

## JOHN O'SHEA MEMORIAL SPEECH: 2006

I feel honoured to have been asked to give the John O'Shea Memorial Speech.

John was a film-maker who, deservedly, has achieved legendary status. I have never been a film-maker, and I do not plan to make a late burst in that direction. Restraint can be a virtue. If you know you can't sing well – or at all – it is best not to try and join a choir. So I'm not planning to join SPADA, or the Screen Directors' Guild, or the gaffers' guild, or the best boys' brotherhood, or even the caterers' consortium, any time soon.

But, one way or another, I have had some form of involvement with people who are film-makers for much of my adult life. Some of that involvement has been pretty tangential. Some of it has been intense.

Along the way, I have learned a few things about the business of making films in this country. I will try to explain some of those things soon. But it may help to show how I've picked up those perceptions if I let you have a brief view of the rambling path that has led to my standing here today, and invoking the name and the spirit of John O'Shea.

I grew up in Blenheim. And some time in the 1950s I joined the Tui Cinema Club at His Majesty's Theatre. (The name "Tui" referred to the bird, and not – as it would today – to "a few quiet".) The good thing about the Tui Cinema Club was that on Saturdays you got to see the weekly serial: an episodic, black and white adventure tale. At the end of an episode, the train would go over a vast cliff taking everyone to their doom. And then next week you'd find they'd all been miraculously saved, only to fall down a mine-shaft and be blown up, at the end of that episode. And so on.

Just before each session started (with a grainy God Save the Queen, followed by the serial), the President of the Tui Cinema Club, a large chap called Lief Andersen, stood in front of the curtain, to make Club announcements to the pimply throng.

To help speed things along, on one occasion, my mates and I (under cover of darkness) took to throwing Jaffas at him. My aim was good.

We resumed the bombardment the next week. But my cover had been blown. Halfway through the serial, a large hand came out of the darkness, grabbed me by the right ear, lifted

me from my seat, and dragged me out to the foyer. President Lief yelled at me, and expelled me both from the Club and from the cinema.

I should have been chastened. But I was thrilled. I came to look back on this incident as my first truly interactive participation in the world of cinema. I wasn't just a spectator. I was, if only momentarily, part of the action.

Anyway, I did keep going to the movies, though not at His Majesty's, Blenheim. And I'm still going.

Some years later, I was living in Wellington, freshly in possession of a law degree. I was a new law clerk and my boss, Jack T Watts, a former Minister of Finance, told me that my first proper client was to be the son of his friend, the former Minister of Customs, Norman Shelton. So Lindsay Shelton found himself with me as his lawyer. I did mortgages and wills and stuff for Lindsay. And we talked about movies.

Lindsay was the founder and organiser of the Wellington Film Festival. He and his mates were having a lot of trouble with the Film Censor, Doug McIntosh. He kept cutting and slashing film after film. I did the legal work on appeals against his decisions in respect of three films which had received widespread acclaim (and a bit of notoriety) when screened at festivals overseas. A flock of highly distinguished witnesses at these appeal hearings didn't help. We lost all the appeals.

It was clear to me that the censorship law itself was at least as much of a problem as the Censor's rather bleak interpretation of it. The law dated back to 1916, when the Government took the view that newsreels, depicting mud and carnage in the trenches during World War I, were prejudicial to recruitment for the war effort. So draconian legislation was passed, giving wide powers to cut, slash and ban just about anything.

So I drafted a new censorship regime, which made an attempt at balance, but which – if anything – erred in favour of freedom of expression. Jonathan Hunt, then a back-bencher and a keen film society supporter, agreed to introduce the Bill to Parliament. And then Alan Hight, the first Minister for the Arts, Recreation and Sport, took it up. I was by then involved with the New Zealand Federation of Film Societies. And we had some lively public encounters with the leading morals crusader of the day, Patricia Bartlett. She and her suitcase went everywhere – and so did we. Her suitcase was filled with “Penthouse”

magazines, and she was consumed by a righteous indignation. She insisted on showing the most pungent bits – usually the centrefolds – to all in her path, especially politicians.

In the end, though, she did not prevail. The medium was seen to be the problem, rather than the message. The law, as drafted, was passed with comparatively minor amendments.

About four weeks later, I was in the restaurant now known as the Boulcott Street Bistro. Alan Hight was there, at another table. He beckoned me towards a corner of the restaurant. “What would you say”, he asked, “if I were able to offer you the position of Deputy Chairman of the QEII Arts Council?” (That was the body now known as Creative New Zealand.) This seemed to me to be seriously off-beam. Such a position was, I believed, reserved only for octogenarians. And I wasn’t even half-way there. So I thought about it for at least two seconds, and said: “I’d say yes.”

So I arrived at the Arts Council in 1976, and was appointed to chair the panel that made grants for, or investments in, film projects. It was an exciting time. Roger Donaldson’s “Sleeping Dogs” was then under way. The Council’s then Chair, Hamish Keith, had guided the Council to a decision to underwrite the budget to the tune of \$100,000 – a big sum in those days – especially for a Council still grappling with the notion that film can be regarded as a legitimate part of the creative arts.

There had, of course, been other films before “Sleeping Dogs”. John O’Shea had produced and directed three films – “Broken Barrier” (1952), “Runaway” (1964) and “Don’t Let It Get You” (1966) in that 35 year period from 1940 when there had been few other films, and John O’Shea was something of a lone and stalwart pioneer.

But Roger’s “Sleeping Dogs” had a different quality to it. It was mature, realistic, exciting, bold. It surmounted the Kiwi cringe factor. Here was a film you could feel proud of. It was grown-up film-making, on any global reckoning.

Other film-makers were at work too. Ian Mune, Geoff Murphy, Michael Firth, Paul Maunder, Geoff Steven. A collective voice began to grow in intensity. It said that we, as a country, needed a focal point for the support and advancement of our film-makers and their films. Other countries, such as Australia, the United Kingdom and France, had entities to support their film-makers. We needed one, too.

The best argument to support that approach was “Sleeping Dogs” and its success with audiences here, and abroad. We must not, so the rhetoric went, allow this film to be a wondrous one-off. It should be the first of many. And those films yet to come must receive deliberate and coherent support – and money.

In the end it worked. In 1977, Alan Highet announced the setting up of an Interim Film Commission. But it is important to recognise that a campaign towards that end had actually been running since 1970. In that year, John O’Shea delivered a powerful speech to an arts conference, urging the creation of a national screen organisation. And even that wasn’t new: he’d been promoting that view since the 1940s.

At all events, the Interim Film Commission, set up in 1977, was not incorporated and it had no statute. It was just a group of five people, appointed by the Government to prepare the way for a proper, statutory Film Commission, with real pockets. Bill Sheat was the Chair, John O’Shea was the Deputy Chair. Then there were Royce Moodabe of Amalgamated Theatres; Mervyn Corner, a retired banker and former All Black; and me, the disgraced, former Tui Cinema Club member.

The Interim Film Commission was also allocated some interim money to be going on with: \$646,000 in all. Most of the money went towards the budgets of two films: David Blyth’s “Angel Mine” and Geoff Stevens’ “Skin Deep”.

Both films raised fluttering concerns in the hearts of those who worried about the capacity of films to project the dark stains of immorality. “Skin Deep” dealt with the impact on a small town (it was Raetahi) when a massage parlour opens up on the main street. That was bad enough. But “Angel Mine” was more challenging. It started with a lone (and occupied) toilet bowl on a stony beach. And then it went on to nudity, sex and more. The Censor decided to award it an R18 restriction with the warning “contains punk cult material”. Whatever that meant.

The Minister’s wife was the artist Shona McFarlane. She found a scene in which a woman’s tongue makes lingering and lascivious contact with a door-knob deeply disconcerting. The Minister spoke to me, in dismay, hoping that something could be done, but acknowledging that, in the end, doing something would be worse than doing nothing. It often is.

One of the Interim Film Commission’s tasks was to draft the legislation for a full-bodied, proper Film Commission. I was asked to do the drafting. I borrowed lots of stock provisions

from other legislation that had set up other statutory bodies. And I adapted bits of the Australian legislation which had just recently established the Australian Film Commission.

The Bill was introduced into Parliament by the Minister, Alan Highet. His speech, which was drafted by Jim Booth, then a public servant, contained those memorable lines: “We need our own stories and our own heroes. We need to hear our own voices”. Those words may, through frequent repetition, have come to sound a bit trite. But they were very stirring then. And they remain essentially valid today – and will remain so.

The Bill was enacted and passed into law in October 1978. The Act is still in force. There has been much patchwork amendment since then. But a central provision, which has remained virtually unscathed, is section 17. This is the one which says that the Film Commission may support a film only if it “has, or is to have, significant New Zealand content”. And then there follows a list of the criteria against which that requirement is to be judged. It still seems to work well enough, I think.

But if it were to be re-visited, two obvious changes could be made. There could be some re-prioritising of the ingredients. For example, the question of where the director comes from (that is, nationality) is probably more important than a consideration of who owns the equipment and facilities. And – an allied point – it should be made clear that the Commission has the discretion to allocate different weighting to different criteria, from case to case.

The first Film Commissioners were the five members of the Interim Commission. And there was a sixth member, the effervescent grande dame of actors, Davina Whitehouse.

John O’Shea soon decided that he should resign his position as Deputy Chair. He was working on a film project, “Sons for the Return Home”, at the time, and – although he declared his interest and stood aside – he found his position as a Commissioner and an applicant too awkward. It created too many complexities, too many tensions, he felt.

I remained on the Board of the Film Commission for 15 years. A lot happened over that period. There were times of plenty, and times of drought. During that period the Commission provided financial assistance for (my estimate) some 56 feature films.

I am not going to dwell on those films or those times. But there are a few salient points that I’d like to touch upon, in passing.

First, the tax years. During the course of 1981, the Film Commission became aware of the extent to which those who arranged finance for film production were making use of enhanced tax leverage for their investors.

Back in those heady days, I used to see people I knew in the street. Knowing that I had something to do with films, they'd say to me: "I've just invested in a film". And I'd say: "Great. What film is it?" And they'd say: "I've no idea. My tax advisor put me into it". And they'd always know what their tax saving was going to be, and it would often far surpass the value of their cash investment. I did not feel morally offended about this. Tax management has always been with us in one form or another. And by then I knew that the same sort of thing was going on in other industries: the bloodstock industry; petroleum exploration; elsewhere in the entertainment industry.

But what was of concern was the scale of the leverage. In effect, investors were helping themselves to a portion of the nation's tax base, well beyond the level of a routine deduction. The Film Commission didn't want the practice stopped. But we thought that unless it was scaled back a bit, the Government would have to act. An axe would fall, and the film industry and the viewers would suffer.

So Bill Sheat, the Chair, and I went to see the Commissioner of Inland Revenue about it. We wanted to suggest that the regulatory tap be turned down a bit, but not off. When Bill and I got to see the Commissioner and some of his people, we found it disconcerting.

They didn't seem to have the measure of what we were talking about. They seemed surprisingly under-informed about what was going on out there. But maybe they were just doing the poker-face thing.

Anyway, the Government promptly took a serious interest in all this. The industry and the Film Commission pleaded the case for a wind-down of future tax-driven schemes. The Government took a while, but in 1982, the Prime Minister, Robert Muldoon, announced the Government's decision. It wouldn't be just a wind-down, it would be a wipe-out. The mechanisms which had been used – notably, limited and non-recourse loans – would be prohibited.

The industry and the Commission reacted in alarm.

The Government seemed to listen to our views, but its response was curious: the ban on these mechanisms will be enacted, but the application of the ban will be deferred for two years, as a wind-down period to allow the industry to get used to it. It was like saying: candy is banned, but not for two years. So for two years, the film industry stuffed itself with film candy, as though it was going out of fashion. As it was.

Was this a bad thing? Did too many poor films get made wastefully? Well, a few were, but that's par for the course. The really astonishing thing is just how many fine films did come out of that era. And, moreover, a whole lot of industry personnel obtained experience they may not otherwise have gained.

So, looking back on those pressure-cooker days, I have to conclude that, overall, what took place was to the ultimate advantage of the film industry and those who depend upon or support it.

Mind you, things did slow down once the two years were over. Local private sector investment in film virtually dried up: film was regarded as being a bit too risky. By 1989, the slow-down in the industry was such that the Commission, with Judith McCann as its new Executive Director, decided to kick-start things again by providing up to 100% of the investment finance needed for up to five new feature films. This proved effective, and a new, and growing, round of activity began.

So life may be a cabaret, old chum. But in the film industry, life also tends to be a roller-coaster, old chum.

Next, another word or two about John O'Shea. John was a real pioneer. Originally, he was both a producer and a director. Later he became a producer only – but a very creative producer. He had a sharp, perceptive, original point of view. Some of his films have not lasted well; the best of them have – and I'm thinking here of the film that he produced and Barry Barclay directed, "Ngati", a lovely film.

But John had other great strengths, as a mentor to many, and also as a thoughtful, pungent commentator and as an hilarious raconteur.

Towards the end of his career, the projects weren't moving as well as they once had. His and his wife Cormy's modest house was suffering from the buffeting of multiple re-mortgaging.

We hit upon the idea – I think it may originally have been Jim Booth’s – of making an inaugural, life-time achievement award to John, at a film conference dinner. We handed over a certificate and a sizeable cheque. We, in the Film Commission, thought it was his due. And the money was intended to buy him some peace and quiet, in his later years, so that he didn’t always have to keep pushing projects just to survive.

In exchange, John agreed to deliver a lecture. It was a great one, a summation of a life-time’s experience. And it was delivered with John’s occasional stammer, which always seemed to heighten the dramatic effect.

I have tried to find a copy of that lecture. But none seems to exist. Which is a great shame, because it was akin to a New Testament for those who believe in the worth and power of films. And, for what it’s worth, John didn’t take the hint about slowing down – he didn’t stop working away on projects and ideas.

Now, a word about the Jackson effect. Peter is – and always was – like no other. His inventiveness, his clarity of vision and his single-mindedness of purpose have made him a towering presence in world cinema – to the enduring benefit of the country which he persists in living and working in. (He may just be world’s most famous New Zealander – jockeying for that position with Sir Ed, and way ahead of other contenders such as Russell Crowe, Sam Neil, Kiri te Kanawa, Daniel Carter.)

In 1985, Peter asked the Film Commission for a bit of a hand with a film he had nearly finished. It was to become “Bad Taste”. The Commission, sadly, took the collective view that it would not sell, and turned it down. There was, I recall, a spot of moral conservatism present in some Commissioners’ hearts, as well.

Jim Booth, who had earlier been one of the Minister’s advisers, was then the Commission’s Executive Director. Jim was an anarchic but visionary bureaucrat. He made some payments to Peter, with my approval, arguably (just possibly) within the limits of discretionary authority. And he used his crafty advocacy on the Commission. The Commission came late to the party, but it did help. Part of the Commission’s assistance was in the provision of a producer, Tony Hiles, and an editor, Jamie Selkirk (now one of Peter’s business partners). The subsequent performance of the film has made it a cult classic (and it is probably “punk cult material” too).

There is a story about Peter's next film, "Meet the Feebles". It is that the film took so long to make, and went so far over budget that the Commission wanted to fire him. That's not so. The firing notion may have been – in fact, was – used at the executive level as a suggested inducement to get Peter to actually finish the film. But it didn't work very well. And there was never any intention formulated at the Board level to actually dispossess him. What would have been the point? Who else could have finished this film? This was in the days before completion bonds became routine. And Jim Booth had, incidentally, by then, had a miraculous conversion and had become Peter's producer.

Peter's next film was "Braindead". There were stories of it, too, going well beyond its allotted time, with no visible means of support. One day, long past the apparent end of shooting, I was walking through Wellington Airport. I caught a glimpse of Michelle Turner, who was working on the film. She looked startled to see me. So as I passed her I said "Still shooting then?", and did not wait for an answer. Outside, the old DC3 aircraft that is seen in the film was making another pass over the runway. I caught my own plane. Sometimes just doing nothing is the best answer.

"Braindead" was a sensation at the Cannes Film Festival. As the euphoria died down, Jim Booth, as producer, said that he and Peter would like to subvert me by massive bribery to win support for Peter's next film. Bribes don't often come my way. Jim and Peter took me to a dingy café. The bribe turned out to be a large, sickly ice-cream sundae. Jim said I could have another one, if I was able to keep the first one down, without throwing up. As I dealt to the confection, Peter did his pitch for the film that was to become "Heavenly Creatures". I thought that the Parker/Hulme murder was unpromising material for Peter's then usual style of treatment. But Peter and Jim were persuasive. Though I now regret that, just for the hell of it, I didn't throw up over their footwear.

That film, "Heavenly Creatures", was the final spring-board for Peter's stellar international career. And he and Fran and their colleagues still remain here, in New Zealand, to our collective great benefit. It was, however, Jim Booth's last venture. He died, too young, before the film was released.

Just one other episode from that era. It is about "Once Were Warriors". It is true that, initially, the Film Commission Board turned this project down. The reason was that, on the script as presented, the story was utterly bleak, very violent, racist, misogynist. How could it succeed, on any terms? There is a common view that the Board changed its mind because,

subsequently, a delegation of powerful and persuasive Maori leaders made it too awkward for the Board members to do otherwise.

That was, indeed, a strong presentation. But the reason why the Board changed its decision and agreed to support the film had rather more to do with the evolution of the script. Riwia Brown had been brought in and her version made Beth (the character played by Rena Owen) a more central character. That changed the balance and the dynamics of the story. And at the end, Beth breaks free, and there is hope for her.

At all events, that shift is why a majority of the Board supported the film, though it did remain a seriously split decision.

The film itself was a huge success at home and overseas. It does carry powerful social messages, but it is the intensity of the portrayal of real life people, in tough circumstances, that makes it so moving and so memorable.

This took place around 1993. As Chairman of the Film Commission, I used to report to the Minister, then Doug Graham, at intervals. Doug and I had known one another in earlier lives, when we were both corporate lawyers. We agreed that these later meetings about film would best be conducted in his Ministerial office at 7:00 o'clock in the morning.

The idea was that we could be alone, without officials. But, more importantly, he could languidly smoke an early morning cigar without anyone telling him it was inappropriate conduct. And I wasn't going to say that. I just did secondary inhalation.

On this occasion, he said: "Now Gascoigne. Look here, Government appointments are usually for three years and sometimes for six. Now I've had a look at the file and I see you've been on the Board of the Film Commission for 15 years, and have been Chairman for eight of those. Now I'm terribly sorry, but it's just possible that I may not be able to swing you another three year term."

And I said, "I was wondering how long it would be before someone noticed."

So I was on my bike and down the road a bit later. Subsequently, I did a few bits of casual work for film-makers I knew. But, basically, I became a distant observer of the scene.

Towards the end of 1999, a new Labour Government came to power. The Minister for Arts, Culture and Heritage, Helen Clark, assembled an arts recovery package. The main beneficiaries of this were to be Te Papa, the New Zealand Symphony Orchestra, the Royal New Zealand Ballet – and film.

The Film Commission had been contending for years that the level of support for the film industry was inadequate and shrinking. It advanced many arguments about this, but the one that seemed to resonate best was this. We need to be able to grow more people like Peter Jackson. The Commission can fund first-time film-makers, at a modest level. But it can't afford to fund their second or third film. So they go overseas. If those subsequent films could be made here, we would have a better shot at developing a thriving local industry.

At all events, the Government decided, as part of the arts package, to allocate the sum of \$22 million towards the support of films made by Kiwi film-makers who had already made at least one feature film. It also decided that it did not want to allocate the money direct to the Film Commission, but rather to provide it to a suitable entity outside the Crown network.

I was asked by the Commission to give some advice on this. I proposed a separate, registered charitable trust, with five trustees, three of whom would be independent and two of whom would be appointed by the Commission. This would keep it outside the Crown network.

But I was puzzled by this insistence, and suggested it would be simpler just to give the money direct to the Commission, on condition that it is to be applied only for this particular purpose. I was told, however, that this would amount to that serious administrative crime, tagged funding.

Well, yes, I knew that, but sometimes the simple, obvious answer is the best. Or at least the most practical.

But I was told to forget it, and was asked to help with the design of a separate funding vehicle of the kind the Government evidently wanted.

The entity known as “The New Zealand Film Production Fund Trust” (or just “The Film Fund”, or – now – “FF1”) was duly registered as a charitable trust. A contract governing its use of the money, and setting out its guidelines, was signed, and a Board of Trustees was put in place. The Film Commission's two nominees were Alan Sorrell (later it was Barrie Everard)

and Ruth Harley. The three independents were Chris Prowse, Wendy Palmer and me. The Auditor-General confirmed that the Trust was not a Crown entity. And, just before the end of the Government's fiscal year on 30 June 2000, the Film Fund was granted \$22 million. We were obliged to pay GST on that, so the net amount was about \$19.5 million.

The five Trustees fought off the urge to elope with all the money to Bermuda, the Netherlands Antilles or some other peaceful refuge, such as Iraq. And we said instead: "Let's go to work", in our best "Reservoir Dogs" manner.

Film Fund 1 has a life span of up to eight years (though it can be extended). A little over six and a quarter years have now passed. Its aim is to assist six to eight feature films towards completion, before it expires. So how's it going?

Here is a table about the traffic flow: that is, the projects considered and how they were dealt with:

**See: Table 1 (one slide)**

And here are the films that have been completed, with financial assistance from Film Fund 1:

**See: Table 2 (seven slides)**

You will see that two of them have yet to be released:

- "Perfect Creatures" is due to be released next March;
- "The Ferryman" is due for release on Halloween, next year.

And here are some vital statistics, and some analysis of what those statistics mean:

**See: Table 3 (one slide)**

That table is all about dollars. Dollars are important: it's hard to live without them. But there are other values, other criteria.

These films have added to our collective view of ourselves. There are moving, funny, appalling, frightening, beautiful, fragile, powerful passages in them – which will remain in our memories and add to our shared perceptions. They make us proud.

And they have their effect abroad, too. They make people notice this country – what it is, and what it can do. Even if it's Burt Munro on his bike on a beach at Invercargill, they'll remember it. And they'll certainly remember Paikea, quietly crying on the stage, in the absence of Koro, her grandfather. And the blind-folded Sarah, in the waka on the mighty, brooding Wanganui River. Films such as these make people in other countries look our way. They notice us, with interest. And some of them will come this way, too, because our films have made us enticing.

Some of these things can be measured in dollars. Some of them can't and shouldn't be. The process of "turning money into light" (as John Boorman has described film-making) is as much about magic as it is about money.

Back to practical things. During the course of 2004, the Film Commission started engaging with the Government and the Ministry about what would happen once the original Film Fund had exhausted its funds. It would have been great if the Film Fund had been able to be self-sustaining. But although the Fund has done tolerably well, perpetual motion, in a fiscal sense, has eluded it.

The obvious thing to suggest was that the Film Fund be endowed with another lump sum (say \$25 million to \$30 million) and that the Trustees be invited to extend the Trust's expiry date by, say, another six years. That is the sort of approach which the Commission adopted. There was a lot of industry support for this, as well.

I took no active part in the lobbying, but was aware that there was a lot of discourse going on. And then the Government did come to a decision. On 11 April last year, the Minister wrote to the Film Commission. The Government had decided not to recapitalise the Film Fund. Instead, the Film Commission was declared to be the Government's preferred means for public funding of film.

I was sent a copy of that letter. There were two things that struck me about it.

The first was that there had been a 180 degree change in attitude. At the start, in 2000, the Government was insistent upon the delivery vehicle for the \$22 million (gross) being a separate entity outside the Crown network. And, now, the Government wanted any continuation of Film Fund-type activities to be brought back within the fold and handled directly by the Film Commission.

(Incidentally, the Commission enquired whether it could outsource the task – and the money – to Film Fund 1, if the Trustees agreed, and also extended the expiry date. The answer was that that was not permissible.)

The second point was about process. I had – deliberately – not joined in any lobbying endeavours. But I had been involved in the creation of the Film Fund, and had chaired it throughout. So I had some experience and some views. I wondered why there had been no attempt made by the Government to consult me about its future.

It was interesting that, about a year before that, the Ministry had engaged Gordon Schroff and Sally Munro to carry out a review of the funding and support bodies in the film and television area, to see if there was any inefficiency or overlap, and whether there was a case to amalgamate or eliminate any of the bodies concerned. They concluded that each entity (including the Film Fund) served a valid enough purpose, that there was no case for rationalisation, but that there should be a greater degree of consultation and co-operation. And a mechanism to do that was duly set up. It is called the Screen Coordination Group.

At all events, for reasons that still remain unclear to me, the Government had made its decision. And, of course, it had the right to do so. That is what Governments are for – to make decisions. So the original Film Fund would come to an end. And the Film Commission would, effectively, have to set up the means for supporting “Film Fund-type films” within the boundaries of its own structure.

Thus, Barrie Everard and Ruth Harley and the Film Commission team worked away. They evolved a proposal to establish a Committee within the Commission, to be known as Film Fund 2. The idea was to make the Committee as much like Film Fund 1 as possible. This plan was discussed at an industry meeting in Auckland on 19 April this year. It received broad approval.

So Film Fund 2 now exists. It is a Committee which is part of, and answerable to, the Film Commission. At present, it consists of two Commission nominees: Barrie Everard and Wendy Palmer; and two independents, initially, Chris Prowse and me, as Chair.

It has access to \$6.5 million in its first year, and \$6.75 million in years two and three – a total of \$20 million. It has a set of guidelines that are similar to those of Film Fund 1.

It has received – but not decided upon – its first application for production investment. And there is another application hovering, close at hand.

Can Film Fund 2 be made to work effectively? Yes, I believe it can. Is it as good a model as Film Fund 1 was? No, I don't think so. I've had a change of view along the way, and I think that the original Film Fund 1 model has some advantages.

First, because Film Fund 1 had a capital sum, up front, it could effectively span future years. So it could make a number of concurrent, conditional commitments. That would enable several producers to go offshore and seek the extra funds. And because our commitments were for a finite period, there could be a roll-over, to new projects, if earlier commitments expired. Thus, we were not constrained by being limited to just a few commitments each financial year.

Second, because Film Fund 1 was autonomous and consisted of just five people, we could be quick, flexible, informal and decisive. That is important when dealing with the daily changing environment on larger, complex film projects. It is likely to be harder to act in that way within the structured processes of a Crown entity.

Be that as it may, it will be farewell to Film Fund 1 some day soon. We still have some work to do – especially making a final investment in what we call Film 7. And some time after that, we will wind up Film Fund 1, and pass the remaining assets to the Film Commission.

And Film Fund 2 is now under way, anyway, with its four members saying “let's go to work”.

Now, finally, here is a series of thoughts from somewhere between the edge and the centre. These musings are personal, and do not reflect the policy of FF1 or FF2.

1. Timeframe: We learned that viable film projects don't come along at an even pace. You get a couple, then there's a long gap, then three at once, then another gap. That's why an entity such as FF1 or FF2 has to have a longish time horizon: six to eight years.
2. Monetary flexibility: You can't have a model and just stick to it. Initially, FF1's “ideal” investment was at the \$2.5 million level. That worked well enough for the first two films. But then there was a gap in time. And we found that, to be at all effective, we had to increase our investments to around \$4.5 million. And, now that international

money is becoming harder to find, budgets – and very likely – the size of Film Fund contributions, will come down somewhat. We'll see.

3. The three elements: To make a film, three things are, in essence, needed. They are talent, money and time. Talent comes first. The next two, money and time, are usually in conflict.

To have any chance of getting to the end, there has to be a timetable: there must be time slots for the actors, time slots for pre-production, the right time or season for shooting. And then the money has to be assembled to fit within the timeframe. And there is very often not quite enough time. So there is a lot of pressure to go ahead with production – and to commit the money – before everything is in place.

FF1 has been caught in this situation at least a couple of times. And praying and hoping has cost us. We have, unwillingly, had to help plug yawning money gaps that have opened up.

My view is that the only way to go is for all the funders of a project to adopt an escrow process. No production money gets paid out until all investors have put all their money into a central repository (kept, for example, by a major bank). Some investors, sale-and-lease-back merchants for instance, will say this doesn't work for them. My answer is that legally and financially it can be made to work. Escrow will make you safer – with a better chance that a properly funded film will actually be completed.

4. What does "significant New Zealand content" mean these days? What about a film chock-full of Kiwi talent being made in, and depicting, a foreign country? What happens if the story is not New Zealand-based and clearly derives from some other country?

My view is that neither of those aspects may prove fatal, so long as there are other strong Kiwi contributions. We have an industry that is becoming more mature and cosmopolitan. And in an era where co-productions are likely to continue, some cross-border sharing of content seems rational and, indeed, necessary. Of course, total Kiwi is good, but it is not wise to take that point of view to extremes. Never say never. Just say it all depends on the overall look and feel of all the ingredients.

5. "A New Zealand producer and a New Zealand director": the rules for Film Funds 1 and 2 require there to be both. So what does "New Zealand" mean? When has a foreign person been here long enough? Does a Kiwi too long gone from home lose

the right to be considered? There isn't, and shouldn't be, a clear answer. It all depends.

Take the case of Roger Donaldson. Roger was born in Australia, came to New Zealand when he was 18. He stayed here making films for his formative years, and left for Los Angeles when getting the money became too hard. But he kept his house in Auckland and came back here frequently. When, just a few years ago, he decided to commit himself to the task of completing his feature about Burt Munro, he couldn't get the funds together out of the USA. Could we help?

How could we refuse the guy who was at the forefront of the renaissance here, with "Sleeping Dogs" and "Smash Palace"? So we did support the Burt Munro film.

Equally, Vincent Ward wanted to return to make "River Queen". In the 1980s, he had made "Vigil" and "The Navigator" here. Those films had gathered great international acclaim. We certainly thought that Vincent, a lad from the Wairarapa, deserved some support for that new, and promising, venture.

So one takes each case on its own facts, as they say. And the question is: to what extent will this film, if made, contribute well to this country's national cinema?

6. Should funding agencies, such as Film Funds 1 and 2, retain a share of copyright? My view is that they needn't once a film has been completed and is in distribution. Until then, some form of ownership or security in the copyright is needed, to safeguard the investment. But after that, recoupment and other rights can be covered off by contract.
7. Should Film Funds 1 and 2 aim to receive a share of returns? My view is, yes, they should certainly bargain for this. We have found that, in order to be taken seriously by other investors, we should be providing at least 25% of the budget, and be taking a pretty equal (pro-rata) share of the returns. If we do that, then we are in a position to make our view heard by other investors, when it counts. We can use that position to assist the interests of the Kiwi film-maker – as we did in "River Queen" when we were able to help secure Vincent Ward's return on a basis sufficient to have him recognised again as the director of the picture.

I should add that I'm not expressing a view on whether other publicly-funded entities should seek recoupment. But I strongly believe that the Film Funds should at least try to act commercially.

8. Should there be film-makers on the boards of Film Funds 1 and 2? My answer is: in theory, yes; in practice, no. The Film Funds need to be able to take lots of fast decisions, in the midst of complex and tangled financial deals. Having only a few (four or five) members helps achieve speed and efficiency. So does the fact that those members share the same continuity of experience, film by film, with no-one having to declare a conflict of interest and stand aside.
9. What of the future? Where does the march of technology leave entities like Film Funds 1 and 2? Last Saturday there was a news story about Robert Redford and the Sundance Institute. He is commissioning six film-makers to make short films, up to five minutes long, for use by 700 mobile phone companies in 215 countries. Where does this lead?

It's hard to say. And trying to do so nearly always appears ridiculous, in retrospect. But I can say that a project which Film Fund 2 is about to consider has a total budget of about one-third of those previously considered by Film Fund 1. It's like the early days again.

So budgets, films, and their formats may change, and we'll have to be flexible. But personally, I hope that the future still allows a place for 90 to 130 minute features, destined for proper cinemas.

We'll see. Television did not kill off newspapers and radio, as predicted. There are still postal services, despite e-mail and the internet.

And I would still like to be able to see films like "Whale Rider", "River Queen", "The World's Fastest Indian", as well as, say, "King Kong" and "In My Father's Den" on the big screen.

10. A tribute. I greatly admire all those myriad film-makers who risk so much in the pursuit of their bold visions and brave dreams. I admire their courage, their tenacity, their ability to subsist on threatened or negative bank balances.

And I'd like to pay a tribute, too, to all those many people who have served in a support role, either at Board level or as part of the Executive, on entities such as the Film Commission, the Film Fund and other bodies that exist to support those whose careers are devoted to creative work in film and television.

The effort is worth it. "Per ardua ad astra". (Through adversity to the stars.)

11. And finally, back to the feature film industry as such. What does the industry need most of all? My answer is: experienced producers. There is only a handful of them with the experience necessary to take on projects of the size and complexity of the larger films we have seen in the past few years. I admire their optimism and their courage. I think, for example, of John Barnett, Tim Sanders, Gary Hannam, and a few others. And – perhaps especially – of the beleaguered Don Reynolds who was the stressed but unyielding lynch-pin of “River Queen”, when almost everything was falling apart. It looked a bit like Dante’s “Inferno” to me. And the embers are still warm.

So how do we all protect this endangered species, the experienced producer? By trying to ensure that there are more of them, by helping to make more New Zealand films that count. That’s how.

12. And here is a post-script. Vincent Burke and I have pooled our recollections of one of John O’Shea’s more graphic laments. It goes like this (with John’s trade-mark, dramatic stammering on a selection of the initial consonants):

*“Film producers are like trapeze artists,  
high above, flying in trust and in hope  
towards a funding partner –  
who has decided not to fly.  
So you free-fall, and find  
that some bastard has forgotten  
to put the fucking safety net up.”*

Thank you for listening.

16 November 2006

David Gascoigne