#NZCREATIVITYCOUNTS

WeCreate

Creative Export Explainer

Our $16.3bn Creative Ecosystem can help double New Zealand's export value.

March 2025

wecreate.org.nz

From *Lord of the Rings* to *Lorde*, *Flight of the Conchords* to *The Power of the Dog*, *Eleanor Catton* to *Rose Matafeo* and *Thomasin McKenzie*, *Path of Exile* to the many original pathways *Taika Waititi* has taken in his creative career – New Zealand has already produced multiple world-leading creative export superstars.

Yet our creative businesses often do not export in the same way as more traditional goods and services – their business models, market characteristics, and trade barriers can differ considerably from what New Zealand is used to, but in an increasingly digital age, their potential to grow our economy is huge.

'The people of New Zealand embrace a challenge. They take incredible pride in their work. And they work tirelessly to deliver something that is even beyond our expectations' - Jon Landau, Producer, Avatar

This page: Lorde | Photo by Lauren Tepfer
Cover: Darkroom Motion Graphics Studio | Sunburn Festival, Goa, India

Flox | Artist

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Introduction

In 2023, the entertainment and media (E&M) industry recovered its balance. In the face of economic headwinds and technological disruptions, total global revenue rose 5% to US$2.8 trillion – easily outpacing overall economic growth. Over the next five years, the E&M complex will grow at a more muted 3.9% CAGR, in 2028, total revenues will top US$3.4 trillion.

Disruption, presenting opportunities and risks, continues to break over the sector. Linear value chains are disaggregating as we move into a world dominated by digital ecosystems.

PwC's 'Perspectives from the Global Entertainment & Media Outlook 2024-28'

The McKinsey Global Institute's *'The Next Big Arenas of Competition'* report (2024) projects that eighteen high growth industries are likely to reshape the global economy, and generate USD$29 trillion to USD$48 trillion in revenues by 2040. These industries include:

- Digital Advertising
- Streaming Video
- Video games

New Zealand will find it very difficult to achieve the government's goal of 'doubling the value of its exports' through a primary focus on trade in traditional goods, which face significant supply chain and export risks and barriers such as increasing protectionism in other countries, geo-political tensions, rising competition in the world market, and the impact of climate change on production and distribution.

We have an unrealised opportunity to grow export revenues, and enhance the international reputation and perceptions of our country brand ('soft power'), through shifting some of New Zealand's trade focus and intent to supporting creative, and particularly creative digital, exports – which largely do not face the same risks and barriers.

- New Zealand's creative exports were estimated by United Nations Trade and Development (UNCTAD) to be over US$2.5 billion (NZ$4.1 billion) in 2022. This would rank the sector as our fifth largest export earner that year[1].

- Much of New Zealand's creative export growth has come from creative services in recent years, growing at a compound annual average of 9% since 2015. This means that New Zealand's creative service exports have nearly doubled in value from 2015-2022 (UNCTAD 2022).

- The New Zealand Screen Production Rebate for International Productions is a driver of Foreign Direct Investment, and many of our other creative businesses are supported by foreign investment – notably in the Interactive and Screen industries.

- While these data are not available below the country level, we know that Auckland accounts for over 50% of New Zealand's creative industries employment and GDP. We also know that Auckland accounts for 60% of New Zealand's information media services exports, which include screen, publishing and web streaming industries, and they are the largest contributor to our creative sector exports (Infometrics).

- Tātaki Auckland Unlimited reported that international screen productions (i.e. creative exports) in Auckland from June to December 2024 were estimated to earn $350m of foreign exchange (before the NZSPR incentive of 20-25% is allocated).

- Māori creativity and values, from Māori-led businesses, are utilised in the design and marketing of many other New Zealand brands, goods and services.

[1]StatsNZ 2022 – 4th largest export Wood at $5.2bn and 5th largest export Fruit at $3.8bn.

New Zealand's Creative Export Economy

New Zealand's creative and cultural sector's contribution to GDP grew by 10% between 2022 and 2023 (vs 5.3% for the rest of the economy), yet this revenue was generated by only 4.3% of the total New Zealand workforce.[2]

- Most creative businesses can export globally, near-weightlessly, and often (because they are in the services sector) tariff-free.
- Many creative businesses can 'go global' from day one of launching a product or service.
- Many digital creative exports are effectively dependent on the dominant global tech platforms such as Apple, Alphabet(Google and YouTube), Steam, Amazon, Netflix and Spotify, to reach their customers. New Zealand does not have government trade relationships with these commercial platforms, although some other governments, such as Denmark's, do focus on these platform relationships via specific trade missions and national representation in Silicon Valley and other global tech hubs.
- Highly successful Kiwi creative exporters range from well-known large high-tech companies such as WētāFX , to lesser known individuals such as multi-billion-streaming songwriter/producers like Joel Little, and prolific author Nalini Singh. And there are some anomalous export successes in our creative ecosystem such as Legend Story – who are bringing in millions of dollars in export revenues from selling trading cards across the world.
- There is a marked absence in New Zealand of reliable data on export revenues generated by our creative, and especially creative digital, trade. Our industries and occupations are not accurately reflected in most government data, which means that neither industry, or government, have an accurate picture of what they are currently worth – nor what their potential might be.
- New Zealand is not currently well-positioned to compete internationally, nor make fit-for-purpose trade policy and agreements, for these 'industries of the future', unless changes are made in our trade agencies' understanding and recognition of our creative sector, and government's prioritisation of the sector as a high-potential economic contributor.

Our Minister for Economic Growth, Hon Nicola Willis recently gave her support in the media regarding the international success of Wetā FX, and has recognised the gaming sector's need for high skilled workers so that this 95%+ export-focussed industry can continue to deliver high value jobs and high productivity for New Zealand. At 2025's *Te Matatini* festival, the Minister also commented *'I like to think that Te Matatini can go global, this is a unique event, already some of the people from this competition take their talent to the world stage, I reckon there's huge capacity to build on that.'*

Minister Goldsmith's draft 'Amplify – a Creative and Cultural Strategy for New Zealand 2024-2030' (published October 2024) also states in support of creative exports that:

Government will partner with sector representative bodies to provide opportunities for the creative and cultural sectors to feature in trade missions, to support creative businesses and practitioners to succeed and contribute to New Zealand's international 'NZ Inc' brand. Creative trade missions and other forms of international cooperation will be used to support digital trade potential and build connections in markets with high demand for our creative output. This work will build on existing Cultural Cooperation Agreements with countries such as China, France and Italy, as well as New Zealand's 17 film co-production agreements.

Work to grow creative exports will include supporting Indigenous trade and investment that builds on existing trade agreements including the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA). Government will support Māori and Pacific creative and cultural practitioners to take advantage of the high level of international interest in their art forms, including supporting export opportunities.

[2] Infometrics Arts & Creative Sector profile for the Ministry for Culture & Heritage, March 2023.

Other countries have recognised the great potential of their creative exports, and have positioned them at the forefront of their export strategies - notably the UK, Ireland, South Korea and Australia.[3] What could New Zealand achieve with a dedicated creative export strategy, and a government trade system that supports, and has expertise in, creative trade?

[3] Refer page 38 for links to information about these strategies.

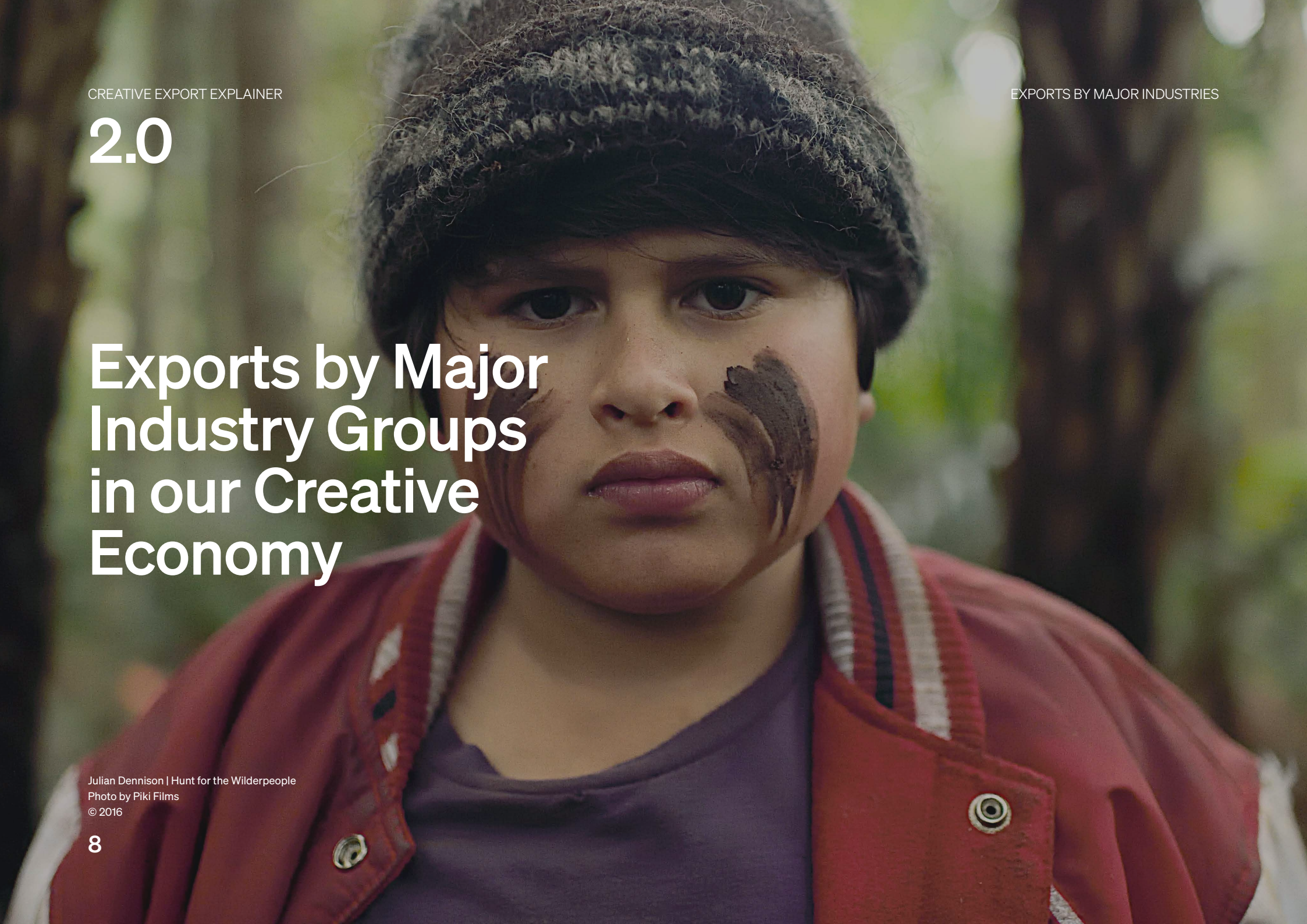
The UK's Creative Industries Trade & Investment Board's strategy 2022-2025 sets out their ambition to collectively achieve £78 billion in exports by 2030 [from £50bn in 2020 – 56% growth].

In October 2024, the UK launched 'Invest 2025 – The UK's Modern Industrial Strategy', which identifies the creative sector as one of eight growth-driving sectors. Ambitious and targeted Sector Plans will be designed in partnership with business, devolved governments, regions, experts, and other stakeholders, through bespoke arrangements tailored to each sector and where there is evidence that policy can address barriers to growth.

The UK is also leveraging its creative sector to boost its global 'soft power'. In January 2025, their Foreign and Culture Secretaries launched a Soft Power Council to help boost UK economic growth and security by bringing together experts from across culture, sport, the creative industries, and geopolitics; convened a Creative Industries Growth Summit; and announced a £60 million funding boost for their creative industries.

Visit Britain's latest global marketing campaign 'Starring GREAT Britain' harnesses the powerful draw of film and TV to inspire visits, and draw Foreign Direct Investment to Britain.

Exports by Major Industry Groups in our Creative Economy



Julian Dennison | Hunt for the Wilderpeople
Photo by Piki Films

Interactive Media

Into the Dead Video Game | PikPok

Globally, the video game industry is projected to grow to USD $189 billion in 2024[4]. Although New Zealand's market share may appear small at USD $333 million (NZD $548 million), the country punches well above its weight. The industry stands out with consistent double-digit annual growth, and average worker productivity surpassing NZD $499,500, underscoring its robust contribution to the national economy. The annual exports of the industry now exceed staples like pharmaceuticals, iron and steel, and wood pulp in importance for New Zealand.

[4]Newzoo: Global games market expected to grow to $189bn in 2024 | GamesIndustry.biz

Interactive media is the fusion of creative content and software code, delivering dynamic experiences that respond to user interactions rather than following a set script. This approach encompasses video games, interactive stories, virtual reality simulations, educational software, and serious games, each benefiting from New Zealand's strong capabilities in interactive design to create unique, personalised experiences.

Approximately **97% of New Zealand's interactive media revenue is generated through exports**, primarily from locally developed intellectual property distributed on global digital storefronts like Steam (Valve), PlayStation (Sony), Xbox (Microsoft), iOS App Store (Apple), and Google Play. These platforms manage some of the complexities traditionally involved in exporting, including payment processing, distribution, customer support, and licensing. These services are paid for by the game developer through a deduction of a percentage of each sale. This fee is set by the platform. However, developers must still navigate localisation, content classification, and regulatory compliance.

The potential of interactive media goes far beyond entertainment, with New Zealand companies leading in sectors like marketing, education, and architecture. For instance, games are widely used to teach health and safety protocols in construction, while virtual reality provides specialised training for aviation engineers. Additionally, New Zealand game developers are innovatively incorporating Māori storytelling, creating culturally resonant experiences that foster language preservation and intergenerational learning.

In educational media, interactivity is a powerful enabler of personalised, self-directed learning. Educational software can tailor lessons to each student's progress, preferences, learning style, and needs. Long-standing in the educational publishing industry, storytelling and creativity remain essential tools in conveying impactful learning. Gamified learning materials engage students in new ways, providing teachers with data-driven insights into student progress and achievement.

How Export Revenue is Earned

Export revenue is primarily generated through the sale of games, in-game purchases, and subscription services. Large studios and well-established companies often follow a traditional premium model, where games are sold directly to consumers at a set price on digital or physical storefronts.

Different types of game exports also impact revenue generation and audience reach. High-budget AAA games, which usually involve significant investment, are typically exported globally with the backing of established publishers and distribution partners, ensuring wide availability across major markets. In contrast, indie games may gain traction through organic growth and digital storefronts that allow for direct-to-consumer distribution without the need for traditional publishing partners. Games as a Service (GaaS) is another popular model, where ongoing content updates, seasonal events, and expansions allow companies to continuously monetise games post-launch. This model, often seen in multiplayer

and online games, not only sustains player engagement over time but also creates recurring revenue streams from international audiences.

PC Gaming

PC (personal computer) gaming is the top revenue generator for NZ games studios, accounting for 30% of developer income. These games generate initial revenue from full game purchases. Additional income may come from premium editions, collector's versions, and expansion packs.

Mobile Gaming

Mobile games are often free-to-play and generate income from in-app purchases, allowing users to enhance their gameplay experience by purchasing items, features, or virtual currency. This type of revenue accounts for 15% of industry income, though it can vary between developers depending on the platforms they choose to develop for. As with other digital business models, advertising is widespread and serves as a key revenue stream for many games. Players can watch ads to unlock rewards or progress faster, creating a dynamic where both engagement and monetisation are increased. Additionally, many mobile games offer premium versions, giving players the option to remove ads for a one-off or subscription-based fee, providing a more seamless experience. This model, which combines free access with optional payments, has proven highly effective, enabling game developers to reach a wide audience while encouraging spending from those who wish to personalise or enhance their experience. Typically, income streams from this revenue model peak around 18 months after a game's release.

Virtual and Augmented Reality

Virtual and augmented reality (VR and AR) have become significant segments within the game development industry, responsible for approximately 13% of the NZ industry's revenue. These immersive technologies offer players highly interactive and engaging experiences, transporting them into fully realised virtual worlds or enhancing their real-world surroundings with digital elements. The VR and AR markets primarily generate income through hardware sales, premium game purchases, and in-app transactions, as well as through subscription services for specialised content. Advertising opportunities within these platforms are also growing, with brands utilising virtual spaces to engage users in unique and memorable ways. Though still evolving, the VR and AR business models present exciting revenue potential for developers, especially as improvements in technology continue to make these experiences more accessible and attractive to a broader audience. This sector is anticipated to grow as adoption rates rise, driven by advancements in hardware and a steady increase in high-quality content.

Work for Hire

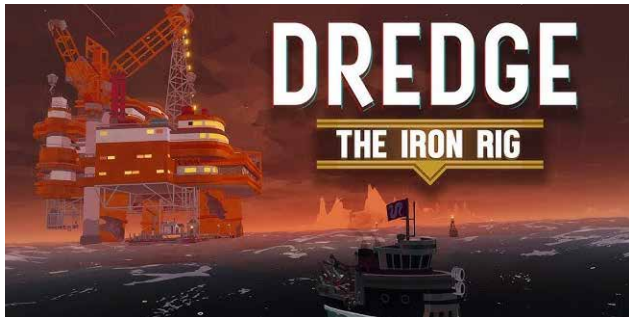
Work-for-hire services form a smaller but steady part of the game development industry, contributing around 2% of annual revenue. These services involve contracting developers to work on specific aspects of a game or digital product for other companies, often under strict timelines and requirements. Work-for-hire is common for tasks such as art design, animation, coding, and quality assurance testing, allowing larger studios to scale up quickly or bring in specialised skills without permanent hires. Revenue from work-for-hire projects is typically based on agreed fees or hourly rates, making it a reliable but relatively modest income stream for studios. While not as high-profile as creating original IP, work-for-hire is critical for gaining experience in the industry, and offers stability and diversification, allowing developers to gain experience, build relationships with major studios, and keep their skills sharp by working on a variety of projects. This area of the industry is likely to remain a valuable support for studios, providing predictable revenue and opportunities for collaborative work.

The Future

The industry has presented a four-point plan to Government to accelerate growth to a $1Billion export industry by 2028 to capitalise on successful Ministerial initiatives such as CoDE and the Game Development Sector Rebate.

PikPok

PikPok, one of New Zealand's leading game studios, has been pivotal in shaping the country's game industry. Founded in 1997 and initially called Sidhe Interactive, PikPok initially focused on console development but pivoted to mobile games in 2009, positioning itself at the forefront of a rapidly expanding market. Known for its engaging, high-quality titles such as *Into the Dead* and *Rival Stars Horse Racing*, PikPok has garnered a global audience, contributing significantly to New Zealand's export revenue. The studio's focus on innovative, accessible games has not only expanded its reach but also highlighted New Zealand as a hub for creativity in interactive media. PikPok has played a crucial role in fostering local talent, setting industry standards, and advocating for the sector's growth within New Zealand.



Black Salt Games

Black Salt Games, established in Christchurch, has significantly influenced the NZ game industry since its inception. Founded by a team of experienced developers, the studio gained international recognition with its debut title, *Dredge*, released in March 2023. This unique fishing adventure, infused with elements of cosmic horror, captivated a global audience and received critical acclaim for its innovative gameplay and atmospheric design.

Within the first 24 hours, the game surpassed 100,000 sales—a milestone the developers had initially projected for the entire first year.[5] By October 2023, Dredge had sold over one million copies, significantly exceeding expectations. Black Salt Games' achievements with *Dredge* have helped attract potential investors, partnerships, and talent to the New Zealand game industry, creating further opportunities for growth and establishing the country as a promising hub for game development in the Asia-Pacific region.

[5] https://www.gamedeveloper.com/business/dredge-smashes-internal-expectations-after-top

RocketWerkz

RocketWerkz's ambitious PC sci-fi survival game Icarus debuted at #1 worldwide when it launched on Steam, the world's leading digital games store, in December 2021 and has gone on to sell over 1.5 million copies. With support from NZ Trade & Enterprise, RocketWerkz took on self-publishing the game as well as developing the creative IP. This included localising it into eight languages, commissioning a short film and keynoting global industry showcases virtually from New Zealand. The studio attracted investment from the world's largest games publisher Tencent and a R&D partnership with graphics and AI chip-maker Nvidia. The game's launch was just the beginning as Icarus operates a live service business model with new content added every single week for free, supplemented by larger premium expansions which existing players purchase.

Beyond Studios – Virtual Worlds Venture Studio

Beyond Studios – Virtual Worlds Venture Studio has emerged as a trailblazing force in immersive gaming with the release of *Runaways*, making history as New Zealand's first mixed reality game on Apple Vision Pro in 2024. Founded by Jessica Manins and Anton Mitchell in 2018, this award-winning studio has consistently pushed the boundaries of interactive entertainment, from their groundbreaking free-roam VR game *Oddball* to collaborations with industry giants like Wētā Workshop and Felix & Paul. The studio's commitment to innovation is backed by a powerhouse team whose collective experience spans blockbuster franchises including *The Lord of the Rings, Harry Potter*, and *Guardians of the Galaxy*. Beyond's mission to make VR accessible to everyone, combined with their focus on intuitive social play, positions them at the forefront of the next generation of immersive gaming experiences.

Runaways is the ultimate skill-based runner designed for Apple Vision Pro, and it was selected by the Apple marketing team to be showcased at their Worldwide Development Community convention (WWDC24) as an example of a challenging game on their new spatial computer, the Apple Vision Pro.

2.2

Music

BENEE
Photo by Nathalie Scarlette

In 2023, NZ wholesale recorded music revenues were $146.4m, of which 77% was from digital streaming.[6] PwC's Economic Impact of the NZ Music Industry report estimates overseas earnings for 2021-2023 (when overseas activity was significantly limited by the pandemic) at NZ $36 million.[7] The music export data is likely to be a under-estimate, as it is based on an average over three years, and does not reflect the 'spikes' in export revenue that significant individual successes can bring - such as Lorde, and more recently 9Lives, lil bubblegum, Benee, LEISURE, The Beths and BAYNK.

[6] Recorded Music New Zealand Annual Report 2023 http://recordedmusic.co.nz/wp-content/uploads/2022/02/FINAL_RecordedMusicNZ_AnnualReport2023.pdf

[7] PwC NZ Music Economic Contribution Report 2023 https://www.recordedmusic.co.nz/wp-content/uploads/2024/12/PwC-NZ-Music-Economic-contribution-report-2023_final.pdf

More NZ musicians and music businesses than ever before are enjoying significant international success – there are 23 artists from Aotearoa who have had more than 50 million global streams in the last 12 months, and 20 who have had more than a million streams per week in the past year.

The music industry has more diversified sources of potential overseas revenue than most other industries, as it can earn from digital streaming and physical sales of recorded music, public performance and broadcasting, live performance (touring), licensing of both music and artist brands, and the provision of industry services.

There is huge potential for New Zealand music to grow its international revenues, with more than 100 NZ artists performing over 1,400 international shows across 48 countries in 2024.

The staggeringly successful one-day 'Synthony' festivals (now the biggest in New Zealand), which combine huge dance music hits with guest performers, a live orchestra, and incredible visuals are now being exported. Synthony creators Duco Events are expanding their reach to launch the festival in both North America and Europe in the very near future.

In November 2024, the Asia NZ Foundation supported five independent New Zealand Music businesses to attend the Tokyo International Music Market to advance their professional networks and potential for collaboration. Independent Music NZ was also supported by the government's Cultural Diplomacy International Programme (CDIP) in February 2025 to attend India International Music Week in Goa, India – one of New Zealand's current priority export markets. This helped to build relationships with Indian music professionals, explore potential collaborations, gain insights into the Indian music market, and promote New Zealand music as a viable cultural exchange proposition.

The government currently supports music exports via a $600,000pa investment in the Ministry for Culture & Heritage-funded NZ Music Commission's 'Outward Sound' programme, an amount which has remained static since 2018. 'Outward Sound' is now heavily over-subscribed relative to the opportunities available to New Zealand artists and music businesses to create the foundations of, and maximise, international success.

Since the early 2000s the internet has transformed the world's business models for music exports, with IFPI'S 2024 report showing global music revenues now in excess of US$28bn, 67.3% of which is derived from digital streaming, and the worldwide industry is growing at over 10% per year.

The New Zealand music industry produced this manifesto in 2023 to outline how it might grow its economic value, particularly through exports.

Music export revenues can be earned in multiple ways:

Digital Services

- Recording and composition royalties from streaming, broadcasting and public performance
- Licensing of music for synchronisation with film, television and advertising screen content

Other Services

- Live performance (touring)
- Brand affiliation deals and sponsorship
- Music management, licensing, tour production and other industry services

Physical Goods

- Recording and composition royalties from sale of physical goods such as vinyl, cassettes and CDs, which are still a preferred format in some markets such as Japan – via e-commerce, at retail outlets, and at live performance venues
- Sale of branded merchandise such as t-shirts and posters

Joel Little – artist/songwriter/producer

One of New Zealand's most incredibly successful music exporters, from just eight of his songs, Joel has notched up over 11 billion streams on Spotify and You Tube alone. He holds two of only 125 Diamond US records (10 million+ sales), and he has sold the equivalent of 50 million plus singles in the US. In 2020 Joel sold his catalogue to that date to Hipgnosis, but he retained master producer rights across all titles and has since continued to work with Taylor Swift, Imagine Dragons, Niall Horan, Vance Joy and more global superstars. He has won numerous international songwriting awards including the 'Song of the Year' Grammy in 2014 for his work with Lorde on 'Royals'. In 2022 he opened the multi-purpose recording studio, venue, and music community hub 'Big Fan', in Auckland, with the aim of attracting international writers and producers to work in New Zealand, and enabling local artists to learn from his experiences and expertise.

Marlon Williams – singer/songwriter and actor

Hailing from Lyttleton, singer-songwriter Marlon Williams (Ngāi Tahu, Ngāi Tai) is not only one of New Zealand's most successful current musical exports, but he is fast making a name for himself in the international screen industry.

With almost half a million monthly global listeners on Spotify alone, he has significant fanbases in Australia, Europe and the USA and has performed at over 40 major global festivals including Austin City Limits, Roskilde, Pukkelpop, Live at Hyde Park, Winnipeg Folk, Pickathon, and many more. In 2024, Marlon supported Kiwi super-star artist Lorde on her UK/European tour, gaining many new followers – and Lorde also appears on his fourth studio album out in April 2025. Titled *Te Whare Tīwekaweka*, and sung entirely in Te Reo Māori, the making of this record has just been announced as a major feature-length documentary. *Marlon Williams: Ngā Ao E Rua – Two Worlds* will be in New Zealand cinemas nationwide from 1 May with rest-of-world release dates to follow.

After a few roles in independent films, in 2018 Williams was personally invited by Hollywood star/director Bradley Cooper to perform as a version of himself in the hit movie *A Star Is Born*, alongside Cooper and Lady Gaga. In 2019 Marlon played George King in the Justin Kurzel-helmed film *True History of the Kelly Gang*, which also starred Russell Crowe and Charlie Hunnam, and premiered at the prestigious Toronto International Film Festival. Between 2021 and 2024 he played a significant role as Johnny Abbot, the brother of lead evil-doer General Abbot, in all three seasons of the Netflix series *Sweet Tooth*.

Marlon Williams
Photo by Ian Laidlaw

The Beths - artists

The Beths are currently one of Aotearoa's biggest live music exports, and generate the majority of their export income from live performance. In the earlier stages of their international career they were supported by NZ Music Commission 'Outward Sound' investment. Promoting their third album 'Expert In A Dying Field' last year, The Beths sold over 20,000 tickets on their own headline American tour, including selling-out the 1,800 capacity Brooklyn Steel in New York. They supported US artists Death Cab For Cutie & The Postal Service on a tour that sold over 100,000 tickets, and performed on KEXP Live sessions, the CBS Morning show and a NPR Tiny Desk. The Beths have played the world-famous Coachella Festival, all three Primavera Festivals in Spain and Portugal, Leeds in the Park, Latitude, Bonaroo and the Newport Folk Festival.

Karyn Rachtman - Mind Your Music & Sync-Posium

Karyn Rachtman is a globally distinguished music supervisor (the person who chooses and licenses songs for screen soundtracks), and soundtrack producer who now resides in New Zealand. Rachtman has made a significant impact curating and overseeing some of the most iconic soundtracks in film history. Her work includes the influential soundtracks for Quentin Tarantino's *Reservoir Dogs* and *Pulp Fiction*, as well as her collaborations with Baz Luhrmann on "*Romeo + Juliet*" and "*Moulin Rouge!*". Her upcoming credits include *Plankton: The Movie!* (an animated *Spongebob* musical), *Minecraft* starring Jack Black and Jason Momoa, and *The Smurfs Movie* starring Rihanna.

In New Zealand, her recent projects (alongside music supervision) have included producing the annual *SyncPosium* screen music conference and workshop, focussed on promoting New Zealand as a global screen music destination. International attendees have included highly successful songwriters, senior executives from Hollywood studios, production houses, and global advertising agencies and advertisers. The inaugural event generated $1.8m in income to Kiwi artists through scoring, songwriting and recording work. Karyn has also recently become a member of the NZ Symphony Orchestra board.

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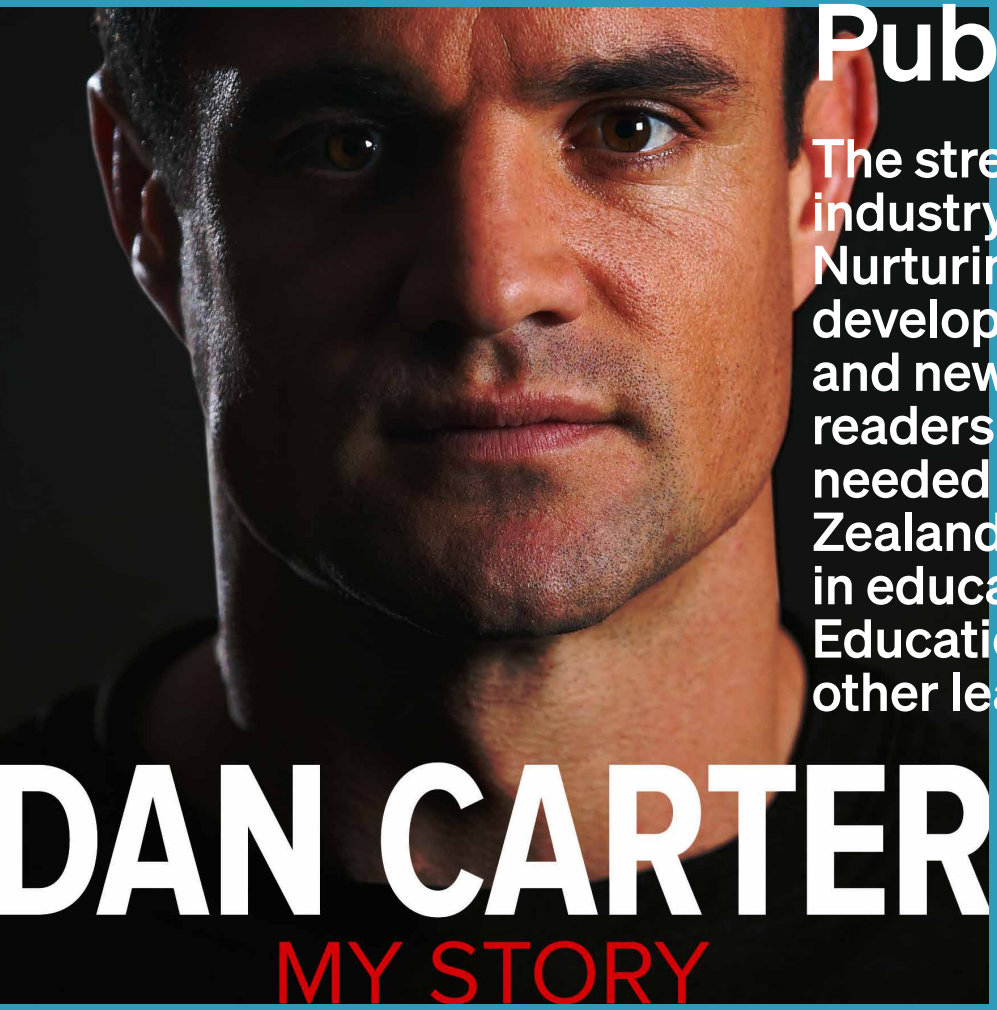


Dan Carter My Story | Upstart Press

Publishing

The strength of the local publishing industry is critical to export success. Nurturing talent and providing training and development opportunities for new authors, and new publishers, along with growing readership for New Zealand books, are needed as the platform for exporting. New Zealand's strong international reputation in education also supports exports of Educational and EdTech publishing and other learning materials.

The New Zealand publishing Industry includes three distinct sub-sectors:

- **Trade (fiction and non-fiction)**
- **Education (learning materials for school-age students), which includesEdTech – educational technology such as apps and platforms that provide learning content digitally**
- **Academic/professional (tertiary, scholarly and business) books and journals**

In Trade, New Zealand authors[8] and publishers tell our stories to readers here, and around the world, from books in print, to eBooks and other digital formats including, more recently, audiobooks. The business model for Academic/professional[9] publishing is similar to Trade.

In Education, learning materials (supplemented by teacher materials and professional development for teachers) are underpinned by pedagogy[10] and sold to publishing partners and departments of education throughout the world. Some education publishers have their own digital platforms and technologies and sell direct to parents and schools in New Zealand and other territories.

As with other creative industries, available data on exports is limited. The Publisher's Association of NZ and Copyright Licensing NZ invest in an annual survey that is compiled by the local office of Nielsen BookData. This report has been produced since 2019 and, in 2023, recorded total revenue of $280.3 million, including $14.2 million from exports. The data sources are financial information provided by publishers, and sales data from Nielsen. The report notes the existing data limitations and these include not accounting for author's offshore earnings which are often generated through the work of in-market agents.

Our authors and publishers have enjoyed significant international successes in book formats and on screen. Keri Hulme made history in 1985 when she became the first person from New Zealand to win the Booker Prize for her novel T*he Bone People*, which was also the first debut novel to win this prestigious award. In 2013 Eleanor Catton became the youngest winner of the Booker with her novel *The Luminaries*, that has since been made into a TV mini-series that premiered on TVNZ, then on BBC One and the Starz Network in the US.

Publishers of education materials have reached learners and educators in 60 countries. They are also major providers of literacy materials and resources to Australia, the United States, the United Kingdom, China and others. Sunshine Books[11], with prolific author Joy Cowley ONZ DCNZM OBE, and Global Ed's Jill Eggleton QSO, educationist and author of nearly 1000 children's books, are two examples of businesses with decades of export experience.

In recent years publishing in te reo Māori has been growing significantly as the demand and appetite for both the language and traditional stories has grown. Wellington-based Huia Publishing has led the way, bringing new authors to readers both here and overseas. In 2024 Huia won the Oceania Publisher of the Year Award at the Bologna Children's Book Fair, a title that was also won by One Tree House in 2018.

Revenue for exports in the publishing industry comes from online eTailers, library wholesalers and aggregators, and selling and licensing a variety of rights. In 2023 publishers reported the sale of 877,000 NZ-published books in Australia, USA, UK, China and Europe. Underpinning this revenue is copyright law that gives authors and publishers exclusive rights over their creative products.

[8] Authors can licence their work to a publisher, or market and sell their own work

[9] Also known as STM publishing – scientific, technical and medical

[10] The theory and practice of learning

[11] Sunshine also has a digital platform - Sunshine Online New Zealand

How Export Revenue is Earned

Rights Agreements

The right to publish a New Zealand book in another market is concluded via a rights agreement. A publisher secures copyright from the author and then on-licences those primary rights, sometimes with secondary rights as well. Secondary rights include rights to make adaptions of the book, the right to translate the book to foreign languages, the right to grant others permission to publish excerpts from the book, the right to publish audio books, and the right to produce a TV or film version of the book. A publisher may have multiple rights agreements with other publishers in various individual countries, or one agreement for worldwide rights in certain formats (eg audio). The terms of the agreement with the author will set out the author's share of revenue earned from rights sales.

Book Fairs, such as those held annually in Frankfurt and London, are the business hub for selling rights, and a sustained presence at these is needed to build relationships with international publishers and distributors who are the market for New Zealand books. The Publishers Association of NZ hosts a New Zealand stand at the Frankfurt and Bologna Children's Book Fairs each year. Creative New Zealand provides some support for New Zealand's presence at the Book Fairs, but only in relation to "literary" books. In 2012, New Zealand was the Guest of Honour Country at Frankfurt, and in 2015 at Taipei. Rights sales in the years following the Guest of Honour year experienced double-digit growth, demonstrating the benefit of taking "Brand NZ" to international markets. Guest of Honour at Bologna has been offered to New Zealand for 2027.

Collective Management

One of the secondary rights a copyright owner (both publisher and author) may licence is to a CMO (Collective Management Organisation). These non-profit organisations create efficiencies for both copyright owners and users of book content by selling licences to organisations that are copying from a large volume of published work (eg universities and other education institutions). Through a network of reciprocal rights agreements, revenue generated by international CMO's is paid to the local CMO – Copyright Licensing NZ – for on-payment to NZ authors and publishers. The majority of this income is generated in English-language countries, aligned with those where New Zealand books are sold.

Sales of Physical Books

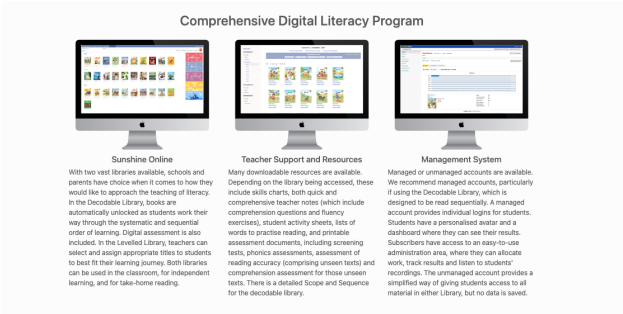
New Zealand publishers ship print books into both the US and Australian markets, for sales through a local distributor. Books are also shipped to the UK for both the local market and for on-distribution to Europe, Africa (particularly South Africa) and Asia. Another method of selling physical books without shipping is print-on-demand which is available in the US market. A digital file is provided to an aggregator or distributor and the books are printed to order. Sustaining relationships with international distributors is critical to the success of this revenue stream and, as noted above, meetings are often held at the major book fairs.

eTailers

Online retailers (known as eTailers) sell trade books in multiple formats. Pricing is often controlled by the eTailer and they also set the fees that are deducted prior to sales revenue passing to the publisher or author (for self-published titles). Amazon is the largest of the eTailers, selling books in print, audio and ebooks (via Kindle). EdTech exports are often licenced directly to education providers offshore, or through existing digital platforms.

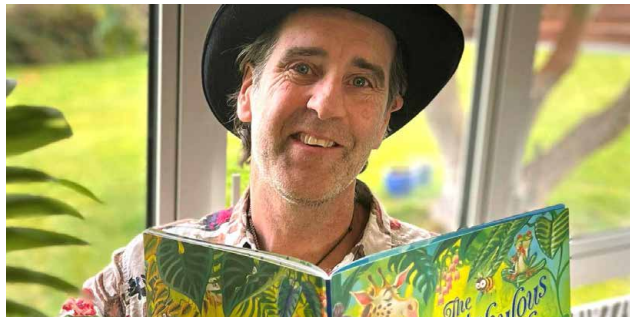
Libraries

Sales to libraries are an important source of revenue for publishers and authors. Export revenue from libraries is earned via licensing rights to digital library services (eg Overdrive) for digital formats, and through print sales to library wholesalers. Authors also earn export income from Public Lending Right Schemes (PLR) when their physical books are loaned by libraries in countries such as the UK.



Sunshine Online – Wendy Pye Publishing

Since founding this educational publishing business in 1985, after Dame Wendy had met adolescent boys who couldn't read, Sunshine Books has built a catalogue of 2000 books, selling more than 300 million copies globally. In 1997 (on dial-up internet) the company launched a bespoke digital platform – Sunshine Online – that now offers an extensive range of literacy and maths books and activities in html formats to schools, teachers and parents for an annual subscription fee. Subscribers also have access to extensive teacher notes, assessments, and other interactive activities. In addition to its customer base in New Zealand, the platform is used widely in other countries including Turkey, Australia, and in Asia. The learning programme consists of over 1000 titles that have been written and illustrated in New Zealand and every year the company pays hundreds of thousands of dollars in royalties to the authors and illustrators whose work they publish. During the Covid lockdowns in 2020 and 2021 subscriber numbers grew to over 800,000 users (circa 4 million online sessions), as children all over the world continued their learning at home. Sunshine Online has recently attained approval under the Safer Technologies 4 Schools programme (an Australia education sector and Ministry of Education NZ collaboration for safer digital products and tools for schools). There has been limited support available from the government's export agencies for digital education publishing businesses.



Donovan Bixley – Illustrator and Storyteller

Donovan's top international markets for his books include Australia, Chinese language territories, and Europe. From his extensive collection of more than 130 titles, books have been published in over 30 countries and translated into 18 languages. A recipient of both international and local awards for his work, the rights sales that generate Donovan's export income is almost exclusively earned from his, and his publisher's, commitment and investment in doing business at the major international book fairs (held annually in Frankfurt, London, Taipei and Bologna). Currently working with a team of Hollywood writers on a movie adaptation of his *Flying Furballs* series, there is potential for this project to be expanded to generate other secondary rights income, include merchandising with toys and other spin-off products. Donovan's work has also been syndicated in international newspapers, and in collaborations with orchestras and theatres. These projects can take many years to come to fruition once the rights have been sold and require sustained effort by the IP holder in order to optimise the ROI.

Nalini Singh

Born in Fiji and raised in New Zealand, Nalini worked as a lawyer before setting out on her writing career. North America (USA & Canada) is a major market for her work, and her paranormal romance and urban fantasy series have appeared consistently on the New York Times and USA Today bestseller lists. Other key markets for her more than 60 titles are Germany, UK/Commonwealth, where sales from the rights agreements negotiated with publishers in those territories are built on through the use of social media, online advertising and online events. Book tours are also an important way to sustain connections with readers and build the audience for both back-list and new titles. Digital sales (ebook and audio) are strong for the genre of books that Nalini writes and these form an integral part of her overall income. Having licensed the rights in some of her books for mobile phone games and signed option agreements for film/TV, Nalini sustains a strong working relationship with both agents and sub-agents in multiple territories to ensure she is maximising the potential from the large body of work she has published to date.

2.4

Screen

The screen industry is broadly defined as the combination of the production, distribution and exhibition of film, television, online and digital content. In some contexts, video gaming will be included in analysis of the screen industry, however Interactive Media is covered separately here.

Kate Winslet & Cliff Curtis | Avatar: The Way of Water
Photo by 20th Century Studios

New Zealand is home to some of the most sophisticated film and television production on the planet - providing services to major international studios such as Netflix, HBO, BBC, Paramount, Sony, Disney, Warner Brothers, Amazon Prime, NBC and ABC.

Major productions filmed in New Zealand over the last few years include ***Our Flag Means Death, Avatar: The Way of Water, The Lord of the Rings: The Rings of Power, Time Bandits, M3GAN, Spartacus***, ***Sweet Tooth,*** and upcoming blockbusters such as ***Minecraft*** (2025). The budget from international film and tv productions is spent and invested across a wide variety of other sectors, such as travel, tourism, hospitality, building and construction, catering and rental services.

The NZ Film Commission (NZFC) is the government agency that provides investment in New Zealand film productions and administers the NZ Screen Production Rebate on behalf of Manatū Taonga Ministry for Culture and Heritage. NZ on Air allocates funding for public media content, including scripted and non-fiction content.

In 2022, NZFC commissioned Olsberg SPI to assess the impact of the NZ screen industry. Olsberg found that:

The screen industry is a huge economic asset for New Zealand. Since the introduction of the New Zealand Screen Production Grant[12] in 2014, more than 100 international productions have helped boost our economy. In the 2020/2021 period, production expenditure was recorded at NZ$985m. Expenditure grew by an average of 20% each year since the NZSPG was introduced.

From the same report, we know that, in 2022, the screen sector contributed $4 billion to New Zealand's GDP. However, as with the other creative industries highlighted here, data on exports is not available. Some of this data challenge can be attributed to the fact that many screen exports are subject to confidential deals with streaming platforms, generally on a 'buy-out' basis, which is a one-time fee.

Screen exports include revenue from the international distribution of New Zealand-made films and television shows, and co-productions with other countries. Income is also earned from servicing large-scale inbound international productions and creating world-leading digital visual effects. Our screen exports are also cultural exports that showcase Aotearoa's unique stories to the world.

New Zealand writers and directors are increasingly being hired for major global screen productions. Taika Waititi's path from *'Boy'* to *'Thor'* is well known, but recently Mt Maunganui's James Ashcroft entered Hollywood's top tier. Ashcroft will direct Robert de Niro in Netflix's US$50m *'The Whisper Man'*, and has also been asked by legendary horror-writer Stephen King to adapt one of his novellas for the screen, after King saw Ashcroft's most recent movie *'The Rule of Jenny Pen'* at a US film festival.

Our screen exports are also powerful cultural exports that showcase Aotearoa's unique stories to the world, and help to enhance our global 'soft power'.

[12] Now NZSPR – NZ Screen Production Rebate

Financial Structure of Film Revenue Distribution

A film's waterfall, also known as a recoupment schedule, is a financial structure that outlines the order in which a film's revenue is distributed to the various parties involved in its production and distribution:

- **Investors** - The investors are at the top of the waterfall and are the first to receive a return on their investment. This is known as the "recoupment stage".
- **Talent** - Actors, directors, and writers may receive a share of the profits after the investors have recouped their investment.
- **Production companies** - Production companies receive a share of the profits after the investors have recouped their investment.
- **Distributors** - Distributors receive a share of the profits after the investors have recouped their investment.

The waterfall is a crucial component of film financing because it helps set expectations for when different parties can expect to see returns on their investment.

The order and manner of payment for each party is negotiated between the producers and other interested parties and is often confidential. The financing agreements, sales agent agreements, and co-production agreements often include preferential terms for each party's recoupment. New Zealand post-production companies are regularly nominated for, and often win, Academy Awards for delivering world-leading visual effects, such as 2023's Wētā FX for *Avatar: The Way of Water, The Batman,* and *Black Panther: Wakanda Forever*.

International film festivals and markets are integral to the business of screen exports. These 'marketplaces' provide opportunities for festival exposure through selection, as well as meetings with global financiers, distributors, and broadcasters. New Zealand films are often selected by prestigious film festivals like Cannes, Sundance, Berlin, and Toronto. A number of these films go on to secure distribution deals for overseas markets – for example *'The Rule of Jenny Pen'* which is currently attracting a lot of interest - including author Stephen King taking to X (formerly Twitter) to rave about this psychological thriller that premiered in September 2024 at Fantastic Fest in Austin, Texas.

Television Exports

New Zealand's television productions are being exported, and winning international acclaim, more frequently than ever before, with recent notable successes including:

- ***The Brokenwood Mysteries*** (South Pacific Pictures) and ***Wellington Paranormal*** (NZ Documentary Board) both screen in more than 100 countries.
- Greenstone TV's ***My Life Is Murder*** has sold to 91 countries, and their long-running factual series ***Border Patrol*** (see case study) screens in 50 territories. Greenstone has been exporting NZ stories globally for over 20 years and is an NZTE Focus company, with branches in Australia (Melbourne), and in Dubai, UAE - where NZ IP and know-how are being adapted for the Middle East and North Africa market.
- Teen horse drama ***Mystic*** (Libertine Pictures and Slim Film & TV) has bolted out in around 83 countries and was co-commissioned by UK children's channel CBBC, and TVNZ.
- ***After the Party*** (Luminous Beast/Lingo Pictures): Robyn Malcolm won Best Actress for her performance in this series at the Séries Mania Film Festival in France (2024), and it has also screened (to date) in Australia and the UK.

- ***Madam*** (Tavake) released this year has already won the prestigious Golden Nymph Award for Best Creation at the Monte Carlo Television Festival (2024), and Best Comedy Series at the Berlin TV Series Festival.

- Claymation pre-school children's series ***Kiri and Lou*** (Filmwork, Stretchy, Yowza Animation) has been streamed over 21 million times in the UK alone, has spun off into a range of merchandise, and also secured a BAFTA nomination. In 2024, a Kiri and Lou feature film was announced, including a partnership with the Kōawa precinct at University of Canterbury that will enable Bachelor of Digital Screen students to learn alongside the production team.

Film Exports

Examples of recent, significant New Zealand film industry global releases include:

- ***Evil Dead Rise*** (Pacific Renaissance): This NZ/Ireland co-production grossed over US$147 million at the worldwide box office.

- ***The Power of the Dog***, is a high-budget, official NZ/Australia co-production. Directed and co-written by Dame Jane Campion and released on Netflix, it reached huge global audiences and was nominated for twelve Academy Awards. Dame Jane Campion went on to win the Academy Award for Best Director.

- ***The New Legends of Monkey***, another NZ/Australia co-production, also enjoyed a global release via Netflix, and free-to-air broadcast in both countries.

International Collaboration and Co-Productions: Strengthening Global Relationships

Partnerships with countries like the UK, Ireland, Canada, Australia, and others allow New Zealand producers to tap into international investment, expertise, and distribution networks.

Evil Dead Rise is just one example of how creative partnerships can enhance New Zealand's ability to compete on the world stage. Meanwhile, major events such as the Cannes Film Festival and the Toronto International Film Festival provide the New Zealand industry with vital opportunities to showcase their work, connect with international partners and investors, and to secure distribution deals.

Sweet Tooth - (Warner Brothers TV for Netflix)

All three of ***Sweet Tooth***'s seasons were shot entirely in New Zealand. ***Sweet Tooth*** is based on the DC comic of the same name, following the story of Gus, a half-human, half-deer hybrid boy who embarks on a journey through a post-apocalyptic world. The show not only captivated audiences worldwide, but also shed a spotlight on New Zealand's capability to bring fantastical worlds to life.

The Oxford Economics 2023 report *'Economic Impacts of Sweet Tooth Season One in New Zealand'*, highlighted the value of Season One of this three season production:

- Contributed $66m to GDP
- Produced $6.91 in GDP for every $1 of NZSPR
- Provided 1,180 jobs in 2020, spending $21m on wages and salaries, with 95% of the crew and 80% of the cast being New Zealanders.

Christian Convery and Naledi Murray | Sweet Tooth
Photo by Matt Klitscher/Netflix

Avatar: The Way of Water (James Cameron/21st Century Studios) & *M3GAN* (Gerard Johnstone/ Universal Pictures, Blumhouse Productions, Atomic Monster)

The success of these NZSPG-supported films (now called the NZPSR) generated significant income and publicity for New Zealand creatives, cast and crew.

In January 2023, these two films ranked first and second in the North American box office charts.

M3GAN earned critical praise for its New Zealand director Gerard Johnston for its blend of horror and humour and achieved a global box office take of over US$180.4M.

Gerard Johnstone's feature film career began with Housebound, which was funded by the New Zealand Film Commission in 2010.

Amie Donald and Violet McGraw | M3GAN
Photo by Universal Pictures

Joe Letteri, Dan Barrett and Eric Saindon won Best Visual Effects at the 95th Academy Awards for ***Avatar: The Way of Water.***

The film provided thousands of jobs to New Zealanders and this recognition demonstrates the artistry and creativity of New Zealand's highly talented screen workers at a world-class level.

The NZ Screen Production Grant Report 2023 states that the Avatar production:

- Spent $500m+ in New Zealand over five years
- Hired 1400+ crew – 90% New Zealanders
- Consumed over 322,650 meals (all locally sourced food)
- Took 7,351 Air NZ flights
- Stayed over 145,000 accommodation nights

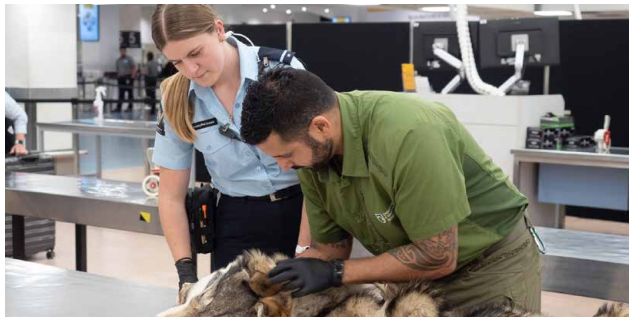
The Gone (Kingfisher Films/ Southern Light Films) Official NZ/Ireland Co-Production

An Irish detective teams up with a young wahine Māori police officer to investigate the disappearance of a young Irish couple in New Zealand in this six episode Crime/Mystery TV drama.

This NZ/IRE co-production is structured 70/30 (spend) in New Zealand's favour. The budget is c.NZ$15m per season, with the majority of the filming taking place in New Zealand (60 days), and post-production carried out in Dublin, Ireland.

Season One of *The Gone* played well in Ireland, garnering a 40% share of audience. It has also been sold to the BBC (UK), Australia, and various European territories, and a US sale is pending.

The producers are currently working on delivering Season Two to key broadcasters, TVNZ and RTE (Ireland).

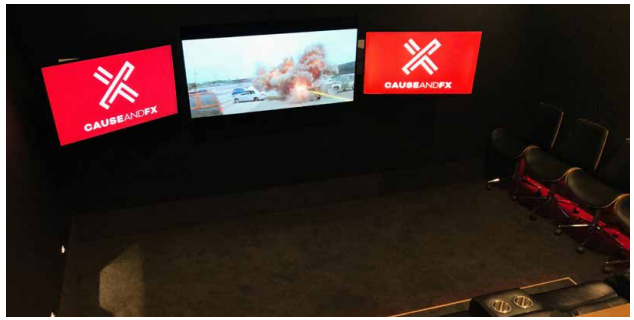


Border Patrol (Greenstone TV)

The observational documentary series Border Patrol has become part of New Zealand's cultural landscape, and an enduring favourite among local - and international - audiences. As of November 2024, the series had been exported to/screened in around 50 territories and is currently in production for Season 15.

Border Patrol is a highly productive Intellectual Property asset. A major international channel recently renewed their license on four earlier seasons of *Border Patrol*. There are no more inputs – the producers have resold the same product for no further effort but the issuing of an invoice. The export earnings of the series have supported the financing of Greenstone's investment into research and development for other programmes. The company's diversification into drama production such as *My Life Is Murder*, and the business's overall growth, have directly benefitted from the international success of their factual projects.

Border Patrol
Photo by Shelton Leong



Cause + FX – Visual Effects (VFX) Studio

Takapuna-based VFX company Cause and FX has grown from humble beginnings—a creative partnership between Flame artists Paul Dickson and Greg Flannagan in 2011—into a globally recognised VFX studio, delivering complex visual effects for international screen productions.

Recognised as the 6th fastest-growing company in New Zealand on the Deloitte Fast 50 list in 2023, Cause and FX has provided VFX for high-profile projects, including Amazon's *Rings of Power* (Season 1), Apple TV+ series *Before* (featuring Billy Crystal), *Seal Team* Season 7 finale for CBS, *Section 31* for CBS, Taika Waititi and Jemaine Clement's *Time Bandits* (produced in Wellington) for Apple TV+, and Waititi's *Our Flag Means Death* (Season 2) for HBO Max (shot in Auckland).

While thriving in the competitive global VFX landscape, Cause and FX remains committed to supporting New Zealand's screen industry, contributing to projects such as the historical te reo Māori epic *Ka Whawhai Tonu | Struggle Without End* and Damon Fepulea'i's *Red, White and Brass*.

More Export Success Stories from Our Creative Ecosystem

The New Zealand creative economy increasingly crosses the boundaries of its traditional industry categories, as it embraces new technology, and new business models to drive exports. Equally, we are seeing creatives who have honed their talents in traditional creative disciplines, such as comedian Rose Matafeo, and marketing and production powerhouses Special Group and SweetShop, expand their international impacts. Here are some of their stories:

Flesh & Blood | Trading Card Game
Legend Story Studios

Legend Story Studios – Trading Card Games (TCG)

Legend Story Studios is an independent game design and publishing company with headquarters in Auckland, New Zealand. In 2022 the studio ranked at the top spot in the Deloitte New Zealand Fast 50 Index, and won the Excellence in Brand Storytelling Award at the 2023 New Zealand International Business Awards. Employing around 200 freelance Kiwi creatives, and with over 60 staff based around the globe, the studio designs and publishes the *Flesh and Blood* trading card game, which has recently celebrated its fifth anniversary.

Flesh and Blood is a hero centric fantasy trading card game which has fans equipping their hero to tabletop combat in 50 countries around the world. *Flesh and Blood* challenges many fundamental laws of TCG design through a unique resource system and innovative combat dynamic, engaging players in full powered combat from the first turn of the game and wearing down as the battle progresses. In 2024 the TCG registered over 3,000,000 official games played by fans. Flesh and Blood has had recent strong growth in Japan (the home of trading card games) selling out of the first Japanese language product release, *Part the Mistveil. Flesh and Blood's* organised and competitive play circuit features over 100 customer events around the world every year, ranging from National Championships to Pro Tours and World Championships.

Legend Story Studios believes that it generates approximately $1 in every $400 of New Zealand's exports to the USA and Japan, two key target regions for the company.

Les Mills International

Four time Olympian, Les Mills, opened his first public gym in 1968, staffed by sports coaches with the intention of taking elite sports training methods to the masses. However, it wasn't until Phillip Mills introduced Group Training to music in the 1980s that the business really took off. When the world was entering the era of leotards and legwarmers in the 1980s, the Les Mills organisation was already running science-based sports and weight training classes in huge studios holding groups of up to 300 people. They standardised the classes and training of coaches, and the club grew into a chain throughout NZ and Australia, where hundreds of other clubs licensed their classes.

Currently 22,000 gyms in 110 countries license the Intellectual Property (IP) for BODYPUMP, BODYCOMBAT and 25 other programs for live in-club, and virtual in-club classes, and for members at-home use. Les Mills has over 100,000 active instructors teaching their fitness programs to packed classes globally. With many of the world's biggest gym chains as customers, Les Mills International employs over 500 staff globally. LMI produces a range of creative IP for each of its programmes, working with a talented pool of film and production specialists, leading domestic and international musicians, and XR game designers, to bring its fitness programmes to life.

Rose Matafeo – Comedian/actor

Rose is one of a small cohort of global Kiwi comedy superstars (think Flight of the Conchords and Rhys Darby) who have succeeded in generating significant economic returns despite being unable to access government support. From winning 'Best Newcomer' at the 2010 NZ International Comedy Festival, to writing and starring in multiple local screen and touring productions, to winning the Edinburgh Comedy Award in 2018 at the Fringe Festival (as the first Kiwi and person of colour to win this 'Oscar' of comedy), to creating and starring in worldwide TV hit rom-com, the BAFTA-nominated 'Starstruck', which has now entered its third season - Rose has truly put New Zealand comedy on the worldwide map.

As fellow comedian James Roque said recently in the NZ Herald 'New Zealand comedy is the strongest it's ever been. The comedy commodity is valuable and should be seen for its export potential' and 'I urge the incoming government to take note and help the comedy sector realise its potential for the benefit of all Kiwis.'

SWEETSHOP

SweetShop – Screen & Media production

A multi-disciplinary production company with a global reach, SweetShop are a world-leading producer of commercials, television, film, music video and integrated media, earning accolades from all over the globe. SweetShop's reach extends to 6 offices across 5 countries - in London, Los Angeles, Bangkok, Auckland, Sydney, and Melbourne. The story of Sweetshop began when three eager young New Zealanders from Auckland, brought together by their dedication to film craft, united to form their own company and their remarkable contributions were acknowledged when Sweetshop was named NZ Creative Trade and Exporter of the Year in 2005.

The company has won numerous prestigious awards, including over 100 AWARD Awards, 20 Cannes Lions, 150+ Axis awards and over 15 D&AD, along with awards from The One Show, Spikes, British Arrows, Adfest, CLIOs, Creative Circle, Kinsale Sharks, LIA, and Ciclope. SweetShop's work has also been recognised at renowned film festivals such as the Cannes Film Festival, Berlin Film Festival, Sundance, and The Academy Awards.

Darkroom Motion Graphics Studio – audio visual experience design

Founded in 2004 by Bruce Ferguson, Darkroom is based near Matakana, and has become a leader in creating immersive audio-visual experiences for major international events. Recent highlights include the "Unwrap the Magic" projection mapping show in Beverly Hills and the award-winning main stage design for Sunburn Festival, Asia's largest music festival, in Goa, India.

Over the years, Darkroom has collaborated with renowned artists and global brands such as Takashi Murakami, Louis Vuitton, and Carl Cox, and provided visual production for the iconic Glastonbury Festival. The studio has delivered event visuals for Louis Vuitton on numerous occasions and created a virtual tour of New Zealand featured inside the iconic Giant Rugby Ball during the lead-up to the 2011 Rugby World Cup. Darkroom also continues its long-standing partnership with Les Mills International on the immersive fitness experience "The Trip," which reaches over 100,000 participants weekly across the globe.

SPECIAL

Special Group Advertising/marketing

From an Auckland based start-up, with just one desk, three chairs and zero clients, Special has grown dramatically and now has offices in Auckland, Wellington, Sydney, Melbourne, Los Angeles, London and New York, employing more than 250 staff globally – and in the process, has created the first ever creative global network from New Zealand.

Described as a 'global creative powerhouse' by BusinessDesk, named the 'World's Best Creative Agency' by industry bible Campaign UK, and the 'Most innovative Marketing Company' by the Australian Financial Review '100 Most Innovative Companies', Special works with many of the world's largest and most ambitious companies - Uber Eats (who they have produced three Super Bowl ads for), Kiwibank (for whom they have just won the Grand Effie for the transformation of the entire brand), Optus (a telco the size of Spark, One and 2degrees combined, and the first time a major Australasian utility has used an agency from New Zealand to guide its brand and strategy), Contact Energy, ANZ, Red Bull, Tourism New Zealand, and Education New Zealand to name just a few.

Alice Herald – Luxury & Couture Jewellery

Alice Herald is an established luxury jewellery brand that is expanding from Wanaka, New Zealand to become an international couture brand. A graduate from the prestigious Central Saint Martins in London, Alice is driven by the art of layering stories within her work through both signature collections and heirloom pieces. Her coveted collections are exclusively crafted in New Zealand using predominantly New Zealand gold and precious gemstones. Alice has worked alongside goldsmiths and silversmiths to the British Royal family, shown at London Fashion Week, and most recently was invited to show at 'Couture' in Las Vegas, 'the world's most exceptional curation of fine jewellery'. Alice was the first jewellery designer from New Zealand to show in the history of the 'Couture' trade show, and launching her first international collection there resulted in new stockists in industry leading stores in New York and Dallas, and an invitation to present her collection to residents on 'The World', the world's largest privately owned mega-yacht. Alice also makes bespoke jewels, and her pieces are available through the private personal shopping website 'The A-List', catering to international high-end clients. She intends to form further lasting relationships with international retail partners in the world's most lucrative markets for fine jewellery, starting in the USA and the UK, and then moving on to the Middle East. Alice aims to sing the New Zealand story of her brand loud and clear knowing that this, coupled with her unique design and exquisite craftsmanship, will set her apart as she continues on her international journey.

"Alice's understanding and knowledge of diamonds is comprehensive on its own, but when married with her creative and design capabilities, gives her the ability to craft truly unique jewellery for her clients. When I first met her, I knew that she was a truly special talent, and now, 12 years on, she is poised to enjoy the international acclaim and success that she so richly deserves"

- Phil Selby: 55-year diamond industry veteran, former de Beers group executive

4.0

Barriers to Creative Trade

Trade barriers experienced by the creative sector are, like those experienced by the tech sector, markedly different to those of New Zealand's traditional export industries.

The global value chains and markets for digital creative products and services and IP are often not contained within the geographic boundaries of our trading partners, with many residing in the commercial operations of large technology companies.

In addition to addressing creative trade barriers, growing knowledge of creative trade in the government's trade agencies will be essential to achieve the sector's export potential.

Non-Tariff Barriers (NTBs)

These measures are imposed by governments and unfairly restrict or distort trade. NTBs add complexity and cost for companies that export digital products and services and are often described as red tape, bureaucratic rules, or – simply- hassles.

Examples of NTBs that affect creative economy exports include:

- Restrictions on the type of products that can be exported, or burdensome or restrictive registration or licensing requirements (for example, limited number of licences for videogame exports, or onerous registration processes for creative professionals);

- Restrictions on the cross-border data flows that underpin digitally-delivered creative exports – for example, requirements to process or store certain kinds of data in the market (so-called "forced data localisation"), or unduly restrictive rules around the handling of certain kinds of data;

- Restrictions or excessive costs on electronic payments (for example, high fees on the micropayments common in videogames), or hassles in repatriating funds back to New Zealand;

- Requirements to establish a bricks-and-mortar presence in a foreign market (sometimes with associated rules around corporate structures), even to supply products digitally;

- High local content requirements in foreign markets, which limit market opportunities for New Zealand exports;

- Restrictive or costly approaches to visas, limiting flows of creative talent across borders;

- And sometimes simply opaque or complex requirements which make compliance challenging or costly for New Zealand exporters, especially smaller firms.

Digital trade is inherently trade in data, and NTB's include data restrictions and compliance, data localisation requirements, privacy and data protection regulations, and cross-border data transfer restrictions.

Intellectual Property Regulations & Enforcement

IP protections are not harmonised and in some developing markets, particularly the ASEAN region, IP infringement is a deterrent to market entry. In digital market-places enforcement relies on both the responsiveness and the terms and conditions of the platform. For example, Facebook and Instagram have recently changed their terms to give themselves a free licence to use any content published on their platforms for their artificial intelligence products. For artists and brands, this means that they have no control over their IP if they want to reach audiences and customers this way.

E-commerce Moratorium

This long-standing agreement amongst members of the World Trade Organisation, is due to be reviewed again in 2026. If it is removed, a significant degree of uncertainty and variability is probable for exporters of digital goods and services.

Geography

The distance to travel to trade events, to meet face-to-face with customers, and to perform is exacerbated by the rising travel costs of recent years.

Market Control by Global Platforms

Global Tech platforms – Alphabet (Google and YouTube), Amazon, Meta (Facebook and Instagram), Apple, and Microsoft - have substantial influence over digital markets. Their control impacts how products, services and information flow globally and affects competition, local businesses, and consumer choice. This control raises a range of policy issues and concerns, including:

1. **Market Power and Dominance:** Large platforms are significantly dominant in their respective markets (e.g, search, e-commerce, social media, and app ecosystems), often operating as gatekeepers.

2. **Control Over Digital Advertising:** Meta and Google command the majority of digital ad spending worldwide, as well as control of the algorithms that determine which content on their platforms has visibility. This concentration of power allows them to dictate ad pricing, standards, and placement, which can disadvantage smaller advertisers, media outlets, and regional businesses that rely on online visibility.

3. **App Ecosystems and Fees:** Apple's App Store and Google's Play Store are major distribution channels for mobile apps globally. The fees for these services are not able to be negotiated and are up to 30% on in-app purchases and subscriptions.

4. **Data Control and User Insights:** Platforms can collect vast amounts of user data, which they use to drive targeted advertising, develop new products, and enter new markets. This unmatched access to user data gives them a competitive advantage that is nearly impossible for new entrants or smaller companies to replicate.

5. **Price Control in Cloud Computing:** Amazon Web Services (AWS), Microsoft Azure, and Google Cloud dominate the cloud computing market. Cloud has become essential for businesses worldwide. The pricing strategies and subscription models of these large cloud providers can be difficult for smaller competitors to match.

6. **Vertical Integration and Market Expansion:** Platforms may leverage their financial resources to acquire companies in various sectors, from health tech to autonomous vehicles, which enables them to control multiple points in the supply chain or service pipeline. This expansion limits the opportunity for smaller or regional competitors to thrive, as these platforms capture more of the value chain.

5.0

How Might Government Help?

- Embed creative and tech exports into all government trade strategy and functions.

- Develop a creative export strategy and invest in associated support programmes such as **South Korea** and the **United Kingdom** have done. Currently, the very limited NZ government investment in boosting NZ creative exports is largely derived from Vote: Arts, Culture and Heritage.

- Improve the level of creative and digital trade expertise in government trade agencies, including developing market intelligence, and overseas connections and hubs.

- Work with the sector to produce more accurate data on creative exports, especially digital exports.

- Include more creative exporters in government Trade Missions to key markets.

- Provide greater support for creative exporters to attend international trade shows and market events.

- Also provide support for our creative exporters to bring key business partners to New Zealand. Very few of the major digital platforms have offices in New Zealand, and this would provide opportunities to enhance our overall trading reputation across multiple sectors such as tourism, and food and beverage.

- Develop tailor-made export support for Māori-led creative businesses to grow the value of their exports, and to further enhance the unique selling proposition that New Zealand has from Māori culture.

- Adopt the recommendations of a **new report for the Southeast Asia Centre of Asia-Pacific Excellence**, where Trade Expert Stephanie Honey explores the landscape of New Zealand digital trade with ASEAN, looking at opportunities and challenges for business, and the trade rules "architecture" that underpins these. The recommendations that could help to grow New Zealand's digital trade globally are:
  - supporting businesses at home and in-market,
  - driving coherence in digital trade rules,
  - and working on refining the understanding and measurement of digital trade.

- Establish a trade relationship with the global platforms (Netflix, Spotify, YouTube et al) which control much of the international market for digital creative content, and which are far greater sources of export revenue than many individual trading nations. For example, Denmark has an ambassador and trade team for Silicon Valley, USA, and Australia are considering local content quotas for content streaming services. Currently global platforms pay little tax in New Zealand and do not contribute to our local creative content industries in any meaningful way – although we are pleased to see Minister Goldsmith's recent Media Reform discussion document proposes to address this issue.

- Creative exports can only grow if New Zealand has the creative talent to make them – this requires a more future-focussed approach to creative education and training from schools through to tertiary institutions, and including tailor-made workplace training initiatives. Currently creative subjects are at risk across our education system.

6.0

International Creative Export Strategies

United Kingdom

Creative Trade & Investment Board International Strategy – Putting the Creative Industries Centre Stage (2022)

Australia

SE Asia Economic Strategy for Creative Industries Exports (DFAT 2023)

Ireland

Roadmap for Digital & Creative Industries (2024)

The Republic of Korea

K-CONTENT GOES GLOBAL: How government support and copyright policy fuelled the Republic of Korea's creative economy (UNCTAD 2024)

WeCreate

WeCreate, our Member and Friend organisations, and New Zealand's creative businesses, are ready to help propel our country's economic growth – at home and internationally. We need government to take our sector more seriously as an economic contributor, in order for this potential to be realised.

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