

Film Otago Southland Review Discussion Document

Key film industry stakeholders were invited to provide feedback to the Queenstown Lakes District Council to form the basis for a discussion document. As a direct result of that engagement, QLDC is now seeking wider Industry and funder feedback.

A. Background

In an ongoing drive towards improved efficiency, the Council has moved to an environment where we more fully understand the value of our activities. This includes better performance management, better visibility around spend and, consequently, better accountability.

As the Otago Southland Film Office structure currently sits independently of QLDC, it is important that the Council more fully understands what we are funding and why. We have worked closely with Kevin Jennings (Film Otago Southland's sole employee) in the development of this review and it is essential in its further development that our next step should be to consult with co-funders, trustees and stakeholders.

In 2004 QLDC adopted a recommendation to formalise the development of a Film Advisory Board and develop a business plan for the development of a Queenstown-based film office. The Film Otago Southland Board resulted and the board appointed Kevin Jennings to the part time role of Film Queenstown Manager. At the time Mr Jennings was employed by the Council and reported to the then Director of Parks.

In 2008 Film Otago Southland was confirmed as a Trust and an agreement for sponsorship entered into by QLDC, DCC, Venture Southland, CODC and Waitaki DC and Clutha DC. Mr Jennings assumed the role of Executive Manager, reporting directly to the Trust Board.

The Trust takes its direction from the Strategic Plan 2015-20. The purpose of Film Otago Southland is to coordinate and have a single point of promotion for filming activities within Southland and Otago; and hence to grow the activity and economic benefit from filming within these regions. By doing this it will also raise the profile of Otago and Southland as world class destinations for filming supported by consistent, professional infrastructure.

All trustees are voluntary and Council would like to acknowledge the ongoing commitment of those trustees and in particular the efforts of former chairman, the late Dave Comer.

Statistics NZ has estimated the economic benefit of production in Otago and Southland as at least \$20 million per annum.

There are some key questions that we set about to understand:

1. Is the current structure the right structure (how does the Otago Southland model compare with others and what other models are there)?
2. Should we consider the possibility of a different structure (should the office sit within QLDC or a Council aligned body, what are the positives and negatives?)
3. What do you (Councils or funders) expect to receive in return for the investment?
4. How do you view the structure?

5. What, if any, performance indicators (Councils or funders) are currently in place? Is there a shared desire for enhanced KPI's? What do you see as the most important deliverables for the Film Office?
6. What do you see as the benefits and or challenges of a regional film office (current FOS Model)?
7. Should any consideration be given to a local film office, ie Queenstown only.

B. Interviews and Feedback

The General Manager Corporate Services undertook three interviews and received an additional five written statements from eight key stakeholders, in addition to meeting with the board itself.

Feedback came from three board members (all industry representatives) and acting chairman of the board, the Executive Director of Economic Development Agencies of New Zealand, the Chief Executive of the New Zealand Film Commission, the Chief Executive Film New Zealand, the Executive Manager Screen Auckland (ATEED and the DOC Conservation Partnership Manager.

Some of the feedback was given in confidence; however I attach a letter from DOC as an important indication of the work undertaken by the Film Office (Attachment B)

Summary of Feedback:

- *Complete agreement that a Film Office based in Queenstown is essential and should be grown, as a key contributor to the local and national economy.*
- *Film Office resourcing is inadequate – the sole employee does not have any marketing, administration or continuity options.*
- *More resource needs to be allocated to a dedicated and maintained website that targets TVC's and film opportunities.*
- *The Film Office should be independent of both Council and tourism promotion bodies. In particular this should enable more funding opportunities and will ensure the office and its governance is neither politicised nor compromised. The sole driver should be growing the film industry both locally and nationally.*
- *A revised governance structure should be considered, including consideration of the Auckland model (where the industry is an incorporated society paying a subscription to the film office) with a direct conduit to the film office (Advisory Group).*
- *If a Trust is retained, terms of reference should be developed and membership reviewed to include all funders and value add representation, with Board Members and Chair appointments approved by QLDC.*
- *Other user pay opportunities should be explored.*
- *Funding opportunities to support additional investment in the Film Office should be pursued.*
- *Film Office accountability will benefit from a consistent set of KPI's for all funders to be agreed upon and reported annually.*

C. Potential considerations

1. *That the Film Office in conjunction with QLDC (and other funders) develops a funding proposal for increased resourcing.*
2. *That the Film Office remains independent with a retained regional focus but looks for opportunity for improved alignment with 'value add' representation*

3. *That the Film Office in conjunction with QLDC develops a strategic work programme (to reflect proposed funding and resourcing).*
4. *That consideration be given to the development of an Industry Advisory Group (Film Auckland Model) with representation on the Board. The group would be representative of the industry (possible incorporated society) and subscribe to Film Office Services eg website promotion.*
5. *That QLDC develop a revised Terms of Reference for the Trust and revise the membership.*
6. *That QLDC in conjunction with other funders and the Film Office develop a set of agreed KPI's and an agreed reporting schedule.*
7. *That the above form part of an industry-wide consultation process led by the Trust (in conjunction with QLDC).*

D. Support for the Film Office

The overwhelming message from the industry and key stakeholders is that the office delivers an essential service. DOC credits the office with brokering and resolving issues on a national scale between the department and the film industry (Appendix B).

Collectively the feedback points to the need to invest in the resource; this is a particular message from non-industry stakeholders given the economic benefit potential of attraction marketing that is currently not resourced. Likewise there is strong agreement that additional funding (from sources as outlined) should be sought to meet additional investment in the office.

Concern has been raised that the sole employee of the Film Office is an 'at risk' resource, given the need for additional support, resourcing and funding and the lack of formal employment processes.

E. Trust and Funders

Existing Model:

Film Office Budget is \$151k

Executive Manager 32 hours pw

- *QLDC (\$84k) - office overheads approximately \$20k pa not factored.*
- *Venture Southland (\$20k)*
- *DCC (\$10k)*
- *CODC - \$3K*
- *Association of Film Commissions International - \$2k*
- *AFCI Board Scholarship - \$18k*

(note the budget is operating at a minor deficit that has been met through an agreed carry forward of funds held in reserve).

The accounts are held independently (McCulloch Partners – Donald Jackson).

Funding Opportunities:

It will be important to explore alternate funding options:

- Industry Subscriptions (note Film Auckland Inc model)?
- User Pays (DOC and LINZ industry facilitation)?
- Grants?
- Film Commission?
- Promotional Body Funding (particularly around attraction marketing/website upgrade)?

F. Film Office Resourcing

Key stakeholders have consistently addressed a lack of resource for the film office. The New Zealand Film Commission regards it as one of the three main regional film offices, together with Auckland and Wellington, but by comparison it is understaffed for an area with potential to be the third film centre of New Zealand (notably there is serious interest from China in Queenstown as a screen destination.)

The Film Office's sole employee Kevin Jennings is contracted part time by the trust to work 32 hours pw. The role has required Mr Jennings to consistently work in excess of 40 hours pw in order to meet industry expectations. The industry requirement is for a fulltime level of service.

Given funding constraints, the board has been of the view it did not have the ability to formally offer Mr Jennings increased hours or pay. Any formal appraisal process has also lapsed, although an informal discussion was had annually with the previous Chairman.

Despite challenges, Mr Jennings is considered by the industry and key stakeholders to have performed strongly in terms of meeting industry and stakeholder expectations.

Some feedback suggests that the Trust would like to ensure the office is delivering its core services, as opposed to becoming involved in national politics. There is broad acknowledgement, however, that the office needs to hold a strong working relationship with other offices (this is considered to be the case at present).

Due to Mr Jennings' limited resource and perhaps the desire for a more operational focus from the board, the office has now reached a point where a review of the structure, the work programme, its alignment with economic development strategies and resourcing is essential.

G. Work Programme

Feedback has identified three key strands to the work:

1. Facilitation of filming - (local service providers, local industry advocacy, permitting (DOC, LINZ, Councils) liaison with key stakeholders including Film Commission and fellow film offices and hosting.
2. Attraction strategy - a combination of marketing and economic development opportunities including web and social media (feedback is that the office is in need of a strong website marketing tool) working collaboratively with existing district promotion boards (clear potential funder).
3. Administration – a key frustration for trustees is the amount of time Mr Jennings must spend on administrative tasks. Enhanced industry monitoring (KPI's) is not achievable within the existing resource. There is also a strong case for a seamless level of service that cannot be suitably achieved by a sole employee. There is no succession planning and currently when Mr Jennings is sick or on leave he must continue to cover the office.

Current constraints are around workload, including correspondence, accountability (industry monitoring), client focussed service, website administration, industry enquiry, industry meetings, and permitting.

H. Structure

Consideration of structure was usefully summarised through the EDANZ feedback:

There are a number of models around the country but for the sake of this review I have concentrated on those areas that have a reasonably active interest in the screen sector. This is basically Auckland, Taranaki and Wellington.

- *Auckland has recently changed its model and split into two groups. Film Auckland is a membership organisation with a focus on:*
 - *advocating for its members and the wider industry*
 - *providing an industry voice for the promotion of Auckland as a destination for international productions*
 - *being a strategic advisory group on the future direction of the screen industry in Auckland, and its place in a wider New Zealand context.*

- Screen Auckland is part of Auckland Tourism Events and Economic Development and has a focus on:*
 - *Marketing Auckland as an international film destination*
 - *Facilitating information for the screen industry*
 - *Advocacy and policy development*
 - *Industry capability and capacity*
 - *Permitting*

- *Film Wellington sits within Grow Wellington (the regional economic development agency). Their focus is similar to that of Screen Auckland with a focus on being a one-stop-shop for free help and advice on filming, location scouting, local industry, and business support in Wellington. As well as facilitating all filming and parking permissions in the Wellington region.*

- *Film Venture Taranaki sits within Venture Taranaki (the regional economic development agency) and focuses on:*
 - *Locations scouting, Locations Database*
 - *Local database Crew, Facilities*
 - *Client hosting, Client recces/scouts*
 - *Assist permitting*
 - *Iwi liaison*
 - *Researching studio/warehousing*

All have an attraction mandate and focus their marketing and attraction on sectors of importance to their region. Screen is one of those sectors and therefore the attraction staff work alongside the specialist screen staff to ensure that the regions are marketed offshore in the right way. This is the strong benefit of being part of a wider agency.

- EDANZ

I. Further Discussion on Structure

Screen Auckland has a positive working relationship with the industry by supporting an Incorporated Society called Film Auckland. This enables close interface with the industry.

In general the feedback was strongly in favour of retaining the independence of the film office, while greatly enhancing accountability and increasing both funding and resourcing.

The comment was made that Queenstown is unique, in that it does not attract or deal with the same business as Auckland or Taranaki or Wellington, therefore it is difficult to shoehorn into another existing structure. There was also general agreement that the Queenstown office could grow the economic impact on the region, but not without additional resource.

J. The Trust

There was general agreement that the trust needs to diversify its membership. A revised Terms of Reference including structure and appointment parameters is required. There is an expectation by the trust that membership should be addressed and include at least one representative from QLDC.

Consideration is needed as to whether the structure should operate as a Trust or an incorporated society. Further, there may be some potential to create an industry advisory group with a single representation on the Trust (the Trust currently consists of eight members of the industry, a representative from Venture Southland, a representative from DCC (economic development agency) and a representative from Southland Institute of Technology.

K. Department of Conservation

See letter attached.



QLDC

28 MAY 2015

QUEENSTOWN

Meaghan Miller
General Manager Corporate Services
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Date: 20th May 2015

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Dear Meaghan

FILM OTAGO SOUTHLAND - FILM OFFICE FUNDING REVIEW

Thank you for the opportunity to comment on the review of the Film Otago Southland film office.

While the questions posed in your letter of the 1st May 2015 are not directly relevant to our interactions with the film office, I feel it is worthwhile to inform you of Film Otago Southland's importance to agencies such as the Department of Conservation (DOC) in this area.

It is probably worth highlighting the significance of Queenstown to filming for DOC, and for our role in facilitating filming in the area as a whole. About a fifth of all the film permits issued the Department and approximately half of all film operations in the Film Otago Southland area involve land managed by the Queenstown Office. So our office has some significance in facilitating access to locations for the film industry in Film Otago Southlands' area.

Film Otago Southland forms a direct conduit between DOC (and other agencies) and the film industry in Queenstown. It provides a single voice for an industry which is fragmented and relatively unstructured, and which operates in a very different space to the formal processes and structures that government departments have. By providing an understanding of the film industry to DOC, and also an understanding of the restrictions and obligations of a government department to the film industry, the Film Otago Southland Office has managed to dispel much of the frustration of both parties when dealing with each other.

Over the past 8 years, the Department of Conservation has developed a very strong relationship with Film Otago Southland, especially here in the Queenstown Office. In particular, the film office has facilitated regular meetings to discuss issues and opportunities, and to find solutions to problems as they arise.

Film Otago Southland has led as the voice of the film industry with DOC, both locally and nationally. In particular it has participated in the Department's planning processes;

providing a strong, independent voice to ensure the film industry's concerns and needs are taken into regard in these processes.

As Queenstown is a focal point for location-based filming in the country, the importance of the local film office cannot be emphasised enough. Film Otago Southland is quite often the first port of call for overseas production companies, who can be educated very early on as to the proper processes for gaining the correct permits whether they are DOC, LINZ or Council. Again, this decreases the likelihood of friction between productions companies and the department, as much of the process has already been explained to the companies before they even approach us to discuss particular locations.

I hope these comments are of some help in understanding external parties' dealings with Film Otago Southland, and its importance in the area both for the film industry and for agencies such as DOC.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Greg Lind', with a stylized loop and a horizontal stroke.

Greg Lind, Conservation Partnerships Manager

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