



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Ministry
for Culture
& Heritage



Hon Carmel Sepuloni

Minister for Arts, Culture and Heritage

Hon Stuart Nash

Minister for Regional and Economic Development

March 2022

Date: 2 March 2022

Title: Proactive Release of Cabinet Material: Reviewing the Government's Investment in the Screen Sector

Author: Ministry for Culture and Heritage and Ministry for Business, Innovation and Employment

These documents have been proactively released by Manatū Taonga Ministry for Culture and Heritage and Hīkina Whakatutuki, Ministry for Business, Innovation and Employment on behalf of Hon Carmel Sepuloni Minister for Arts, Culture and Heritage, and Hon Stuart Nash Minister for Regional and Economic Development. This package includes the Cabinet Papers and Cabinet Minutes as listed below.

Title: Cabinet Paper 'Shaping the Crown's approach to the New Zealand screen sector'

DEV-21-MIN-0083 Cabinet Economic Development Committee Minute of Decision 'Shaping the Crown's approach to the New Zealand screen sector'

Cabinet Paper 'Reviewing the Government's investment in the screen sector'

DEV-21-MIN-0242 Cabinet Economic Development Committee Minute of Decision 'Reviewing the Government's investment in the screen sector'

CAB-21-MIN-0507.01 'Reviewing the Government's investment in the screen sector'

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the OIA). Where this is the case, the relevant sections of the OIA that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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9(2)(b)(ii) to avoid unreasonably prejudicing commercial positions

9(2)(g)(i) to maintain the free and frank expression of opinions by and between Ministers and officials

9(2)(h) to maintain legal professional privilege



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Shaping the Crown's Approach to the New Zealand Screen Sector

Portfolios **Arts, Culture and Heritage / Economic and Regional Development**

On 14 April 2021, the Cabinet Economic Development Committee (DEV):

- 1 **noted** that as part of Budget 2019, Cabinet invited the Minister for Arts, Culture and Heritage, and the Minister for Economic Development jointly to report back to DEV on the fiscal sustainability of the New Zealand Screen Production Grant (NZSPG) [CAB-19-MIN-0174.05];
- 2 **noted** that based on current policy settings, forecasts suggest that:
 - 2.1 total Crown funding for the sector will reach \$594 million in 2024/25 (\$450 million of this will be the NZSPG, which is a demand driven and uncapped incentive);
 - 2.2 the NZSPG may not be fiscally sustainable in its current form;
- 3 **noted** that current screen sector institutions and funding arrangements may not be creating the right incentives to maximise the potential return on the Crown's investment in the sector, and instead may support volume-based rather than value-based growth;
- 4 **noted** that there are significant developments and longstanding challenges that also require a government response, including:
 - 4.1 responding to Australian sectoral reforms and the industry's 2030 strategy;
 - 4.2 ensuring that the Crown's wider investment in the sector, including funding agencies, remains fit for purpose;
- 5 S9(2)(g)(i) [REDACTED]
- 6 **invited** the Minister for Arts, Culture and Heritage and the Minister for Economic and Regional Development to report back to DEV by September 2021, on:
 - 6.1 the Crown's key objectives for investment in, and support for, the sector, both in terms of its potential cultural and economic benefit;
 - 6.2 the scope of the subsequent work programme to review Crown support for the sector, including potential further work required to maximise value and improve discretion over investment;

- 7 **invited** the Minister for Arts, Culture and Heritage to prepare and take forward an initial government response to the industry's 2030 strategy, in consultation with the Minister for Economic and Regional Development;
- 8 **noted** that there are high returns and global competition for talent across different sub-sectors of the technology sector, namely the screen and gaming sub-sectors;
- 9 **invited** the Minister for Economic and Regional Development and the Minister for the Digital Economy and Communications to investigate opportunities and challenges for developing the gaming sector in New Zealand through the Digital Strategy for Aotearoa and the Digital Technologies Industry Transformation Plan.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Carmel Sepuloni
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Michael Wood
Hon Dr David Clark
Hon Phil Twyford
Rino Tirikatene, MP
Dr Deborah Russell, MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister for Arts, Culture and Heritage
Minister for Economic and Regional Development
Minister for the Digital Economy and Communications