

Screen Industry Survey: 2011/12

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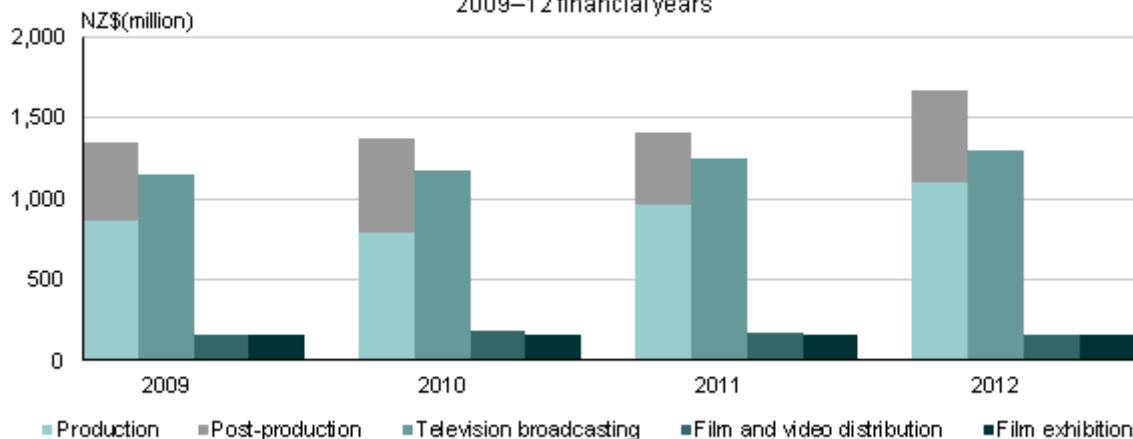
Key facts

In 2012, compared with 2011:

- New Zealand screen industry revenue rose 10 percent, to \$3.29 billion.
- Feature film revenue rose 47 percent, to just over \$1 billion (more than half of all production and post-production revenue).
- Television broadcasting revenue grew 4 percent, to \$1.30 billion.
- Over 500 one-off or stand-alone television programmes were completed.

Gross revenue of screen industry businesses

By industry sector
2009–12 financial years



Source: Statistics New Zealand

Geoff Bascand
Government Statistician

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Commentary

- [Screen industry revenue breaks through \\$3 billion in 2012](#)
- [Regional profile of post-production activity](#)
- [Revenue from North America vital to international investment](#)
- [Kiwis' love of the big screen survives Rugby World Cup](#)

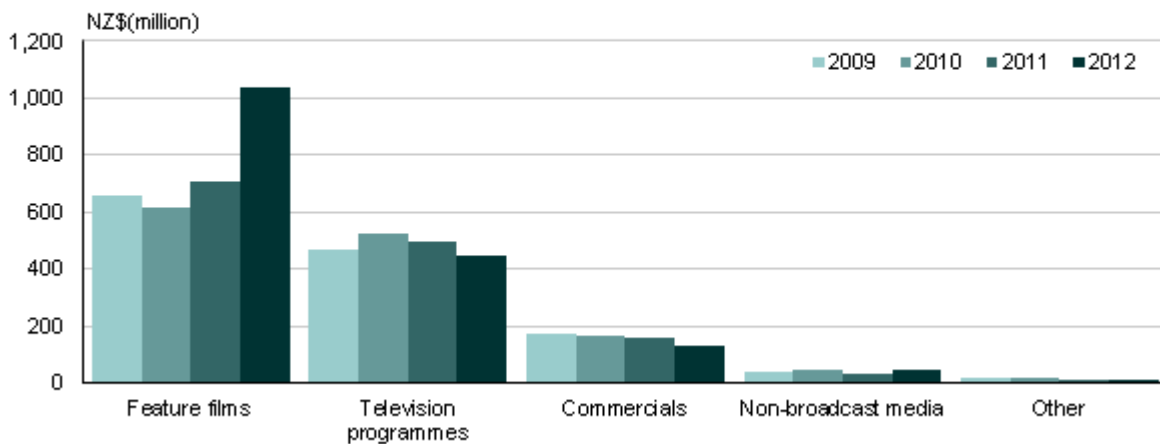
Screen industry revenue breaks through \$3 billion in 2012

Increased revenue from the production and post-production sector helped push gross revenue in the New Zealand screen industry to \$3.29 billion in 2012. Just over half came from the production and post-production sector, which grew almost 20 percent to reach \$1.67 billion. The production and post-production sector is responsible for content creation, which includes making films and television programmes. Within this sector, the largest percentage gain was made in post-production, which generated 31 percent or \$138 million more than in the previous year.

Greater production and post-production revenue was driven by a large increase in film revenue. Revenue generated by films rose to \$1.04 billion in 2012, up 47 percent from 2011. The number of businesses working on films also rose in 2012. Of the total 2,667 businesses in the production and post-production sector, 1,344 worked on film. This means that roughly half of all businesses in this sector were involved in creating films in 2012. The rise in the number of businesses is due to the project nature of film. Many businesses are established for a project's duration and close down when it is completed.

Gross revenue of production and post-production sector businesses

By production format
2009–12 financial years



Source: Statistics New Zealand

Revenue for broadcasting, another staple of the New Zealand screen industry, also rose – 4 percent in 2012. Film and video distribution revenue fell slightly, from \$176 million to \$157 million while film exhibition revenue was similar to 2011, at \$162 million.

Regional profile of post-production activity

The continuing success of 'Wellywood' played a significant part in the growth of New Zealand's film industry over the past year. Revenue from film in Wellington generated \$828 million in 2012, up 67 percent from \$495 million in 2011.

Crucial to Wellington is the region’s expertise in post-production. In 2012, Wellington was home to 60 percent of all post-production businesses in New Zealand, compared with 31 percent for Auckland and 10 percent for the rest of New Zealand.

More specifically, Wellington is a leader in digital graphics, animation, and effects. This includes digital production and cutting-edge 3D animation on blockbuster films and high-end commercials. In 2012, the Wellington region generated \$427 million from these activities. Total revenue from this activity was \$482 million. This means for every \$10 earned from digital graphics, animation, and effects, nearly \$9 was generated in Wellington.



1. Data unavailable in 2011 because questions on post-production were removed. They were re-introduced for the 2012 survey.

Source: Statistics New Zealand

Auckland region still remains New Zealand’s centre of television programming creation, accounting for the vast majority of total revenue from this format. In post-production, this made Auckland the hub for editing, captioning, and sub-titling. Auckland generated \$46 million in revenue from this activity in 2012. Nationwide, the total revenue from editing, captioning, and sub-titling was \$53 million.

Businesses outside the two main centres were involved in a much wider array of post-production activities.

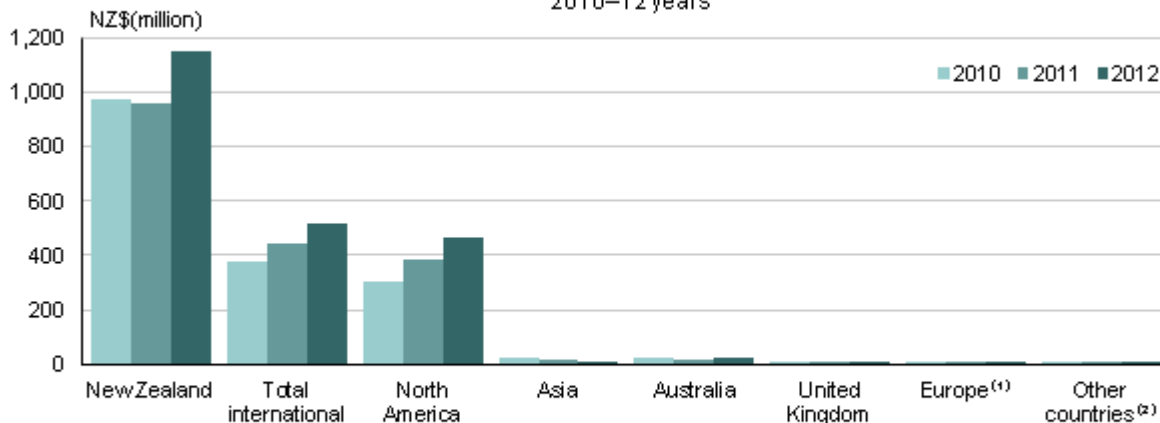
Revenue from North America vital to international investment

In 2011, total international revenue rose for the first time in four years. It grew again in 2012, rising 17 percent to reach \$517 million. This was mainly due to a 21 percent increase in revenue from North America, which was \$468 million in 2012.

Revenue from all other international sources fell \$5 million in 2012. The exception was Australia, where revenue rose 53 percent. The global financial crisis and the more recent financial unrest in Europe could have hampered overseas investment by making investors reluctant to finance screen projects.

Sources of revenue in the production and post-production sector

By region/country
2010–12 years



1. Data for Europe excludes the United Kingdom.

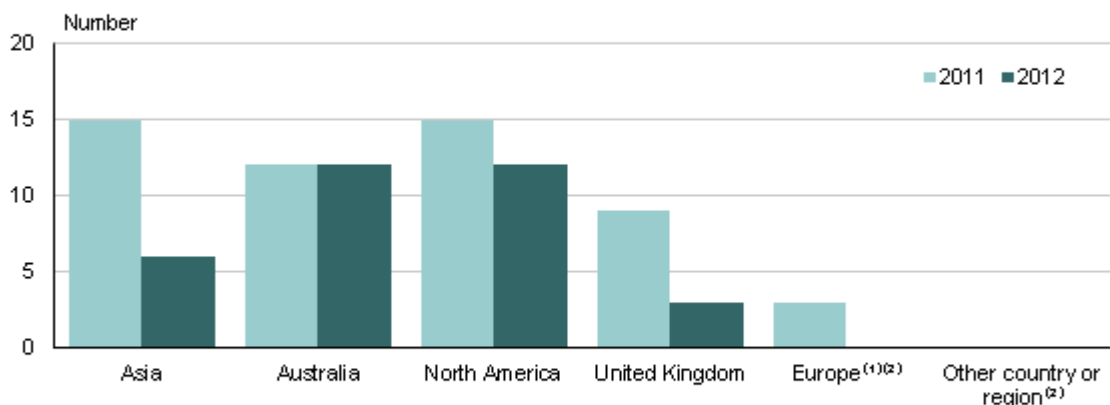
2. Data for Other countries is too small to be visible on the graph.

Source: Statistics New Zealand

Co-productions are another indicator of international engagement. A co-production involves two or more production businesses, at least one of which is located overseas, working together on a screen production. All businesses involved must make both a financial and creative contribution to the production. The countries that New Zealand businesses co-produced with in 2012 were similar to those in 2011. Australia and North America were the leading co-production partners. In contrast, the number of New Zealand businesses that co-produced works with a partner in Asia fell. Overall, 110 co-productions were completed in 2012, 10 fewer than in 2011.

Number of co-production business relationships

By region/country
2011–12 financial years



1. Data for Europe excludes the United Kingdom.

2. Due to rounding, data for Europe was zero in 2012; it was zero for 'other countries or regions' in both 2011 and 2012.

Source: Statistics New Zealand

Kiwis' love of the big screen survives Rugby World Cup

New Zealand is not only big on film making; its people also turn out to watch them. In 2010 a new record was set for annual box office takings. Most of this revenue was captured in the 2010/11 Screen Industry Survey, when film exhibition rose 6 percent to \$162 million.

In 2012, film exhibition revenue matched the previous year's high by remaining unchanged, at \$162 million. This was despite the welcome distraction of the Rugby World Cup in September and October 2011. The New Zealand Motion Picture Distributors' Association noted that cinema admissions during the Rugby World Cup declined, but this did not adversely affect film exhibition revenue for 2012.

Today, Kiwis can access a diverse range of films and new experiences. Technologies like digital and 3D screens offer a new dimension to going to the cinema.

For more detailed data see the Excel tables in the 'Downloads' box.

Definitions

About the Screen Industry Survey

The Screen Industry Survey measures the size and shape of the New Zealand screen industry, and the range of activities involved in it. The activities include film and television production, post-production services, motion picture distribution, film exhibition, and television broadcasting. Statistics New Zealand published data from the first survey in 2005.

More definitions

ANZSIC: the Australia and New Zealand Standard Industrial Classification is a system classifying industries by industry group. The 2006 version is used in this survey.

Broadcasting: the distribution of works through media such as television or the Internet.

Business Frame: a register maintained by Statistics NZ of all businesses operating in New Zealand.

Contracting activity: activity that contributes to a work for which another business has production responsibility.

Digital technology: a measurement in terms of the use of digital exhibition (eg digital cinema) and digital broadcasting (eg digital television broadcasting).

Distribution: the process of delivering the completed work for display to the public market. This includes marketing the completed work.

Economically significant business: one that meets at least one of these criteria:

- has greater than \$30,000 annual GST expenses or sales
- 12-month rolling mean employee count greater than three
- is part of a group of enterprises
- is registered for GST and involved in agriculture and forestry
- over \$40,000 of income recorded in the IR10 annual tax return (this includes some units in residential property leasing and rental).

Employees: the number of employees as defined by a business' rolling mean employment (RME) count. RME is a 12-month moving average of the monthly employment count figure, obtained from taxation data, and related to PAYE. RME does not include those who are not paid PAYE, such as contract staff, and owner operators.

Enterprise: a business or service entity operating in New Zealand. It can be a company, partnership, trust, estate, incorporated society, producer board, local or central government organisation, voluntary organisation, or self-employed individual.

Exhibition: the display of a completed work to the public at pre-set locations, such as cinemas or museum displays.

Funding and financing: direct investment made by government and private organisations that specifically target a single project or series of projects, to aid with costs and to enable production. This includes production investment provided to businesses.

GST: goods and services tax.

Gross revenue: the measure of total turnover relating to a particular variable. It measures all transactions and money flows, including internal transactions. The screen industry is measured using turnover, rather than net revenue earned by the industry.

Imputation: the process of accounting for missing values in the data, either per question, or for whole unit responses.

Non-broadcast media: works intended for a specialised audience, such as corporate, marketing, training, or educational media.

Producing: business activity on a work for which the business has end-to-end responsibility. This does not preclude the business contracting aspects of the overall production to other businesses.

Production: all work leading up to and including filming. This includes development, pre-production, and principal photography.

Post-production: all activities involved in putting together scenes to make a production complete; for example editing, duplication, visual effects, and audio.

RR3: randomly adjusting values up or down to a number divisible by three, otherwise known as random rounding to base 3.

Screen industry: all aspects of the industry included in the Screen Industry Survey. All businesses and activity involved in creating screen content (production and post-production), and the display of such works (distribution, exhibition and broadcasting) are part of the survey.

Weighting: where a response is not received by a business, other businesses with similar profiles are given a weight to represent the missing unit's business activity.

Related links

Upcoming releases

The *Screen Industry Employment Series: 2012* will be released in November 2013.

The *Screen Industry Survey: 2012/13* will be released in April 2014.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all our upcoming information releases by date of release.

Past releases

See [Screen Industry Survey](#) for links to past releases.

Related Information

[The Data Book](#) is New Zealand's only directory of the screen production industry. It provides free listings for businesses and individuals involved in screen production in New Zealand.

[The Motion Picture Distributors Association of NZ](#) provides information on box office takings in New Zealand.

The [Ministry of Business, Innovation, and Employment](#) supports the development of the New Zealand screen industry.

[Screen Production and Development Association \(SPADA\)](#) is an industry body that represents screen production, post-production, distribution and broadcasting in New Zealand.

[New Zealand Film Commission](#) supports the production, distribution and exhibition of New Zealand films.

[Film New Zealand](#) facilitates New Zealand as a film destination.

Data quality

Period-specific information

This section contains data information that has changed since the last release.

- [Population selection](#)
- [Response rates](#)
- [Reference period](#)
- [Questionnaire changes](#)

General information

This section contains information that does not change between releases.

- [Target population](#)
- [Data collection](#)
- [Criteria for population selection](#)
- [Data processing](#)
- [Quality of data](#)
- [Interpreting the data](#)
- [Consistency with previous releases](#)
- [Confidentiality](#)

Period-specific information

Population selection

The population for the Screen Industry Survey 2012 was 2,805 businesses. This is similar to 2011 (2,739 businesses).

In some cases, information about contractors was supplied by their employer. This improved the quality and consistency of responses, but also increased the number of contracting businesses in the population. Please refer to 'Criteria for population selection' below for further detail.

Response rates

The target response rate for the Screen Industry Survey 2012 was 75 percent and an overall response rate of 76 percent was achieved.

Some businesses were identified as key units if their response to a survey question was considerable in the previous year, or if GST figures suggested that they would significantly affect the results in the current year. The target response rate was 100 percent for businesses identified as key units. In practice, a 99 percent response rate was achieved.

Reference period

The reference period for the survey was the 2011/12 financial year. Businesses with balance dates falling between 1 January and 30 September supplied financial data for the year ending 2012. Businesses with balance dates falling between 1 October and 31 December supplied financial data for the year ending 2011.

Given the transitory nature of businesses in the industry, any business that stopped operating before 1 April 2011 or that started up after 31 March 2012 was excluded from the population.

Questionnaire changes

The Screen Industry Survey has been run since 2005. While key questions are retained, some questions have been removed and others added, as a result of the information data users require. The key changes to the 2012 questionnaire were:

- the number of completed television programmes was split into 1) the number of series completed, and 2) the number of completed one-off / stand-alone television programmes.
- a New Zealand versus overseas breakdown was introduced for financing and funding for television programmes and feature films
- questions on the breakdown of post-production activity were reintroduced

Tables have been added, altered, or removed from the Excel files that accompany this release, as the changes require.

General information

Target population

The target population is defined as all economically significant New Zealand businesses involved in any screen industry activity. The screen industry encompasses all film, video, television, commercial, music video, and non-broadcast media activities in the aspects of production (including pre-production), post-production, distribution, exhibition, and broadcasting. All enterprises identified as part of the population are required to complete the questionnaire.

Data collection

The Screen Industry Survey is posted to all known businesses meeting the population selection criteria.

Criteria for population selection

For the purpose of this survey, the population includes all businesses that meet the economic significance criteria and fall within the Australia New Zealand Standard Industry Classification (ANZSIC 06) classifications listed below.

J5511 Motion picture and video production: businesses mainly engaged in producing motion pictures, videos and television programmes or commercials.

J5512 Motion picture and video distribution: businesses mainly engaged in acquiring distribution rights and distributing motion pictures and videos. These products are distributed (through leasing and wholesale channels) to a range of exhibitors such as motion picture theatres and television stations using a variety of visual media.

J5513 Motion picture exhibition: businesses mainly engaged in screening motion pictures using a variety of visual media. Included in this class are businesses screening productions at festivals and other similar events.

J5514 Post-production services and other motion picture and video activities: businesses mainly engaged in providing post-production services and other motion picture and video activities, including specialised motion picture or video post-production services such as editing, film/tape transfers, titling, subtitling, credits, closed captioning and computer-produced graphics, animation and special effects, as well as developing and processing motion picture film.

J5621 Free-to-air television broadcasting: businesses mainly engaged in free-to-air television broadcasting of visual content, in the form of electronic images together with sound, through broadcasting studios and facilities. These businesses may also produce or transmit visual programming to affiliated broadcast television stations, which in turn broadcast the programmes on a pre-determined schedule. Transmissions are made available without cost to the viewer.

J5622 Cable and other subscription broadcasting: businesses mainly engaged in broadcasting television programmes on a subscription or fee basis (such as subscription cable or satellite television broadcasting) to viewers.

J6020 Other information services: businesses mainly engaged in providing other information services.

Additional population selection

To ensure that as much of the target population as possible is covered in the survey, the selection from ANZSIC classifications above is supplemented with businesses listed in The Data Book (New Zealand's Screen Production Directory) and matched to businesses on the Business Frame.

Exclusions to the population

Any business primarily undertaking activities not directly related to the process of making or screening a screen production is excluded from the population.

Businesses and individuals providing acting services and recruitment are excluded. Other examples of excluded businesses are those providing services to crew (accommodation and catering), services to office management (accounting and legal), and services that support the industry but are not involved in screen productions (educational bodies, film libraries, and film trusts).

Businesses that supply services to the industry but not on an exclusive basis are also excluded. These businesses (which include builders and vehicle hire) are excluded as information is unlikely to be easily isolated from other business activities.

The following ANZSIC06 classifications are excluded from the population:

G4242 Entertainment media retailing: businesses mainly engaged in retailing audio tapes, compact discs, computer games, digital versatile discs, or video cassettes.

N7211 Employment placement and recruitment services: businesses mainly engaged in listing employment vacancies and in referring or placing applicants for employment in any field.

L6631 Heavy machinery and scaffolding rental and hiring: businesses mainly engaged in hiring, leasing, or renting, without operators, heavy machinery and scaffolding (including mobile platforms) from stock physically held for the purpose.

Adjustments involving goods and services tax

Published dollar values in the Screen Industry Survey exclude GST. The vast majority of respondents give GST-exclusive figures. The remainder are adjusted during data processing.

Data processing

Checks are carried out on data to assess any inconsistencies between questions. Where inconsistent data is uncovered, it is either corrected based on existing information, or followed up with respondents.

The following outlines the imputation methodology used in the Screen Industry Survey 2012.

Unit non-response: occurs when businesses in the survey do not return the questionnaire, or do not answer all the predefined key questions (whether they are a producer, contractor, distributor, exhibitor, or broadcaster).

Non-response is compensated for by using weight adjustment. The weight adjustment is used to 'weight up' the responding firms to compensate for the non-responding firms in the same weighting cell. Initial selection weights are multiplied by a non-response factor to give the adjusted weight.

Weighting cells are based on ANZSIC06, annual GST turnover, and region. Separate weighting cells are created for key units within each ANZSIC group.

Historical imputation is used where weight adjustment significantly over- or underestimates a unit that otherwise has little variation in its previous survey data. In these cases, the values from the previous return may be imputed for the current year – to account for the missing data.

Item non-response: Responding businesses that do not complete one or more questions that they should have are treated as item non-responses, and have their missing variables imputed.

Imputation cells and merging: businesses are assigned to imputation cells for calculating and assigning a new weight. Imputation cells are based on the main activity of the business, annual GST turnover, and region. Separate weighting cells are created for key units within each ANZSIC group. To ensure robust calculations are applied, minimum constraints allow groups to merge imputation cells until sufficient responses are achieved, or constraints met.

Imputation of numeric variables: The imputation methods used are weighted mean imputation and donor imputation.

For totals and other key numeric variables, a weighted mean is calculated from linked responding units for each numeric linecode within each imputation cell. Data for non-responding businesses is then imputed with the weighted mean for their imputation cell.

Donor imputation randomly selects a donor from within each imputation cell. The non-respondent's data is then imputed with the value(s) from the donor. Donor imputation is used to impute components and percentages so the distribution is maintained.

Imputation of categoric questions: For categoric imputation, the method used is donor imputation. A donor is randomly selected within each imputation cell and the non-respondent is imputed with the value(s) from the donor.

Quality of data

As the Screen Industry Survey is a census rather than a sample survey, the data is not subject to sample variability, and there is no sample error. However, other inaccuracies, such as non-sampling errors, may affect the data.

Non-sampling error occurs for reasons such as respondent error, interpretation variations, frame quality, and errors in processing. Imputation methodologies are used to incorporate data from non-respondents, which may introduce some error to results. While every effort is made to minimise these types of error, they may still occur. It is not possible to quantify their effect.

The risk of non-sampling error is reduced by careful design and thorough testing of questionnaires, efficient operating systems and procedures, and appropriate methodology.

The survey data is compared with annual reports, websites, trade data, and other indicators published by Statistics NZ. Where the survey results differ substantially, the data is studied in more detail. In some cases, exact comparisons are not possible due to differences in timing or definition.

Interpreting the data

Sector breakdown

Throughout this release, the screen industry is classified to the following groups: production and post-production, broadcasting, distribution, and exhibition. Classification in these groups is determined by revenue activity (including expenditure activity in the case of the production and post-production sector).

Structure of screen industry

The production and post-production sector can be further defined by the relationship of the business with the work being created. Producing is activity carried out on works that are the end-to-end responsibility of that business. Contracting is activity carried out on works being produced by another business. This means that a business may generate revenue from producing (work on its own productions) and contracting (work contributing to another business' production) in the same year. Business counts for those involved in producing or contracting may change from year to year as business activity changes.

Revenue as a measure of industry activity

Total revenue is the measure used to define activity in the screen industry. Each business is asked to report their revenue in each sector, including the production and post-production sector, exclusive of their relationships to other businesses.

While revenue is a valid measure of activity, it does not account for the relationships between businesses within the industry. In an industry with many contracting and sub-contracting relationships, there is a high likelihood of some double-counting in the totals.

Consistency with previous releases

Contracting: is activity that contributes to a work that another business has production responsibility for. This includes the contracted supply of services related to any aspect of

production or post-production activity. It also includes the contracted supply of industry-specific equipment or facilities. In previous releases, this was defined as the business type 'Contracting businesses'. However, a business may undertake both contracting and producing activities in a single year. Therefore, referring to the activity, rather than a business structure, provides a more accurate understanding of activity in the industry.

Producing: is activity on a work for which the business has end-to-end responsibility. This does not preclude the company subcontracting parts of that work. In previous releases, this was referred to as 'screen production company' activity. This could potentially mislead data users to believe that the total revenue of these businesses was limited to the amounts in this column. Therefore, referring to the activity, rather than a business structure, provides a more accurate understanding of the revenue sources and activity in the industry.

Regional business location: a regional-base location is derived from the data to provide some understanding of the regional distribution of businesses in the screen industry. This is determined by using the reported physical location of each business. Where a business has more than one location, the location with the largest rolling mean employment count is used. This means that a business generating screen activity from more than one location has all that activity recorded against the designated regional-base location only.

Confidentiality

Data published from the Screen Industry Survey 2011/12 must conform to the provisions of the Statistics Act 1975. Statistics NZ must publish data so that no individual can be identified.

See [privacy, security, and confidentiality of information supplied](#). The confidentiality process may result in a total that differs slightly from the sum of the contributing cells.

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Revisions

A small number of screen industry figures for the 2011 financial year have been revised in this information release. We made these revisions at the unit-record level because more information became available, allowing us to make the figures more accurate. This information came directly from respondents.

Revisions are marked 'R' in the downloadable tables.

Contacts

For media enquiries contact:

Hamish Hill
Wellington 04 931 4600
Email: info@stats.govt.nz

For technical information contact:

Richard Todd
Wellington 04 931 4600
Email: info@stats.govt.nz

For general enquiries contact our Information Centre:

Phone: 0508 525 525 (toll-free in New Zealand)
+64 4 931 4600 (outside New Zealand)
Email: info@stats.govt.nz

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Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Gross revenue and counts of screen industry businesses, by sector
2. Distribution of businesses in the screen industry, by gross revenue range and sector
3. Gross revenue of production and post-production sector businesses, by production format and business activity
4. Financing and funding received for producing, by production format
5. Sales by producers, by production format and income source
6. Gross revenue received by production and post-production sector businesses, by source country/region and business activity
7. Gross revenue of screen industry businesses, by sector and region
8. Gross revenue of production and post-production sector businesses, by production format and region
9. Number of completed screen industry works, by production format
10. International co-productions completed

Supplementary tables

The following tables provide breakdowns of screen industry activity at the national and regional levels. They can be downloaded from the Statistics NZ website in Excel format.

Screen Industry Survey: 2011/12 – national tables

- N1 Gross revenue of screen industry businesses, by sector
- N2 Screen industry businesses, by sector
- N3 Distribution of businesses in the screen industry, by gross revenue range and sector
- N4 Location of screen industry businesses, by region
- N5 Number of completed screen industry works, by production format
- N6 International co-production partners, by country or region
- N7 International co-productions completed
- N8 Gross revenue of production and post-production sector businesses, by production format and business activity
- N9 Production and post-production sector businesses, by production format and business activity
- N10 Gross revenue of production and post-production sector businesses, by country/region and business activity
- N11 Post-production revenue, by post-production activity
- N12 Post-production revenue, by source country and business activity
- N13 Location of producer businesses, by region
- N14 Gross revenue from producing, by type of revenue
- N15 New Zealand funding and financing received for producing, by source
- N16 Financing and funding received for producing, by production format
- N17 Sales by producers, by production format and source
- N18 Expenditure on producing, by production format
- N19 Expenditure on producing, by region
- N20 Digital technology used by broadcasting, distribution, and exhibition sectors
- N21 Distribution of revenue in the screen industry, by business size and sector

- N22 Origin of labour in the screen industry, by source country/region
- N23 Employment in the screen industry, by sector
- N24 Purchase or upgrade of equipment and facilities by screen industry businesses, by main use
- N25 Perception of cost movements over the last financial year, by sector
- N26 Relationship between sectors, by sector

Screen Industry Survey: 2011/12 – regional tables

- R1 Gross revenue of screen industry businesses, by industry sector and region
- R2 Screen industry businesses, by industry sector and region
- R3 Gross revenue of production and post-production sector businesses, by production format and region
- R4 Production and post-production sector businesses, by production format and region
- R5 Financing and funding received for producing, by source and region
- R6 Post-production revenue, by region and post-production activity
- R7 Post-production businesses, by region and post-production activity