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## 1.0 Summary and conclusions

This report highlights issues currently being faced by the screen production industry when undertaking filming in Auckland. The screen production industry generated annual gross revenues in 2008 of NZ\$878 million in production and post-production in the region. A study by Covec based on 2007 expenditure numbers estimated that the sector had a GDP impact greater than the combined total of electricity, gas and water sectors.

Film Auckland do not believe the benefits to the economy that filming brings are recognised by local/regional bodies and other agencies and this was highlighted in a meeting they had with Councillor Bhatnagar in September 2009.

The City Events group is currently responsible for the implementation of robust operational services to the screen production industry. However, the group struggles with cohesive delivery because of an absence of policy guidance.

The lack of overall council policy to enable filming activity creates a complex and rigid approval process, with no delegated authority to a single decision maker when there is a difference of opinion. This creates uncertainty and delays, which are impediments for growth of the industry. An overarching policy would enhance the screen production industry's ability to attract investment and retain businesses in Auckland city.

Recently the New South Wales screen production industry faced similar issues to those faced in Auckland. The NSW government's response provides a useful model for Auckland. NSW has recently developed a filming protocol to enable NSW to attract and maintain domestic and

international film, television and TV commercials' production, in a very competitive marketplace. The legislation and the protocol are binding on councils in NSW.

It is therefore recommended that council works on a policy framework for Auckland city to address issues faced by the industry. The policy will need to have industry and stakeholder buy-in to be effective. The policy will look to address issues faced in Auckland city but will be developed in consultation with other councils in the region, with a view to having a standardised regional approach following transition.

A three phase approach is suggested:

- **Phase 1 - Memorandum of support** - (draft example attached as Appendix 1)
- **Phase 2 - Filming in Auckland protocol**
- **Phase 3 - Asset register**

The costs associated with development of the proposed protocol and asset register will be supported through the existing budget of the Economic Development group.

## **2.0 Recommendations**

- A Recognising that the screen production industry generates gross revenues of NZ\$878 million in production and post-production in the region and employment for 3,612 people, that the City Development Committee supports the development of a policy framework to address issues faced by the industry in Auckland city.
- B That the City Development Committee endorses a three-phase approach to address industry concerns in filming in Auckland:
- **Phase 1 - Memorandum of support** - heralding the development of a film-friendly approach (example attached as Appendix 1)
  - **Phase 2 - Filming in Auckland protocol** - to provide the policy guidance which is currently lacking and provide the tools to make efficient and informed decisions about filming
  - **Phase 3 - Asset register** – working with Film Auckland and other TLAs/organisations to develop a regional register of assets where filming is permitted and encouraged.

## **3.0 Background**

### **3.1 Meeting with Film Auckland and Councillor Bhatnagar**

The meeting, which took place on 9 September 2009, was called following a newspaper article written by Roimata Macgregor, Chair of Film Auckland, regarding the opportunities presented by the new Auckland Council. The article referred to an opportunity to streamline council filming policies and procedures, but also warned that if this did not happen, then the \$878 million of revenue the screen industry generates for the city could be jeopardised. The article also touched on current issues with filming in Auckland.

Film Auckland do not believe that the benefits to the economy that filming brings are recognised by local/regional bodies and other agencies such as NZTA, ARTA, Civil Aviation Authority, mainstreets and operators of other public/heritage assets.

Film Auckland believe that this results in a risk averse attitude by officers/staff, as the screen production industry is not seen as their customer. Film Auckland mentioned a number of Auckland screen production companies that have filmed in Wellington due to the perception of Auckland as “too difficult”. Film Auckland outlined that the industry is very well networked and perception is reality. Production companies come back if they have a good experience but stay away (and tell others to also) if they have a bad experience. Film Auckland consider that Sydney is an example of a city that has lost millions of dollars of work due to the industry saying that it is too difficult to film. NSW Government has recently developed a filming protocol backed by the Premier of NSW to try and repair the damage and this has been received well by the industry.

In respect of Auckland City Council, Film Auckland consider that the main issue is a lack of overall council strategy to enable filming activity. This creates a complex and rigid approval process with no delegated authority to a single decision maker when there is a difference of opinion. This creates uncertainty and delays. These are significant impediments for growth in an industry where funding for projects relies on achieving certainty to be able to film, often within tight deadlines.

Councillor Bhatnagar agreed to raise these issues with fellow councillors and officers and requested that officers present a report outlining issues and recommendations on how to address these, to the December City Development Committee.

### **3.2 Economic impact of screen production industry**

Latest Statistics NZ figures show that the screen production industry generates annual gross revenues in the Auckland region of NZ\$878 million in production and post production. A study by Covec based on 2007 expenditure numbers estimated that the sector had a GDP impact greater than the combined total of electricity, gas and water sectors. The sector employs 3,612 people in the city in 1,212 companies - a 40 per cent increase in staff since the year 2000. This represents over half of all screen production companies in New Zealand.

Film Auckland have provided examples of filming that has recently occurred in Auckland. Television commercials (TVCs) were a major part of work undertaken. This included TVCs for a mixture of NZ and international audiences. Some high profile TVCs shot in Auckland recently include Halifax Bank (UK – screened across UK TV networks on a regular basis), Toyota and Goodman Fielder (Meadow Fresh – NZ). They also outlined a confirmed Hollywood blockbuster to be shot in Auckland for Christmas 2010 release and a further Hollywood production awaiting approval. Two NZ/UK joint productions have also been confirmed, including a feature film and a TV series.

Many of the productions filmed in Auckland have multi-million dollar budgets and most of this is spent with media, production and post production companies in Auckland city. Auckland CBD is a favoured spot due to the scale of buildings and other popular locations include: heritage buildings/features; parks/reserves/regional parks; and west coast and Hauraki Gulf beaches.

### **3.3 New South Wales Local Government Filming Protocol 2009**

This protocol was discussed at the meeting with Film Auckland in September 2009. Recently the New South Wales screen production industry faced similar issues to those faced in Auckland. This was seen as an interesting case study of how public agencies in NSW have responded to concerns raised by the industry.

The protocol was developed as a reaction to the screen production industry voicing concerns about the ability to film in NSW and jeopardise the 1,100 screen productions

businesses in NSW, which employ 9,000 people and generate A\$1 billion per year in income.

The protocol has high level political support. It was preceded by an official memorandum from the NSW Premier sent in 2008, which signalled the intention to make NSW film-friendly. The protocol is backed by a NSW Act: The *Filming Related Legislation Amendment Act 2008*, passed by the NSW Parliament in June 2008.

The purpose of these changes is to enable NSW to attract and maintain domestic and international film, television and TV commercials production in a very competitive marketplace. The new arrangements signal the support of the NSW Government to screen production. The legislation and the protocol are binding on councils.

The main areas covered by the protocol include:

- as a general principle, local councils and government agencies are required to approve screen projects unless there are compelling reasons not to do so. Councils and agencies are required to give a timely written response
- there is now a presumption that filming activities are allowed on community land, subject to conditions to ensure environmental protection or express exclusions in the applicable plan of management
- government and local council fees and charges associated with location filming must be reasonable and cost reflective
- suitable parking at a reasonable cost is amongst a package of changes made to parking to make it easier for filming vehicles to park for an extended periods on location
- gaining access to public land has been an issue for some productions. The legislation and protocol streamlines the processes for filmmakers wanting to film on public land such as Crown land, national parks and state forests
- temporary structures related to filming are now subject to simpler approval processes.

#### 4.0 Issues

Operational issue

Strategic implication

#### 4.1 Context

The City Events group is currently responsible for the implementation of robust operational services to the screen production industry. Film Auckland in its meeting in September thought that the group was committed to ensuring effective facilitation. However, the group struggles with cohesive delivery because of an absence of policy guidance. An overarching policy would help to ensure the screen production industry's ability to attract investment and retain businesses in Auckland city.

This section of the report sets out the recommendations for formalising Auckland City Council's support of filming in Auckland.

This report has a strategic context in that it reflects two council priorities:

- the city's Economic Development Strategy, which sees council's role is to act as a catalyst and create the right environment for economic growth – the screen production industry adds millions of dollars to the city's GDP and is an increasingly important part of the city's economy
- Customer First – recognising the importance of the screen production sector and responding with a customer driven service.

## **4.2 Stakeholder discussions**

Some common issues in current service delivery by council were identified through informal consultation with senior screen industry professionals and council officers involved in the permitting process.

A summary of these issues are:

- lack of overall council strategy to enable filming activity, underpinned by supporting policy and processes throughout council groups
- complex and rigid approval process with no delegated authority to a single decision maker when there is a difference of opinion
- central area and isthmus district plans are restrictive for filming and the requirement for a resource consent is easily triggered (for example filming longer than five days)
- lack of on-site monitoring of film activities by council
- temporary parking resolutions are often required by film crews as they need to take out areas of parking for filming on or near a road. Approval is via a three person sub-committee that meets only fortnightly, with the agenda closing a week prior to the meeting.

Discussions were also undertaken with officers internally who generally agreed with the issues raised.

At the September 2009 meeting with Film Auckland the idea of global consents was raised. Discussion with officers following the meeting suggested that whilst they were fully behind the idea in theory, such consents are tricky to set up in a way that the film industry will really benefit from them. Namely, if the global consent is too narrow, the film industry needs to apply for an individual consent anyway, and if it is too broad, it may take a long time to get across the line with the relevant stakeholders/approvers.

Officers thought that the idea of extending the District Plan: Central area section, plan modification 9 across the city could solve some of the issues being faced by the industry around resource consents. Plan change 9, once operative, will allow temporary activities for up to 21 days in the central area.

## **4.3 Screen production in Auckland: risks and implications**

Risks arising from current issues in service delivery fall into four main areas:

- current policy reflects the lack of public and political profile that the industry experiences. It does not reflect the significant value of the industry to Auckland. Consequently decisions are made reflecting narrow regulatory provisions, rather than the wider value inherent in the activity

- there is no single agency, council or authority with decision-making power over filming in the Auckland region which makes negotiating approval for large or complex shoots difficult and time-consuming, with no certainty of outcome
- production companies bidding for filming are increasingly required to provide evidence that the production will be able to occur at the proposed location. Current council process prevents any such provisional permission being granted
- sound stage and studio infrastructure in Auckland is booked months and sometimes years in advance. This results in productions seeking permission to temporarily convert warehouse space for this purpose. Current council resource consent processes mean that a production must commit to the considerable time and cost of application with no certainty that the production will be able to proceed. This is not feasible and the production moves elsewhere.

#### **4.4 Recommended actions**

This report outlines a number of issues currently being faced by the industry that limits the ability for filming in Auckland. This impacts on the customer service being offered to the industry from council and a number of other local bodies and public agencies. This is mainly due to an absence of policy guidance and resulting risk-averse decision making by officers.

Policy guidelines will take time to develop and implement effectively. The policy will need to have industry and stakeholder buy-in to be effective. The policy will look to address issues faced in Auckland city but will need to be developed in consultation with other councils in the region, with a view to having a standardised regional approach following transition.

High-level political support for the screen production industry in the meantime will send the right message to internal and external stakeholders about the importance of this industry to the city. This will signal that roadblocks preventing efficient filming approvals are being looked at.

It is, therefore, recommended that council implements a three-phase approach to address the industry concerns outlined in this report. This work programme will be developed in conjunction with industry and key internal and external stakeholders.

##### **4.4.1 Phase 1 - Memorandum of support**

This would be a similar statement to the one that was developed by NSW government in June 2008, heralding the development of a film-friendly approach. This led to the development of the 2009 protocol.

A draft memorandum is attached at Appendix 1. Once approved, the memo will be circulated immediately to internal council groups that have majority contact with filming issues. The memo will also be circulated to other Auckland TLAs, agencies and other external stakeholders that have contact with the screen production industry.

The memo will signal council's support to the industry and outline how council will be addressing long-term issues faced by the industry.

#### **4.4.2 Phase 2 - Filming in Auckland protocol**

it is recommended that council officers work with key internal and external stakeholders to develop a filming in Auckland protocol. The purpose of the protocol is to develop a policy that will attract and maintain domestic and international film, television and TV commercials production in Auckland.

This will provide the policy guidance which is currently lacking and provide officers with the tools to make efficient and informed decisions about filming. It will also provide the screen production industry with clear information about filming policies in Auckland. The screen production industry works to extremely tight deadlines and any information which can speed up the film permitting process is beneficial for the industry.

The protocol will also address the issue of accountability on both sides. In respect of the council, this will be customer driven targets for considering and issuing permits and other approvals and a process for escalation and speedy resolution where there are significant trade-offs between supporting the production and other council priorities. In respect of the film industry, it will include penalties for breaching permit conditions or other infringements of related by-laws. This will provide assurance on both sides and will help to engage key internal and external stakeholders in development of the protocol.

It is recommended that officers present a draft protocol to the May 2010 City Development Committee for approval.

#### **4.4.3 Phase 3 - Asset register**

This was highlighted in the meeting with Film Auckland in September. Film Auckland would like to work with council and other TLAs/organisations to develop a regional register of assets where filming is permitted and encouraged (subject to standardised rules/conditions of use agreed with industry).

It is recommended that this register be developed in parallel with the protocol in discussion with key internal and external partners.

Filming locations will be added to the register once individual approval and protocols have been developed with the team responsible for managing each asset.

It is recommended that an initial list of locations be presented to the City Development Committee in May 2010 for discussion and approval. It is envisaged that the first phase of the asset register will be finalised within the next 12 months and will be added/amended when necessary after this period.

### **4.5 Auckland Council**

This project has the potential to create a “film-friendly” Auckland that will provide the new Auckland Council with a policy framework that will enable Auckland to compete effectively in this internationally competitive business.

It is recommended that officers work with Film Auckland Local Authorities Industry Group (FALAIG) to enable regional buy-in to this project.

## 5.0 Budget Implications

The costs associated with development of the proposed protocol and asset register will be supported through the existing budget of the Economic Development group.

## 6.0 References

Filming in Auckland – economic importance of the industry in Auckland City, January 2009

New Zealand Herald, 13/08/2009 – Roimata Macgregor, Chair Film Auckland on the brink of producing blockbuster – or flop

Making NSW Film-Friendly – Memo from NSW Premier, June 2008

NSW Government, Local Government Filming Protocol

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