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Via Email: [screenenquiries@mbie.govt.nz](mailto:screenenquiries@mbie.govt.nz)

## **SUBMISSION TO MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT ON INCREASING VALUE FROM GOVERNMENT INVESTMENT IN THE NEW ZEALAND SCREEN PRODUCTION GRANT**

Thank you for the opportunity to present this submission on the Increasing Value from Government Investment in the New Zealand Screen Production Grant consultation.

Queenstown Lakes District Council (QLDC) appreciates the work that has gone into this consultation process.

QLDC has an in-Council film office, Film Queenstown Lakes, which has led the development of this submission.

QLDC acknowledges that the New Zealand Screen Production Grant (NZSPG) scheme is vital to the New Zealand screen ecology and appreciates the government's ongoing investment in the sector. QLDC supports the continuation of all grants in the NZSPG scheme, with a particular interest in how the scheme can enable the growth and dispersal of screen production in the regions and further contribute to regional economic development.

QLDC does not support adopting either of the proposed options for change outlined in the consultation document in full. Further analysis and suggestions are outlined in our submission below, focused specifically on the features of the proposed options for change that impact the industry in the Queenstown Lakes District.

QLDC would not like to be heard at any hearings that result from this consultation process. QLDC is happy to be contacted to clarify any points raised in this submission.

Thank you again for the opportunity to comment.

Yours sincerely,



Michelle Morss

**General Manager, Strategy and Policy**

# MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT ON INCREASING VALUE FROM GOVERNMENT INVESTMENT IN THE NEW ZEALAND SCREEN PRODUCTION GRANT

## 1.0 Context of the consultation topic in relation to QLDC

- 1.1 The film industry in the Queenstown Lakes District (QLD) is estimated to bring \$35million into the local economy and employs approximately 250 workers with 60 businesses servicing the industry.<sup>12</sup> The district has played an integral role in the New Zealand screen industry for decades as a key location filming hub to complement the urban production hubs and facilities in Auckland and Wellington.
- 1.2 The film industry is recognised by QLDC and the community as having a key role to play in the district's efforts to diversify its economy.
- 1.3 QLDC has an in-council film office, Film Queenstown Lakes, which works to support the district's film industry as a part of Council's Economic Development Unit. It also works closely with Dunedin City Council's film office, Film Dunedin, to represent the wider region through the Film Otago Southland Trust. It is also a member of the Regional Film Offices of New Zealand (RFONZ) network.
- 1.4 A tenet that underpins this submission is that attracting and enabling more screen production in the regions outside of the urban centers will help to achieve national screen sector goals. This will help to grow and diversify New Zealand's overall talent and crew pool, support a diverse range of storytelling across the country, and make the industry less susceptible to localised shocks and less reliant on one production center.

## 2.0 Notes on Option 1 and its features as presented in the consultation document

- 2.1 Introduce a skills levy or a skills plan requirement for NZSPG-funded productions:
  - 2.1.1 QLDC acknowledges the need to increase and improve skills and career pathways in the industry. It is broadly supportive of the introduction of incentives for skills development, but suggests productions be given several options to demonstrate skills development on their projects (e.g., they decide whether to pay a skills levy, develop a skills plan, or demonstrate skills development in an alternate way). Companies that are already supporting or running industry training initiatives should have their existing work acknowledged as a way of meeting this criteria.
  - 2.1.2 Criteria and reporting around skills development should be managed in such a way as to not be overly onerous for productions or strain production budgets to ensure that it does not become a tool to disincentivise production.
  - 2.1.3 QLDC suggests options for productions to meet the skills development requirements include filming in the regions outside of the urban centers and having development opportunities for regional crew and creative talent.
  - 2.1.4 QLDC suggests that skills development be acknowledged as being broader than just entry-level training opportunities and include upskilling opportunities for existing crew and talent. Approaches to skills development could also encompass opportunities for trained professionals in industries with transferable skills (e.g., trades like construction, electrical,

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<sup>1</sup> <https://www.stats.govt.nz/information-releases/screen-industry-201718/>

<sup>2</sup> <https://www.filmotagosouthland.com/industry-directory/>

tourism) to cross over into the film industry and “bounce” between industries, which is a realistic way of building crew bases in regions with inconsistent production pipelines.

2.2 Improve the 5% Uplift by clarifying the eligibility process and criteria:

2.2.1 QLDC is supportive of more clarity around the 5% Uplift. It suggests that this be an opportunity to incentivise more production to film in the regions outside of the urban centers. Specifically, an option for improved criteria could be a points/points for filming in the regions and developing regional production capacity and skills.

### **3.0 Notes on Option 2 and its features presented in the consultation document**

3.1 Introduce a Repeat Activity Incentive in place of the current 5% Uplift for international productions, in order to encourage studios to undertake consecutive production activity in New Zealand and support a pipeline of production work:

3.1.1 QLDC does not support this feature replacing the current 5% Uplift. After discussion with industry stakeholders, this does not seem in line with the way international productions make decisions about future activity and would not be an effective mechanism for enabling consecutive production activity. It recommends that the 5% Uplift remain in place, with more clarity around the eligibility process and criteria as outlined above.

3.2 Introduce a Qualifying New Zealand Production Expenditure (QNZPE) cap per project for international productions to help target specific segments of the international production:

3.2.1 QLDC does not support this feature. The NZSPG should remain uncapped and internationally competitive. Losing large budget productions to other more competitive jurisdictions such as Australia also comes with the significant risk of losing New Zealand crew and talent to other jurisdictions, which would have dire consequences for the sector.

3.2.2 QLDC instead suggests that the current QNZPE threshold be lowered in order to encourage and target more lower to medium budget and independent productions to film in New Zealand. These types of productions are well suited to film in the regions and could enhance regional capacity to complement the larger productions.

### **4.0 Any further points of consideration – areas of the consultation topic that are not addressed and should be considered.**

4.1 QLDC supports a name change for the scheme, potentially to the Screen Production Rebate. This would better reflect the nature of the scheme and help with issues around public perception.