this. Realism suggests that what will be delivered will be hotch-potch, seasonal and lacking sufficient overview or integrity. It will also be a discretionary call by the funder which adds complexity and lessens certainty of the grant.

At worst it could be counter-productive by encouraging tokenistic opting for less experienced or ‘box-ticking’ personnel which isn’t good for anyone, least of all the recipient.

Cultural content and creative talent criteria

Covering Questions 6 – 9 inclusive

NZWG support the intent behind these issues but does not believe the NZSPG rebate system should be responsible for identifying and creating outcomes around these issues.

NZWG believes this change to NZSPG would unfairly disadvantage the domestic IP productions which are only just starting to access the markets and utilise NZSPG. There are already so many market-dictated obstacles in raising 60% of the finance for our local IP productions from offshore, this would add an additional layer of uncertainty. And would unfairly disadvantage local productions over international productions.

The beauty of the current NZSPG settings is that it is largely content-agnostic and without a cap, it is not a competitive fund. The focus should be on removing obstacles for the domestic productions which are currently unable to access the NZSPG.

We would also like to highlight here the growth of cultural content supported through the NZSPG, [SPIF / NZSPG Grants Approved 2010-2022](#), the following projects are just some that would achieve these outcomes :

Night Raiders, Dawn Raid, A Shadow in the Cloud, The Legend of Baron To'a, One Thousand Ropes, Boy, Mt Zion.

And these are just some of projects already supported that may not have received the NZSPG, should you apply the proposed settings:

The Luminaries, The Power of the Dog, Mystic, My Life Is Murder, The Brokenwood Mysteries.

As highlighted in The case for change NZWG has suggested recommendations to achieve outcomes relating to increased cultural content being supported through the rebate, without the need for criteria on the content. They are:

- **Equity of access – reduce administrative barriers**

An area that has been identified by our Māori, Pacific Island, Asian and other diverse screenwriters, is that access to the NZSPG is out of reach for many. Their producing partners lack the guidance, experience, or resources to raise sufficient international finance, navigate the commercial terms, and manage the production process which includes loan applications and complex cash flow arrangements. The majority of domestic productions are SMEs and face these issues. Changes that provide more equity in the access to the NZSPG would generate a new era of domestic production.

NZWG recommends:

- Lowering the minimum budget threshold for domestic productions
- Making financing and cash flowing the NZSPG less risky (eg; making available a percentage of QNZPE drawdown from the NZFC during production)
- Adding a bonus incentive for strong cultural content under a certain budget level

- **Support more domestic production aka the Halo Effect**

Those who are successfully utilising the domestic NZSPG to get productions made create a Halo Effect that helps other Aotearoa New Zealand companies get a foot in the door. Every success is helpful in creating market confidence and pathways for others.

This effect could be further harnessed to enhance the cultural content and widen the pool of creative talent who might benefit from access to the domestic NZSPG, ie:

- Partnering smaller productions with more experienced production houses to administer the NZSPG for first time
- Incentivising established producers to share / partner with our less experienced teams at international markets, especially where travel costs are subsidised by the NZFC

NZWG believes these changes would have far more practical effect in achieving the review's desired outcome. We already see cultural content tests in action through the Te Rautaki Māori Strategy at NZFC, Diverse Development funding through NZOA and Whakaata Māori funding through TMP.

- **Domestic Scripted Drama Productions to have access to both NZOA and NZSPG funding**

Under the current NZSPG settings, the criteria states:

Feature films may receive production funding from other New Zealand government agencies plus a New Zealand Grant. Other screen formats may not receive production funding from other New Zealand government agencies plus a New Zealand Grant, unless they are an animated production or a children's drama production.

This is an anomaly in the system that privileges film and severely disadvantages television production. Despite the fact (and indeed because) there will be little funding available from NZOA for scripted drama soon (June 2023), it is vital that we get rid of this anomaly as part of this review.

Allowing productions (documentary, children's, drama, animation) to apply for NZOA, TMP or ANZPM funding as well as the NZSPG puts them on equal footing with the film funding rules which is only fair and consistent. It will also open up new opportunities for smaller budget productions and help finance the 'gap' in larger ones which is now imperative if we are to see even medium-budget local drama made in Aotearoa NZ from 2023.

- **Writers (original IP Creators) to have guaranteed access to the recoupment waterfall of NZSPG-generated revenue**

In the issues paper presented, there is little, or no discussion of the revenue gained through sales of NZSPG-financed productions.

The current situation is that the NZFC requires the producer to hold equity in the production equivalent to their share of the production finance. Ie; if the NZSPG covers 40% of the budget, the New Zealand producer should have at least 40% of the equity. In a feature film this could be much higher as the producer would often also own the equity from the NZFC production grant, so it could be as high as 80-90%.

While this requirement is intended to protect the New Zealand producer and ensure that fair proceeds from the NZSPG investment are returned to New Zealand, in effect this gifts the equity provided by the NZSPG directly to the producer. It stands out as different from production grants in which the equity is shared with the funding body who then receive a share of the producer's net receipts. NZWG firmly believes this arrangement should not be standard procedure, as it shuts out the primary IP creators of a project from participating in the ongoing income from that project.

The NZSPG is a rebate scheme, designed to make Aotearoa New Zealand a competitive production base, and to attract international investment in our people, infrastructure, and IP. It was not designed to make extra profits for New Zealand producers at the expense of the screenwriters who create the IP. Although there are some producers who already offer a share of their NZSPG revenue to their key creatives, they are few and it is entirely voluntary.

Sharing these proceeds more equitably is an ideal way to build long-term revenue streams for IP creators – the same revenue stream enjoyed by independent producers. Producers cannot be said to create their projects alone, and screenwriters are the workers who transform an idea into a viable project. Everything proceeds from the script and guaranteeing those who create the script access to the recoupment of their work is the single most effective change that would help build sustainable careers for our creative talent.

And does not cost anything, it is the sharing of success amongst a successful team.

Offer a 20% rate for the NZSPG-PDV

Questions 10 & 11

NZWG cannot offer comments here.

Improving the 5% Uplift process

Covering Questions 12 – 14 inclusive

NZWG supports the call from wider sector (see the Film Auckland Submission) that the 5% should be removed. With the recommendation to raise the rebate to 25% at a minimum, to create better international competitiveness.

NZWG supports the recommendations to add clear, objectively verifiable, stackable incentives up to an additional 5% on top of the 25% base rebate. Which could include the following broader outcomes that the production can achieve, being:

- Skills development
- Cultural Content
- Job Creation
- Social & Regional Outcomes
- Sustainable business practice

Option 1 changes to policy settings to incentivise careers, skills and support New Zealand cultural content and creative talent

Covering Questions 15 – 17 inclusive

For the reasons outlined in our Summary of Recommendations and through the Skills levy or skills plan and Cultural content and creative talent criteria sections, NZWG is not in favour of Option 1.

Repeat activity incentive and a cap on QNZPE

Questions 18 – 22 inclusive

NZWG cannot offer comments here.

A restructured NZSPG-NZ comprising a base incentive, plus stackable targeted incentives

Covering Questions 23 – 25 inclusive

NZWG strongly disagree with this proposed concept.

This is a potential loss scenario for some local IP productions as admitted in the paper: “some domestic productions may get less support than under status quo if they do not qualify for all of the stackable incentives” and “could lead to a reduced number of co-productions receiving the maximum 40% rebate”.

Since the domestic NZSPG is the area that most affects the screenwriters of Aotearoa and is the area of the NZSPG with the smaller uptake (the international takes the lion’s share) we oppose opening the domestic NZSPG to more subjective and discretionary decision-making.

As described through the Halo Effect, the growth of productions accessing the domestic NZSPG has no detrimental effect on others (no cap to the fund), and through this effect create pathways for other productions. It is not a competitive fund, so this is simply a potential loss rather than any gain for the whole sector, including creatives.

This proposed structure creates instability and uncertainty for producers trying to raise finance with a lack of certainty over how much rebate their project will qualify for.

Cultural content and creative talent criteria for co-productions

Question 26. Please share your views on introducing a cultural content and creative talent criteria for official co-productions to apply to the stackable incentives

As highlighted in Cultural content and creative talent criteria we believe better support through direct domestic funding (NZOA, NZFC & TMP), and equity of access to the NZSPG for SMEs, alongside other measures will help grow cultural content and creative talent capability.

Supporting new and emerging PDV activity

Questions 27 & 28

NZWG cannot offer comments here.

Option 2 changes to policy settings to incentivise a steady pipeline of productions to support business growth, careers and skills and to support a strengthened cultural test for all eligible productions

Covering Questions 29 – 31 inclusive

For the reasons outlined in our Summary of Recommendations and through the Skills levy or skills plan and Cultural content and creative talent criteria sections, NZWG is not in favour of Option 2.

Potential impacts of options

Question 32 & 33 Inclusive.

As already outlined within this submission, the proposed changes as they currently stand have some potentially destructive impacts on the industry at large.

NZWG is in favour of changes that improve access for domestic productions, do not create additional requirements for access and that share the revenue generated by the NZSPG more equitably.

NZSPG administration

Question 34. What changes, if any, would you make to the current the NZSPG administration and assessment process?

As already outlined previously, we have recommend the following ways in which NZPSG could be enhanced:

- Simplification of administration process to create certainty:
 - Greater administration support for SME's in applications
 - Lowering the minimum budget threshold for domestic productions
 - Making financing and cash flowing the NZSPG less risky (eg; making available a percentage of QNZPE drawdown from the NZFC during production)

Question 35. How do you think cultural content should be assessed and by whom, to enhance the cultural value of government investment in screen?

As outlined in the Cultural Content section, this issue should not be solved through changes to the NZSPG.

For greater cultural content outcomes, we propose that equity of access and support of viable and sustainable career pathways are more effective and fairer means to achieve this. We would like to see people and their projects better supported throughout the application process. This could be through:

- Administration support
- Accounts and Legal Support
- Draw down on cash flow of provisional NZSPG
- Partnerships with NZSPG-experienced production companies
- Support for SMEs to access international market finance
- Adding a bonus incentive for strong cultural content under a certain budget level

Monitoring, evaluation and reporting

Question 36. What monitoring arrangements or reporting measures would improve transparency or decision-making in relation to NZSPG expenditure?

As mentioned in The case for change, NZWG calls on Treasury to recognise cultures (in all its forms) as a direct measure of wealth within the Living Standards Framework. This recognition would assist in the monitoring and evaluation of NZSPG expenditure, by creating baseline data for economic and wellbeing indicators.