



MEDIA RELEASE

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New Zealand's Talent and Expertise Resonates Internationally

James Cameron's *Avatar* is turning out to be the biggest film in the history of cinema and the concept visual effects by Weta Digital will be even more renowned throughout the filmmaking world as a result, says SPADA, the Screen Production and Development Association of New Zealand.

"We will look back and see that the significance of the work on *Avatar* by Weta Digital heralds a completely new phase in New Zealand filmmaking," says SPADA CEO Penelope Borland. "As Weta Digital's senior visual effects supervisor Joe Letteri has said, *Avatar* is the first major international film to come to New Zealand purely for the technological filmmaking knowledge built up here, rather than primarily because of New Zealand's advantages as a location for shooting. James Cameron credits Weta for their ingenuity, flexibility and capability.

"This is exactly where we need to be as a country – renowned for our technological know how, creativity, talent and positive, can-do attitude. The success of *Avatar* will resonate around the world and alongside that New Zealand's huge advances in intellectual property in the film industry," says Ms Borland. In addition the success of *Avatar* is likely to attract much more international work into New Zealand because of our technology, creativity and our own leading edge intellectual property developed by Weta Digital.

Criticism of *Avatar*'s box office success relative to the New Zealand Large Budget Screen Production Grant (\$44.69 million) it received was short sighted, says Ms Borland. *Avatar* was also potentially a huge risk financially and the direct spend of \$307 million in New Zealand, entitling the production company to 15% of direct qualifying spend from the Large Budget Screen Production Grant for films of more than \$15 million, is exactly how it works elsewhere in the world. In fact New Zealand now has one of the more modest rebate schemes for international productions.

Calls to cap the Large Budget Screen Production Grants Scheme are counterproductive, says SPADA, and that would encourage international productions to go elsewhere, as there would be uncertainty around whether there will be sufficient funds left to provide a 15% grant on further large productions.

The governments who introduced the Grants Scheme and continue to support it have shown sound judgement. As Gerry Brownlee said last year "can anyone tell me what's wrong when we put up 15% and they give us 85%?" If \$300 million was spent on *Avatar* in New Zealand, mostly on salaries and personnel, it's also likely the government collected more than \$50 million in tax. Foreign earnings for the screen production industry were \$542 million last year (Statistics New Zealand).

"The film industry is one of this country's major strengths internationally. If the Large Budget Screen Production Grants Scheme was capped, the likelihood is that New Zealand would go off the radar and the work go elsewhere at the very time when our star is shining very brightly," says Mrs Borland.

Recent PriceWaterhouseCoopers research: *Economic Impact of the Film and Television Industry* (2009) in New Zealand found that the film and television industry contributes \$2.5 billion to the New Zealand economy and contributes additional financial benefits to the country by enhancing international awareness and equity in the New Zealand brand.

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For further information please contact:
Penelope Borland: 04 939 6934

SPADA, PO Box 9567, Wellington, New Zealand
T: +64 4 939 6934, F: +64 4 939 6935
www.spada.co.nz