

New Zealand Screen Production Rebate (NZSPR) Parameters for applying for the NZSPR alongside NZ On Air pūtea.

Applicants must adhere to the <u>guidelines</u> set forth by the New Zealand Film Commission. Please familiarise yourself with the specific requirements relevant to your project, considering distinctions between feature film production and non-feature production funding.

NZSPR Evolution

Following the 2023 review of the NZ Screen Production Grant (NZSPG), significant changes occurred, including its rebranding as the New Zealand Screen Production Rebate (NZSPR).

NZ On Air is now capable of providing funding to all categories of screen productions applying for the NZSPR. Previously, only animation and children's drama were eligible for such funding.

Below are our requirements for considering funding applications that also plan to access the NZSPR.

NZ On Air Funding Considerations

- Applications to NZ On Air are welcome for both Scripted and Non-Fiction projects.
- NZ On Air can provide initial funding to enhance the project's market appeal, and we can also be the final funder if the project needs to bridge a financing gap. While we will consider both types of funding (first-in or gap finance), we are prioritising gap finance as this is an effective way to allocate our funding with greater likelihood of projects entering production and supporting sector sustainability at a time when employment is most needed.
- The funding allocation per project is up to \$2.5 million. Projects requesting more than \$2.5 million will require approval from the Associate Head of Funding or Head of Funding prior to submission. We will assess such requests based on the strength of their funding rationale and business case.
- Please refer to the <u>current round information</u> for specific guidance on the types of NZSPR projects accepted to that round. Due to funding constraints and/or specific round priorities NZSPR projects may not be eligible to come into every NZ On Air funding round, or we may specify the types of NZSPR applications that can be submitted i.e. gap finance projects only.
- Our standard <u>recoupment policy</u> remains unchanged. According to our position, after covering distributor costs such as fees, expenses, and advances, as well as repaying the rebate loan, NZ On Air joins the equity recoupment waterfall alongside the producer and other equity partners, with our standard 25% share being pro-rata reduced based on other equity in the budget. NZ On Air reserves the right to negotiate individual recoupment arrangements for funded NZSPR productions.

Local Platform Support

- A Letter of Intent from a local free access platform is a prerequisite at the NZ On Air funding submission stage. Exceptions may be made for children's applications, but prior approval must be sought by the Associate Head of Funding or Head of Funding. In these cases, any funding approval would be subject to attachment of a local free access platform prior to contracting.
- Funding will be available for content released on paywall platforms for its initial release. However, we will stipulate that the content must be made available for free access in the local market within a reasonable timeframe.

Please note that this free access requirement is specific to NZ On Air and does not apply to the NZ Screen Production Rebate criteria.

- NZ On Air and the producer/s can establish a mutually acceptable timeframe, deemed "reasonable," taking into account the financial investment from the paywall partner. In multiparty financing scenarios involving the paywall partner, a shorter exclusivity period within the paywall window can be expected. Conversely, if the paywall partner is the sole or majority financier, a longer exclusivity period via the paywall may be reasonably anticipated.
- The level of local platform contribution will be an important consideration in NZ On Air's assessment of the business case of applications. We acknowledge that this contribution may not match the level required for projects funded solely within New Zealand, as we typically act as a minority funder in rebate projects. However, the NZSPR criteria states that television projects are required to have 10% of the budget as market attachment and 25% as non-government funding. International partners look to the level of local platform support as part of their due diligence and a low local licence fee makes it harder to attract international finance. We believe that licence fees should at minimum be aligned with the current rates paid for comparable international acquisitions. In evaluating applications, we will view favourably those that demonstrate strong local platform licence fee support.

Applicant Eligibility

- Applicants must be able to prove previous experience in multiparty financed projects or have another mutually agreed individual with that experience attached to the project.
- Given current funding constraints and level of demand, each production company is limited to a maximum of two applications per funding round unless prior approval has been sought and given by the Head of Funding or Associate Head of Funding. Similarly, individual producers, even if associated with different entities, can submit up to two applications. This maximum of two applications encompasses two in total across scripted and non-fiction series. This requirement is specific to the rebate opportunity and is separate to any application limits in place for accessing other NZ On Air funding.

Please note that these application limits are specific to NZ On Air and do not apply to the NZ Screen Production Rebate criteria.

Project Eligibility

- Our goal is to closely align with the <u>rebate criteria</u>. However, providing a strong justification for the necessity of our funding in addition to the rebate is essential, considering NZ On Air's cultural mandate. Consequently, we are likely to prioritise projects that demonstrate significant representation of Aotearoa New Zealand both on and off screen.
- NZ On Air will generally not release any funds until completion of contracting and confirmation that a NZSPR provisional certificate has been issued.
- Both Scripted and Non-Fiction applications will need to provide sufficient materials for NZ On Air to make a production funding decision, pitch decks on their own are not sufficient. While application deliverables can vary significantly depending on the genre, we expect a high level of market-readiness. Deliverables will likely comprise creative material including but not limited to:
 - advanced script/s (this may include evidence of endorsement through market comment and attachment)
 - attachment of key personnel (producer, director, writer) and key cast where applicable
 - detailed budgets and finance plans showing attachment of investors and market partners (i.e. international sales agent, distributor, platform/s), their intended financial contribution, evidence of attachment by way of signed offer letters or draft agreements. These will need to meet the minimum non-government NZSPR funding requirements of your project type
 - confirmation or indication of the intended entity or entities who will be lending the NZSPR portion of the finance plan during the production
 - a viable production schedule
 - chain of title and rights agreements
 - a distribution and discoverability plan that identifies your audience and how you will reach them.

Timeframes

- Our funding commitment to a project spans a maximum duration of six months. Extensions are contingent upon clear evidence of robust market interest and assurance that the project will enter production imminently.
- The definition of 'interest' is evaluated case by case, but for those projects with 'first-in' finance from NZ On Air, they must show tangible evidence of securing the full production budget within a reasonable period (typically a couple of months rather than another six). Otherwise, our funding offer may be revoked, allowing the funds to return to the pool for potential reallocation within the same financial year.

Questions

- If you have any questions regarding NZ On Air's approach to projects seeking NZSPR alongside NZ On Air funding, please contact us at <u>funding@nzonair.govt.nz</u>
- If, after reading the NZSPR criteria documentation on the NZFC website, you have further questions regarding your project's potential eligibility for NZSPR please contact <u>nzspg@nzfilm.co.nz</u>.