



NEW ZEALAND  
FOREIGN AFFAIRS & TRADE  
Manatū Aorere

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# Through smoke and uncertainty: strengthening New Zealand's future in film

MARKET INTELLIGENCE REPORT

# Summary

- January's 2025 Los Angeles wildfires, which claimed 29 lives and destroyed over 16,000 structures, have undoubtedly impacted the film industry. Many industry professionals lost their homes, some productions were cancelled or paused, and awards ceremonies were postponed. Campaigns like "Stay in LA" urge state leaders to provide further production incentives to aid industry recovery, especially at a time of heightened global competition for film and television projects. The impact of the fires, however, is relatively isolated, compared to the sustained and disruptive impact of the 2023 Hollywood strikes.
- For New Zealand, 2024 was a buoyant year for in-bound film productions. The New Zealand Film Commission (NZFC) visited Los Angeles in November 2024, with a follow-up visit planned for March and April 2025, to help ensure that New Zealand continues the momentum of remaining connected to both established and new industry contacts in Hollywood in 2025.
- Given US productions account for around one third of the New Zealand screen sector's revenue, the New Zealand industry efforts to retain strong in-bound film productions are important, especially through periods of industry disruptions. NZFC is working to reconnect New Zealand's screen sector businesses with Hollywood giants, with support from the New Zealand Consulate-General in Los Angeles. Emphasising New Zealand's strong support for the film industry, the New Zealand Screen Production Rebate, world-class talent and facilities, connectivity, and competitive costs, NZFC is positioning New Zealand as a strong film destination.

# Report

## United States' film industry market dynamics

The United States is the most established filming location in the world for film and TV, however the last few years have been tumultuous for the sector.

The Hollywood strikes from May to November 2023 dealt a severe blow to the industry. California's screen sector lost NZ\$11 billion as studios shut down, leading to 45,000 job losses, a 30% drop in screen production, an 18% decline in global box office sales, and streaming platform losses of NZ\$870 million. An industry contact recently shared that while these strikes led to the halting of production and progression of the screen industry for nine months, it took at least another 9 months to relaunch planned productions and the impacts of this disruption are still being felt now.

Post-strike, Hollywood's demand for production incentives has intensified, with producers increasingly looking beyond California for cost-effective filming destinations. Within the US, California faces stiff competition from states like Georgia (where rebates are uncapped), New Mexico (where Netflix owns studios) and New York (which has increased its rebate to NZ\$1.2 billion). International competition is also fierce (including from countries like Australia, Ireland, the UK, and Canada).

On October 27, 2024, California Governor Gavin Newsom and Los Angeles Mayor Karen Bass [announced a proposal](#) to more than double California's existing Film and Television Tax Credit Program from NZ\$572 million to NZ\$1.3 billion. This increase is designed to reverse the outflow of productions. New York, Georgia, Ireland, and the UK also implemented favourable tax incentives, with productions in these regions increasing by as much as 60-200% over 2023. Newsom's revamped Tax Credit Program cuts red tape for studios and supports the development of 8.1 million square feet of new production space to Los Angeles, signalling a strong commitment to keeping production local to firmly secure Hollywood's legacy as the preeminent film location. If [passed by the California legislature](#) this year, the expanded subsidy would be the second most generous offered by any US state, after Georgia.

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## Los Angeles Wildfires 2025

The January 2025 Los Angeles wildfires, which claimed 29 lives and destroyed over 16,000 structures, negatively impacted the film industry. Many industry professionals lost their homes, and some productions were cancelled or paused. The total economic

damage to the film industry from the wildfires remains unclear for now.

The fires impacted the 2025 awards season, with the 30th Critics' Choice Awards postponed by almost a month and the 97th Academy Awards nominations postponed. Postponing these events can negatively impact box office numbers and can also reduce revenue as production companies try to keep audiences interested for longer.

To help Los Angeles film industry recover, nearly 20,000 people - including actors Keanu Reeves, Zooey Deschanel and Kevin Bacon – have signed a "Stay in LA" petition urging the state's leaders to completely remove caps on production tax incentives for Los Angeles County. This is part of a campaign urging California to use its emergency powers to boost tax incentives even further for the next three years.

Hollywood's studios and streaming services have donated more than NZ\$121m to fire relief efforts, and turned award season gatherings into major fundraisers. Both the 2025 SAG Awards and Academy Awards hosted firefighters and included significant acknowledgements of their efforts to combat the wildfires.

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## New Zealand's Big Picture

The US remains the key driver of New Zealand's inbound screen industry. New Zealand's film sector generates NZ\$3.5 billion annually, with around one third of revenue generated from the United States.

In 2023, US productions accounted for NZ\$1.33 billion in qualifying New Zealand expenditure, far exceeding the NZ\$200 million provided in rebates and incentives, revealing the significance of incentives. On 31 August 2023, the New Zealand Government updated its Screen Production Rebate (SPR), refining the 5% Uplift (an additional rebate on top of the standard 20% international rebate). The update included:

- Simplifying the 5% Uplift rebate criteria and process.

- Returning the Post-Production, Digital, and Visual Grant to 20% to enhance competitiveness.
- Lowering the qualifying expenditure threshold for the Post-Production, Digital, and Visual Effects Grant from NZ\$500,000 to NZ\$250,000 to benefit smaller productions.
- Expanding additional incentives, including environmentally sustainable practices, digital and animation projects, and small-scale productions.
- Introducing a Māori support crew carve-out to encourage Māori participation in the industry.

The flow on effect of the 2023 strikes jeopardized up to NZ\$900 million in revenue, revealing the impact of US industry disruptions on New Zealand. Of this, however, 2024 saw a resurgence of previously stalled international productions, including Chief of War,

Spartacus, and Minecraft (featuring Jason Momoa and Jack Black). While 2024 was a strong year for inbound productions, sustaining this momentum into 2025 and beyond remains a priority. The economic ripple effect of filming, VFX, and post-production spending benefits local businesses across the country.

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## New Zealand Film Commission in Los Angeles

From 18-22 November 2024, NZFC visited Los Angeles to reinforce New Zealand's strengths as a film production destination, including highlighting New Zealand's world-class crew, diverse talent, commitment to quality, and agility in accommodating productions (e.g. closing roads for filming). NZFC and the Consul-General in Los Angeles hosted two key industry events at the Official Residence for leading executives from major production companies, some of whom had recent experience filming in New Zealand.

Senior executives noted that the 5% cash rebate uplift was a significant factor in their production decisions. One executive remarked that New Zealand was the only film destination where a production came in "under budget," citing the favourable exchange rate against the US dollar. Flight connectivity to New Zealand remains a challenge for Hollywood producers, but they acknowledged that New Zealand still holds an advantage over other competitors. Many highlighted New Zealand's skilled support crews and world-class craftsmanship, with the Māori influence adding a unique cultural element to the filming experience.

For 2025, New Zealand has secured the production of 'Heart of the Beast', starring Brad Pitt, which began filming in Queenstown on March 3 and is schedule to conclude in May 2025. The Paramount film - directed by David Ayer and written by Cameron Alexander - follows a former Navy SEAL and his retired combat dog as they struggle to return to civilisation after an accident leaves them stranded in the Alaskan wilderness. NZFC worked with Paramount and New Zealand entities to ensure the crucial animal casting and training component remained with New Zealand companies.

NZFC and Screen Auckland are planning further visits to Los Angeles in 2025 to maintain engagement with key Hollywood decision-makers and further strengthen New Zealand's position in the global film industry.

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