

*You're welcome ...*

➞ **FINANCIAL  
INCENTIVES FOR  
FILMMAKERS IN  
NEW ZEALAND**



**New Zealand offers three types of screen production incentives:**

- 1. THE LARGE BUDGET SCREEN PRODUCTION (LBSP) GRANT**
- 2. POST, DIGITAL AND VISUAL EFFECTS (PDV) GRANT**
- 3. THE SCREEN PRODUCTION INCENTIVE FUND (SPIF)**

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## The Large Budget Screen Production (LBSP) Grant

The LBSP Grant applies to feature films, television movies (drama) and television drama series or mini-series. The value of the Grant is 15% of Qualifying New Zealand Production Expenditure (QNZPE).

### Defining the QNZPE

The QNZPE is generally defined as the production expenditure incurred for, or attributable to, all of the following:

- Goods and services provided in New Zealand
- The use of land located in New Zealand
- The use of a good or service that is located in New Zealand at the time that good or service is used in the making of the screen production.

The QNZPE does include costs of cast and crew while in New Zealand.

### Accessing the Grant

Productions may access the Grant where the QNZPE is at least NZ\$15 million.

In the case of a television series, individual episodes which have completed principal photography within any 12-month period and with a minimum average spend of NZ\$500,000 per commercial hour may be bundled to achieve the total of NZ\$15 million.

Productions may be bundled together to qualify for the Grant where all of the following apply:

- The QNZPE for the bundle is at least NZ\$30 million
- The QNZPE on individual productions included in the bundle is at least NZ\$3 million
- Productions included in the bundle have completed principal photography within a 24-month period
- The applicant for each production included within the bundle is related to each other applicant by having 50% or more shareholding in common.

### Qualifying for the Grant

To qualify for this Grant, applicants must be one of the following:

- A New Zealand resident company
- A foreign corporation operating with a fixed establishment in New Zealand for the purposes of lodging an income tax return, both when it lodges the grant application and when the Grant is paid.

Applicants seeking this Grant will not be eligible for any other New Zealand Government film finance or tax incentives in relation to screen production.

### Benefits to filmmakers

- No requirements for a fixed percentage of production expenditure to be spent in New Zealand
- Large productions can access the Grant every time expenditure exceeds NZ\$50 million
- The process is simple and efficient
- Payment is fast, usually within three months of the Grant application being lodged

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## The Post, Digital and Visual Effects (PDV) Grant

Productions undertaking only PDV work on feature films, television movies (drama) and television drama series or mini-series may access the PDV Grant where the following applies:

- The QNZPE for a single production is between NZ\$3 million and NZ\$15 million
- The QNZPE is spent or is related to PDV activities that include:
  - i. general post-production
  - ii. film laboratory
  - iii. sound post-production
  - iv. digital post
  - v. visual effects production – Pre-Vis, VFX Plates, CGI/3D and 2D.

All costs relating to motion capture and animation activities are included in qualifying PDV expenditure even if they are incurred during the principal photography stage of production.

### Benefits to filmmakers

- The rebate applies to eligible Post, digital and visual effects production costs
- Most PDV activities are eligible including motion capture and animation
- The process is simple and efficient
- Payment is fast, usually within three months of the grant application being lodged

## Applying for the Large Budget Screen Production (LBSP) Grant or the Post, Digital and Visual Effects (PDV) Grant

Grant applications may be submitted before completion of the production under any one of the following circumstances:

- When a production reaches QNZPE of NZ\$50 million
- Within the NZ\$30 million bundle threshold, on completion of the first individual production that meets the QNZPE of NZ\$15 million
- On completion of the QNZPE applicable to the eligible production (both LBSP and PDV).

In any event, applications must be submitted no later than 90 days after completion of the production.

For further information on the grant application process for the Large Budget Screen Production (LBSP) Grant and Post, Digital and Visual Effects (PDV) Grant, please contact:

The Manager  
LBSPG  
New Zealand Film Commission  
Tel: +64 4 382 7680  
Email: LBSPG@nzfilm.co.nz

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## The Screen Production Incentive Fund

The Screen Production Incentive Fund (SPIF) provides a grant to eligible New Zealand feature film, television and other format screen productions deemed to have significant New Zealand content.

### The purpose of the Fund

The purpose of the Fund is to:

- Support increased production of medium and larger-scale New Zealand cultural screen content

- Support the retention of New Zealand screen talent, stories and infrastructure by maintaining New Zealand's international competitiveness
- Incentivise the New Zealand screen production industry to develop closer market connections and private finance for larger-screen productions.

The Fund applies to feature films, single-episode programmes, documentaries, programme series and short-form animation.

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## What the Fund provides

The Fund provides one of the following:

- A grant of 40% of the Qualifying New Zealand Production Expenditure (QNZPE) that an applicant has spent on an eligible feature film
- A grant of 20% of the QNZPE that an applicant has spent on an eligible television or other format screen production.

The maximum grant payable per production is NZ\$6 million and the maximum amount eligible for QNZPE for any individual project is NZ\$15 million. The QNZPE is defined as the production expenditure incurred for, or attributable to, goods and services provided in New Zealand or the use of land located in New Zealand.

## Qualifying for the Fund

To qualify for the Fund, applicants must be one of the following:

- A New Zealand resident company
- A foreign corporation operating with a fixed establishment in New Zealand for the purposes of lodging an income tax return, both when it lodges the Fund application and when the grant is paid.

For further information on, and application forms for, the Screen Production Incentive Fund, please contact:

The Manager  
Screen Production Incentive Fund  
New Zealand Film Commission  
Tel: +64 4 382 7680  
Email: [spif@nzfilm.co.nz](mailto:spif@nzfilm.co.nz)

## Eligibility for the Fund

- Feature films that receive production funding through the New Zealand government will still be eligible to receive the grant on their QNZPE.
- In order to qualify for the Fund, feature films must have a confirmed commercial cinematic distribution agreement in New Zealand.
- Television and other screen productions that receive New Zealand government production funding will not be eligible for the Fund. If eligible, productions in these formats must also have a confirmed commercial distribution agreement on an appropriate platform, whereby access to the screen production is available in New Zealand.
- Productions of over NZ\$15 million may be eligible for the LBSP Grant. Productions are not eligible to receive both a grant from the SPIF and the LBSP Grant or PDV Grant.

Projects seeking to access the Fund must have significant New Zealand content. Generally, to qualify as having significant New Zealand content a project should contain identifiable New Zealand on-screen elements (story, locations, character and culture), have strong New Zealand creative input (writer, director, producer) and high levels of New Zealand cast, crew and facilities. A 'points' test and guidelines have been developed to help the New Zealand Film Commission determine whether a production has significant New Zealand content.

A project that receives final certification as an official co-production will be deemed to have significant New Zealand content for the purposes of the SPIF and need not satisfy the 'points' test.

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## More financial advantages

Flexible working practices, a favourable exchange rate, no fringes and minimal on-costs also contribute to offering exceptional value for money and delivering significant financial advantages to filmmakers working in New Zealand.

These include:

### Accident liability coverage

New Zealand has a comprehensive no-fault insurance scheme – ACC – which applies to all injuries incurred in New Zealand, regardless of the injured person's country of residence. Under the ACC scheme, it is generally not possible to sue for damages due to an accident. ACC covers all New Zealand resident workers. Overseas residents will have a different status depending on how long they stay in New Zealand and whether they are employees of, or contractors to, the production company.

### Simple customs regime

New Zealand's customs regime is very simple. Goods and equipment can be imported temporarily without incurring goods and service tax (GST).

### Simple, low-cost tax system

There are no regional, state or provincial sales taxes in New Zealand. Once GST registered, filmmakers can claim back New Zealand's 12.5% goods and services tax (GST) incurred on the purchase of goods and services in New Zealand. New Zealand's GST is zero-rated on exported goods and services, including films, television programmes and television commercials.

### Fringe comparison

0 %	>24%	>32.5%	>34%
New Zealand	Australia, Ireland and the United Kingdom	Canada	United States

For more information, please contact Film New Zealand – [www.filmnz.com](http://www.filmnz.com).



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Most film crews operate as self-employed individuals or through service companies and are responsible for their own taxes.

### No fringes

Because New Zealand crews are generally self-employed contractors, there are no compulsory fringe benefit tax obligations, personal benefits, government levies or union dues.

Producers will be aware fringes can include employee benefits (for example, pension, health, holidays) and payroll taxes and levies and, while fringe rates vary by region, state or country, they can contribute significant additional costs to any payroll.

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