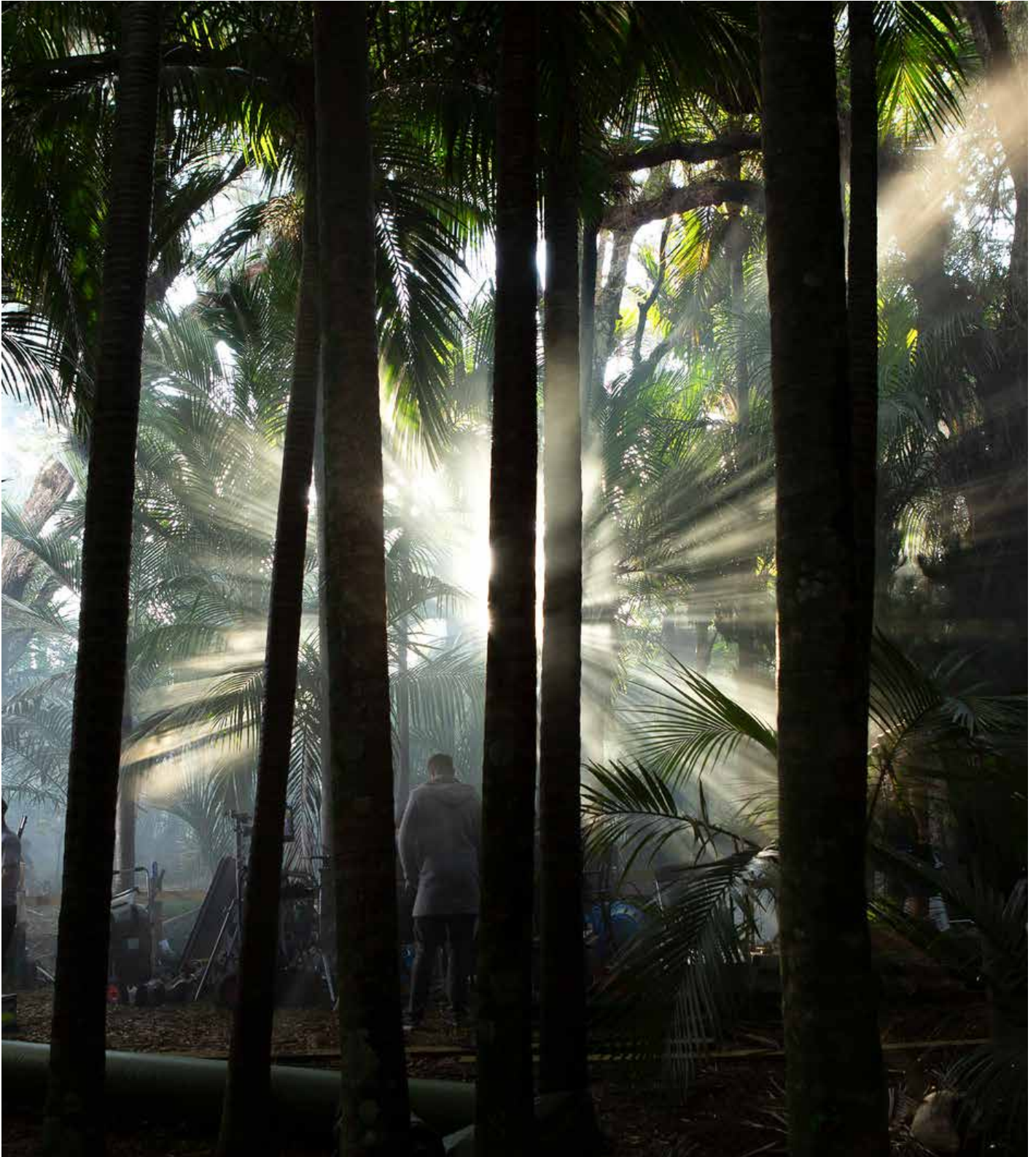




4-Year Strategy

Draft Consultation Document



Purpose

This document sets out the draft 4-year strategy of Te Tumu Whakaata Taonga The New Zealand Film Commission (NZFC) and seeks feedback from stakeholders.

Following several years of increased funding activity due to the Covid response, NZFC now faces reduced funding, and a need to resize and refocus its activities.

Background

The Covid years have been characterised by adaptation. When Covid hit in 2020, cinema attendance plummeted, and screen production was disrupted by health restrictions including lock-downs. NZFC changed its ways of working to allocate \$50 million of one-off government funding in the form of the Premium Productions for International Audiences Fund (Te Puna

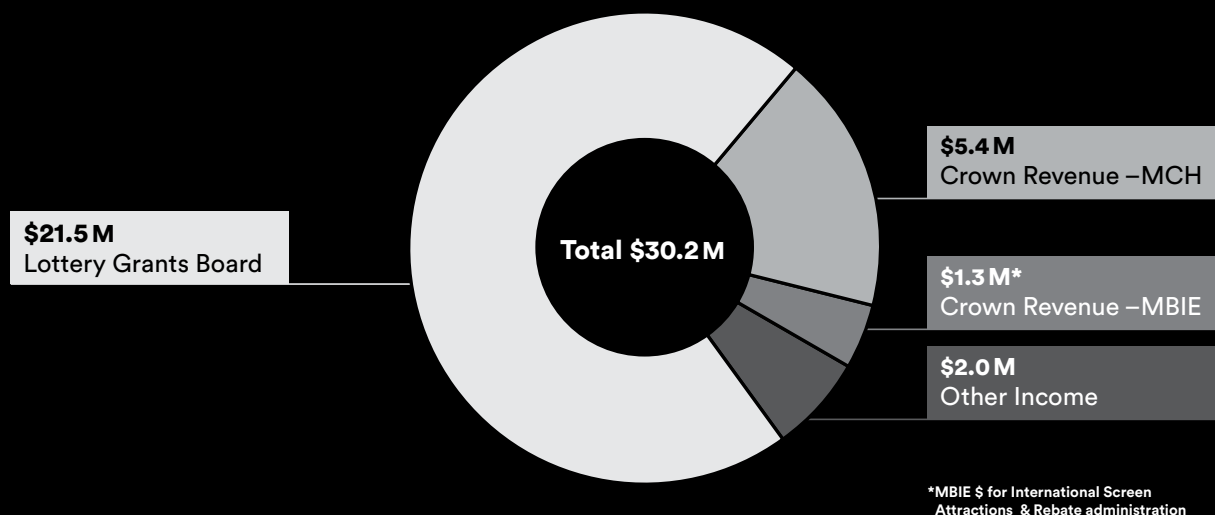
Kairangi Premium Production Fund) \$14.4 million for the Screen Production Recovery Fund, and \$2 million for Screen Sector Capability, all of which came over the first three years of the pandemic. NZFC is now adapting to the prospect of materially less revenue to invest in the sector from July 2024.

NZFC's Financial Outlook

While the details are not fully clear yet, it is apparent that in the next few years NZFC will have less revenue than before.

NZFC revenue comes from a mix of sources – mainly through the government and the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB). Funding through the NZLGB usually makes up about 70–75 percent of our overall public funding, with the balance coming from government.

NZFC Sources of Revenue FY23/24



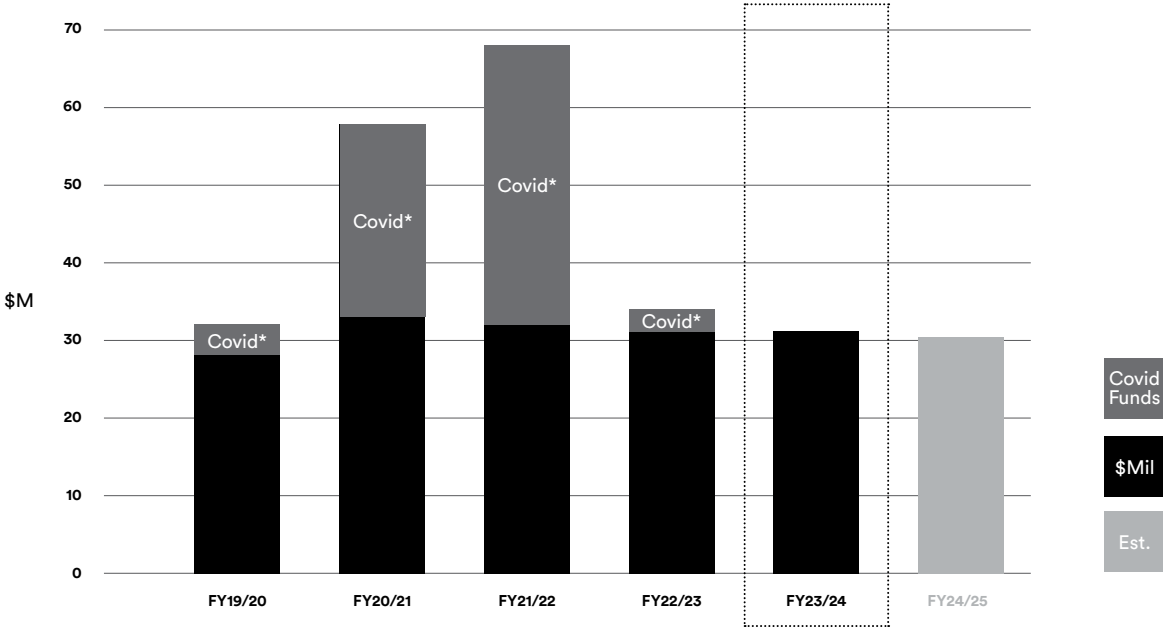
NZFC's financial planning for the next few years is shaped by four factors that are known now:

- the tight fiscal environment
- the end of Covid funding
- signalled changes to the way NZLGB allocates funding
- a signalled reduction in baseline funding from Manatū Taonga Ministry for Culture and Heritage (MCH)

This fiscal environment is affecting people and businesses right across Aotearoa New Zealand. The film sector is experiencing the same high inflation and increasing cost of living as all of Aotearoa. NZFC has also seen record demand for its funding in the last few years.

The end of Covid funding means NZFC has returned to pre-pandemic funding levels. The graph below shows the changing revenue picture over recent years.

NZFC Revenue 2019–2025



It is worth noting that there has been no material change to NZFC’s baseline government funding via MCH and MBIE for some years, which sits at \$5.4 million from MCH and \$1.3m from MBIE (MBIE funding is tagged for International Screen Attractions and Screen Production Rebate administration). It has been largely the same since 2015.

NZLGB is changing the way it calculates funding and recently advised that from 2023/24 it will allocate NZFC (and other entities supported by NZLGB) a set amount instead of a percentage of Lotto New Zealand profits.

While NZLGB’s review of how it allocates lottery profits is not yet complete, NZFC has been advised, based on lottery forecasts, to expect \$21.5 million this financial year and approximately the same for 2024/25. This is about \$2.1 million less than in 2022/2023.

While lottery funding forecasts are normally conservative, NZLGB has advised that it expects NZFC to receive less funding if lottery profits are less than forecast. And NZFC is not guaranteed a share in any above-forecast profits.

In the 2023/2024 financial year the 2022/2023 year NZFC has utilised some of its financial reserves to cushion the blow, but reserves are now substantially reduced.

Given the financial outlook, NZFC is looking hard at internal costs, with reductions in many internal budget areas.

This strategy reflects the constrained fiscal environment NZFC now faces.

Acknowledgments

We acknowledge and thank the many champions of New Zealand film including:

The strong body of creatives, artists, technicians and businesses whose work is the backbone of New Zealand film.

The festivals, exhibitors, distributors, and sales agents who continue to support New Zealand film.

Additionally, the permanent and contract staff of NZFC, both current and former, who have worked through uncertain times over recent years to ensure New Zealand films and screen projects were funded, produced and seen by audiences in Aotearoa and around the world.

Strategic Framework

NZFC proposes to retire its traditional 'Mission,' 'Vision' and 'Values' framework for more intuitive and memorable Purpose-Way-Impact foundational messaging.



Purpose:

To build a legacy of excellence in filmmaking and unleash exceptional creativity.

Way:

By leveraging New Zealand's heritage of storytelling, investing in creativity, and consistently delivering quality that lasts generations.

Impact:

New Zealand films will capture the imaginations of audiences in Aotearoa and around the world.

Strategic Plan

NZFC's Strategic Plan is guided by our role as New Zealand's film funding agency, supporting and empowering the film sector in Aotearoa New Zealand. This strategic plan is a targeted approach that recognises NZFC's funding constraints.

Our strategic objectives are:

1. Build consistent creative and commercial excellence in filmmaking.
2. Empower and champion authentic and diverse films that are uniquely of Aotearoa and maximise audiences for NZ films.
3. Collaborate strategically to promote employment and productivity in the NZ film industry.
4. Invest in the talent necessary for future success by supporting capability development with diversity, equity and inclusion at its core.
5. Advocate for NZFC to be appropriately resourced to adapt to the evolving screen sector landscape.

Strategic Objective 1: Build consistent creative and commercial excellence in filmmaking

HOW?	DESIRED RESULT
Strategically invest in the development, production and promotion of high quality, engaging films	New Zealand films are highly sought after locally and globally
Ensure films are fully developed prior to production and encourage early engagement with market partners	Distribution, exhibition and audience voice are valued considerations at all stages of filmmaking
Audience preferences - what, where and how they choose to view - are a high priority	New Zealand audiences choose New Zealand films

Strategic Objective 2: Empower and champion authentic and diverse films that are uniquely of Aotearoa

HOW?	DESIRED RESULT
Fund films written and crafted by exceptional New Zealand creatives that display bold, distinctive voices	New Zealand films are critically well received and regularly invited to premiere at prestigious film festivals
Embed our Rautaki Māori strategy and continue to ring-fence funding for te reo Māori films	Māori films are a powerful voice of Aotearoa in the world
Fund films that reflect the diversity of experiences and perspectives in Aotearoa	Films that reflect New Zealand's diverse cultures and communities

Strategic Objective 3: Collaborate strategically to promote efficiency, employment, and productivity in the NZ film industry

HOW?	DESIRED RESULT
Collaboration with other screen agencies, guilds and industry bodies	Greater consistency for production industry and increased sector efficiency, effectiveness and capability
Optimise the international productions choosing New Zealand as a production base	A strong pipeline of international production in NZ, supporting employment, workforce development, and thriving screen businesses
Ensure the NZ Screen Production Rebate continues to be administered with high levels of expertise and efficiency	The New Zealand Screen Production Rebate is robust and ensures New Zealand maintains a sufficiently competitive position globally, for both international and domestic production

Strategic Objective 4: Invest in the talent necessary for future success by supporting capability development with diversity, equity and inclusion at its core

HOW?	DESIRED RESULT
Identify and support filmmakers with strong creative ideas in development that have potential to move into production	Films developed with funding from NZFC go on to be made
Identify and nurture talented filmmakers from our diverse communities and provide opportunities for them to participate their engagement and participation in the film industry	Enable highly targeted professional talent development opportunities for a diverse range of filmmakers
Co-invest with key stakeholders to deliver targeted talent development initiatives	Talent development is closely linked to industry needs and its priorities

Strategic Objective 5: Advocate for NZFC to be appropriately resourced to adapt to the evolving screen sector landscape.

HOW?	DESIRED RESULT
Advocate for appropriate resources and partner strategically to achieve innovation	NZFC is appropriately funded and resourced, partnering strategically to achieve shared outcomes
Improve our research and data capability and communicate findings with the screen sector	NZFC decision making is robust and informed by data and insights, clearly communicated to industry
Build a modern and progressive working environment within NZFC with a positive, responsive organisational culture	NZFC is an efficient, effective organisation with an adaptive, flexible workplace culture
Improve relationships with industry through more efficient and effective processes and communications	Processes and systems are streamlined, clear, responsive to industry needs and well communicated
Promote and encourage staff wellbeing and professional development within a culture of continuous improvement	NZFC has a high-performance culture and is an employer of choice

