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Feedback on Proposed Production Rebate 5% Uplift

Executive Summary

The Directors and Editors Guild of Aotearoa New Zealand (DEGANZ) supports the simplification of the rebate system but is concerned the proposed changes shift the policy too far toward short-term production attraction and maintains the lack of focus on leveraging the 5% Uplift to build a sustainable, high-skill domestic screen industry.

A successful rebate must balance international competitiveness with the development of New Zealand's creative leadership and storytelling capability.

The current proposal prioritises production volume, spend, and employment scale, but does not sufficiently support:

- Above-The-Line New Zealand talent (actors, directors, producers, writers), key New Zealand Below-The-Line Heads of Departments, domestic storytelling capability, and the creation of New Zealand IP.
- Structured career progression and the earning of internationally recognized screen credits.

Production activity alone does not build a sustainable New Zealand screen sector.

1. **Will the proposed changes make the Production Rebate 5% Uplift simpler to understand and apply for compared to the existing Production Rebate 5% Uplift? Please provide details where relevant.**

The removal of underutilised criteria and consolidation of sections improves clarity and reduces administrative burden for applicants.

However, this simplification comes at a cost. While the system is easier to navigate, it reduces the depth of policy intent—particularly in areas that previously supported long-term industry capability. The streamlined structure risks prioritising ease of access over strategic impact.

2. **Do the proposed changes align more closely with production realities than the existing Production Rebate 5% Uplift? Please provide details where relevant.**

Partially. The proposed changes align more closely with the logistical realities of production, such as budget scale, expenditure, and workforce size.

However, they do not align with how Above-The-Line careers and creative leadership are actually developed. In practice, capability is built through:

- On-set experience
- Mentorship and shadowing that leads to international-level work and credits
- Progressive increases in responsibility

These elements are not adequately reflected in the proposed framework, creating a disconnect between policy settings and real industry career pathways.

3. **Is the proposed Production Rebate 5% Uplift appropriately achievable for smaller productions that are now eligible due to the lower Qualifying New Zealand Production Expenditure threshold, that came into effect on 1 January 2026? Please provide details where relevant.**

The lowered expenditure threshold improves accessibility for smaller productions, which is a positive step.

However, the current points structure may still be difficult for smaller productions to achieve in practice. Smaller productions typically:

- Have limited capacity to meet high spend-based criteria
- Are more likely to deliver creative leadership opportunities rather than scale

Without stronger recognition of creative contribution, smaller productions may remain disadvantaged despite increased eligibility.

4. **Do you have any comments on how points are allocated across the proposed Production Rebate 5% Uplift?**

The allocation of points is heavily weighted toward production activity (spend, scale, employment volume) rather than creative contribution.

This creates an imbalance where:

- Financial inputs are prioritised over creative outputs
- Local creative leadership and involvement is undervalued

A more balanced allocation would better reflect both economic and cultural objectives.

5. **Are the point weightings in the proposed Production Rebate 5% Uplift appropriate, proportional and reflective of the effort required from applicants? Please provide details where relevant.**

No. The current weightings are not fully proportional to the effort required in key areas of industry development.

In particular:

- Above-The-Line roles (including cast) require significant expertise and long-term investment but receive limited weighting
- Spend-based criteria are comparatively easier to achieve for large productions and are weighted more heavily

This results in a system that does not accurately reflect the relative effort or value of different contributions.

6. **Do you anticipate any unintended consequences from the proposed Production Rebate 5% Uplift? If yes, please specify.**

Yes. Potential unintended consequences include:

- continued reliance on offshore creative talent
- Minimal compliance behaviour, where productions meet only the lowest thresholds for eligibility

- Reduced opportunities for New Zealand Above-The-Line talent to progress into lead roles
- A shift toward positioning New Zealand primarily as a production service location

These outcomes would undermine long-term screen industry sustainability.

7. **What sort of behaviours do you think the proposed Production Rebate 5% Uplift could incentivise or disincentivise?**

Incentivised behaviours:

- Maximising local spend and employment volume
- Structuring productions to meet minimum qualifying thresholds
- Prioritising logistical efficiency over creative investment

Disincentivised behaviours:

- Hiring New Zealand Above-The-Line talent
- Career progression for New Zealand Above-The-Line talent
- Aiding in the development of original New Zealand stories and IP

8. **The proposed Production Rebate 5% Uplift removes sections/criteria that have had low uptake or have not delivered sufficiently meaningful benefits to New Zealand. Their removal also simplifies and reduces the administrative complexity of the Production Rebate 5% Uplift. What are your views on the proposed removal of the following sections/criteria from the existing Production Rebate 5% Uplift?**

- **Section A: Sustainability**
- **Section E: Innovation and Infrastructure (*Note: E1 Transfer of Knowledge has been absorbed into D1 Seminars – Screen Industry*)**
- **B1: New Zealand Studio Lease**
- **C3: Māori**
- **C10: Lead Cast or Above-The-Line Crew is Māori**
- **F3: Tourism Marketing Partnership *(Note: now covered by E2 Bespoke marketing partnership with NZFC)***

DEGANZ is concerned about the removal of several criteria, as these played an important role in building long-term capability:

- **Section A: Sustainability**
  Its removal is problematic given that sustainability is now a global industry expectation. Its absence risks New Zealand falling behind international standards.

- **Section E: Innovation and Infrastructure**
  Removing this weakens incentives for industry advancement and future-proofing. Infrastructure and innovation are critical for long-term competitiveness.

- **C3: Māori and C10: Māori Above-the-Line Participation**
  These removals are of significant concern. Māori participation is essential for:

    - Honouring Te Tiriti o Waitangi obligations

    - Development of Māori creative talent

- **F3: Tourism Marketing Partnership**
  Its consolidation may be acceptable if outcomes are still meaningfully delivered, but clarity is needed to ensure it remains effective.

9. **Do you foresee any practical challenges in utilising the proposed Production Rebate 5% Uplift in a real production environment? If yes, please specify.**

Yes. Likely challenges include:

- Designing productions that meet points thresholds without meaningful New Zealand creative engagement
- Difficulty integrating structured development pathways (e.g. shadowing, second-unit roles) that lead to international work and credit without explicit incentives
- Lack of clarity around how to demonstrate qualitative contributions such as mentorship or creative leadership

This may result in a "tick-box" approach rather than genuine industry development.

10. Any other comments?

The Guild's core concern is that the proposed rebate shifts too far toward short-term production attraction at the expense of long-term capability building.

A successful rebate should balance:

- International competitiveness
- Real development of New Zealand's Above-The-Line talent
- Growth of local storytelling and intellectual property

To achieve this, DEGANZ recommends:

- Rebalancing incentives toward New Zealand creative leadership
- Establishing thresholds for meaningful New Zealand above-the-line participation
- Embedding structured career progression pathways (shadowing, second unit, lead roles) that lead to international work and credits
- Reinforcing Māori participation, skills transfer, innovation, and sustainability
- Aligning the rebate with broader industry and government strategies that grow New Zealand talent and IP

Bottom line:
While the proposed model improves administrative simplicity, it risks undermining the development of a sustainable, high-skill domestic screen industry.

Success should be measured not only by the volume of productions attracted, but by:

- The Above-The-Line talent developed
- The growing strength of New Zealand's creative leadership
- The meaningful contribution to the creation of New Zealand IP

New Zealand should aim to be not just a place where international productions are made—but a place where New Zealand creative talent and our stories attract international attention and financing.