

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

Summary of the Public Consultation Document

Purpose

This document summarises key information from the public consultation document 'Increasing value from government investment in the New Zealand Screen Production Grant', published by the Ministry of Business, Innovation and Employment (MBIE) and Manatū Taonga Ministry for Culture and Heritage (MCH). This consultation forms part of a review of government funding to the screen sector announced in December 2021. [Terms of Reference](#) for the review are available online.

Officials are seeking public feedback on proposed options for changes to the New Zealand Screen Production Grant (NZSPG), to inform final recommendations to Ministers.

This summary outlines two proposed options, with Option 1 being the least change and Option 2 involving greater change. Within these options are a range of design choices that could be made to the NZSPG settings to support the desired outcomes. We want to hear your views on which of these options will help to meet our goals, and on the strengths and weaknesses of each of the design choices. The final option put forward to Ministers may include elements of any of the options, may be developed further following feedback, and could include recommending no change.

What do we want to achieve through potential changes to the NZSPG?

The Government currently invests in a mix of international productions, domestic productions and official co-productions through the NZSPG. The NZSPG has helped support screen-production activity to grow in New Zealand and become a globally competitive location. For further background on New Zealand's screen sector and the NZSPG, refer to pages 11-17 of the consultation document.

Spending on the New Zealand Screen Production Grant has been increasing over time. Given the dynamic and fast-changing environment of the sector, we want to ensure the policy settings driving our investment in the NZSPG are fit for purpose and generate the greatest amount of value for New Zealand and New Zealanders.

To do this, we propose changes to the NZSPG to incentivise more directly a steady pipeline of screen productions to support business growth and sustainable career pathways for our screen-sector workers. We also want to incentivise more directly the development of compelling and ambitious New Zealand content.

Next steps and timing

The public consultation period runs until 18 December 2022. Read more about [how to have your say](#).

The NZSPG is still available and open for applications on current criteria while the Review is taking place. No changes to the NZSPG will be made until after Cabinet decisions in the first half of 2023. We expect any changes to the NZSPG will begin being introduced from mid-2023. Any changes would be well signalled in advance and would apply only after an appropriate transition period to enable productions and investors to make informed decisions.

'Increasing value from government investment in the New Zealand Screen Production Grant' – Summary of options for changes to the NZSPG

Option	Summary	Key changes
1	<p>This option has the least change and does not include changes to the NZSPG headline incentive rates or criteria.</p> <p>Overall, this option could mean all NZSPG productions would better support the skills and career development of New Zealand cast, crew and businesses. The process for international productions to access the 5% Uplift would be clearer, and more PDV productions would receive a greater level of support. Strengthened cultural content and creative talent criteria could incentivise stories that reflect a wide range of New Zealand perspectives and culture meaning more New Zealanders see themselves reflected in films and TV. This option might have greater impact on domestic productions than on international productions.</p>	<ul style="list-style-type: none"> › Introduce a skills levy or a skills plan requirement for NZSPG-funded productions (this would apply to all international, domestic and PDV productions) <ul style="list-style-type: none"> • A skills levy would require productions to pay a percentage of their Qualifying New Zealand Production Expenditure (QNZPE) to a government-administered fund established to support skills development. • A requirement for a skills plan would mean that productions have to develop and implement a plan to address identified skills gaps for New Zealand's screen sector. › Introduce a strengthened cultural content and creative talent criteria for New Zealand productions (there would be no change to the official co-production process under this option) › Improve the 5% Uplift by clarifying the eligibility process and criteria › Remove the sliding scale rates for the Post, Digital and Visual Effects (PDV) grant (currently a 20% rate for QNZPE of up to \$25m, and 18% thereafter) and instead offer 20% rate for all sizes of productions applying for the NZSPG-PDV.
2	<p>This option has a greater level of change and does not include changes to the headline incentive rates or criteria.</p> <p>In addition to the impacts identified under Option 1, the repeat activity uplift and/or introduction of a per-project cap for international productions could support a more consistent pipeline of production work for the sector, which in turn might support growth in firms and careers.</p> <p>The structure of a sliding incentive (up to 20%) for cultural content and creative talent provides the flexibility for New Zealand productions to receive government support in line with the level of cultural benefit they provide. Some domestic productions might get less support than under status quo if they do not qualify for all of the stackable incentives.</p> <p>The requirement for official co-productions to meet the cultural content and creative talent criteria to access the stackable incentives could lead to a reduced number of co-productions receiving the maximum 40% rebate, but will incentivise greater benefits from those that do.</p>	<p>All changes described under Option 1 (above), plus:</p> <ul style="list-style-type: none"> › 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 <p>And/or</p> <ul style="list-style-type: none"> › Introduce a QNZPE cap per project for international productions to help target specific segments of the international production market (a range of values for the potential cap are discussed on page 33 of the consultation document) <p>And</p> <ul style="list-style-type: none"> › Restructuring the current NZSPG-NZ (for both domestic productions and official co-productions) into two parts: <ul style="list-style-type: none"> • A base NZSPG-NZ incentive of 20% of QNZPE • Up to 20% in stackable Cultural Content and Creative Talent incentives (offered in four 5% increments) <p>And</p> <ul style="list-style-type: none"> › Reduce the minimum QNZPE threshold for PDV from \$0.5m to \$0.25m in order to help smaller and emerging businesses to attract smaller PDV activity that would otherwise be out of reach.

For further details of each of the options outlined above, as well as a summary of review findings and stakeholder engagement themes and a comparison of current settings against the proposed options, refer to the full [public consultation document](#).