

APPENDICES

Appendix One

Written Response by Film Fiji

Presentation:

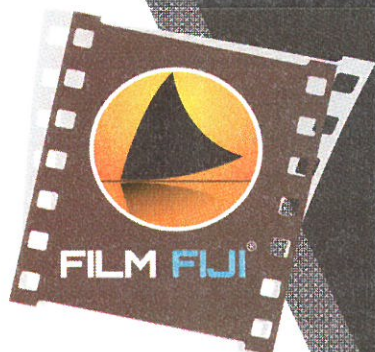
**Standing Committee on
Social Affairs, Parliament of
Fiji**



| 03 October 2019; 2:00pm|



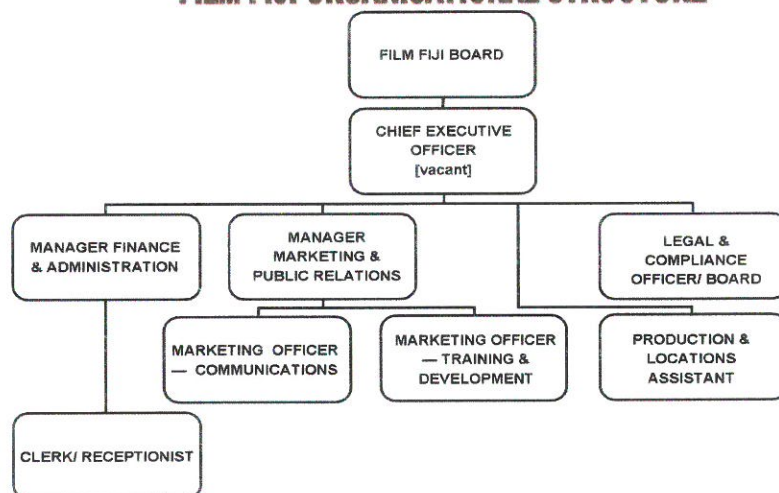
FILM FIJI



A statutory body and fully-funded by Government

- The primary role of Film Fiji is to;
 - Develop and promote Fiji's audio-visual industry both locally and internationally.
 - Administer the various AV incentives
 - Provide film locations services
 - Set up a film school
- A one stop shop.
- Build and grow a new industry and broaden its economic base
- Reports to the Ministry of Industry, Trade & Tourism

FILM FIJI ORGANISATIONAL STRUCTURE



FILM FIJI BOARD



➤ Current Board of Directors

➤ Chairperson - Ms Shaenaz Voss

➤ Members:

- Mr Sakiusa Bolaira
- Ms Debra Sadranu
- Ms Timaima Vakadewabuka
- Mr Muni Ratna
- Permanent Secretary for Industry, Trade & Tourism or his representative

➤ Female - 4; Male - 2

FILM FIJI STAFF



➤ Chief Executive Officer – vacant

➤ Manager Finance & Administration – Jone Tikoca (currently Acting Chief Executive Officer)

➤ Legal & Compliance Officer / Board Secretary – Marica Vereakula

➤ Manager Marketing & Public Relations – vacant

➤ Marketing Officer Training & Development – Shamal Singh (currently Acting Manager Marketing & PR)

➤ Marketing Officer Communications – Amelia Rigsby

➤ Production and Locations Assistant – Jone Robertson

➤ Receptionist / Clerk – Sanjeshni Devi

➤ Current staff composition Female 3; Male 3

THE LEGAL FRAMEWORK



- The Film Fiji Act 2002 which established Film Fiji
- The Income Tax Act 2015
- The Income Tax (Film-making and Audio-visual Incentives) Regulations 2016 which came into effect on May 18, 2001
- The Film Fiji (Licensing of Audio Visual Agents) Regulations 2012

STRATEGIC DIRECTION



- **Grow the infrastructure and resources for film making in Fiji**
- Facilitate investment into the film industry
- Catalog local resources
- Provide specific skillset training
- Kula Awards
- Find avenues for exhibition for local film makers

STRATEGIC DIRECTION



- **Making Fiji the film making destination of choice for film makers.**
- Early focus on TV shows
- Continue with the push into the American market
- Continue with the push into the Indian market
- Pursue local institutional funding for the film industry
- Grow the locations gallery
- Increase use of social media and website presence

STRATEGIC DIRECTION



- **Exploring new markets to Fiji such as Asia and Europe.**
- Chase for new markets in China, Japan and South Korea
- Capitalise on the new interest from the European film market

STRATEGIC DIRECTION



- **Improving the facilitation for film makers in Fiji through clear legislation, efficient processes and easy access to locations.**
- Continual improvement of processes and documentation for streamlining
- Agreements with stakeholders
- Further review of legislation to remove ambiguity and grey areas

KEY CHALLENGES



- **FILM COMMISSIONS - 300+ film commissions with much bigger funding from their governments.**
- Competitive film incentives
- Expertise and infrastructure well-established in these locations
- First world economies most involved in this knowledge-based industry.

AUDIO VISUAL INCENTIVES



- Tax Free concessions for holders of Audio-Visual Operating Licenses in Temporary and Studio City Zones
- 7 year tax holiday available to companies who set up production facilities, including equipment, cameras, editing and post production facilities - **NEW**
- F1 & F2 concessions – to raise production budget from Fiji taxpayers who get up to 150% tax deduction
- Film Tax Rebate increased from 47% to 75% – fully-funded productions get back 75% of their qualifying expenditure based on expenditure incurred in Fiji and paid to a Fiji resident
- 200% Tax deduction available to companies investing in cameras and other filming equipment for AV productions - **NEW**
- Filmmaking Incentive (tax-free income for foreign cast & crew of a foreign production who are nationals of countries who do not have DTA with Fiji -

FIJI REVENUE AND CUSTOMS SERVICES [FRCS]



- Protection of Integrity of Incentives most important.
- Close working relationship between FRCS and FF – Joint AV Committee.
- Tax base versus economic multiplier.
- As a Fiji taxpaying investor, will I get my tax deduction for F1/ F2?
- As a fully-funded producer, will I get my 75% tax rebate?

AUDIO VISUAL (AV) COMMITTEE



➤ **ROLE OF THE AV COMMITTEE**

- To assist the Film Fiji Board in providing policy recommendations in terms of the AV Industry in Fiji
- To assist the Film Fiji Board with assessing applications for AV incentives.
- Govern by the AV Committee TOR

AUDIO VISUAL (AV) COMMITTEE



➤ **AV COMMITTEE MEMBERSHIP**

- **Chairperson:** Sakiusa Bolaira - FF Board Director

➤ **Members:**

- Jone Tikoca – Acting Chief Executive Officer, Film Fiji
- Muni Ratna – Acting Director Intelligence, Compliance and Investigation, Fiji Revenue & Customs Service (FRCS) FF Board Director
- Mr Shavindra Nath – Deputy Director Revenue Policy, Policy Design & Monitoring, FRCS
- Mr William Hamilton – Chief Economist, Ministry of Industry, Trade & Tourism (MITT)
- Mr Nitesh Chand – Principal Economist, MITT
- Ms Marica Vereakula – Legal & Compliance Officer, Film Fiji (Secretary)

AUDIO VISUAL AGENTS



➤ **ROLE OF THE AUDIO VISUAL (AV) AGENTS**

- **Act as an agent of the production**
- Requirement under the Income Tax Act (Film-making and Audio-visual Incentives) Regulations 2016
- Provide any production services to a foreign production company that is eligible for the rebate
- Act in the best interest of the foreign production
- Ensures foreign production (client) complies with all conditions of the Film Tax Rebate
- Ensure client complies with all relevant laws of Fiji.

AUDIO VISUAL AGENTS



➤ **LICENSING OF AV AGENTS**

- The Film Fiji (Licensing of Audio Visual Agents) Regulations 2012
- Licensing Authority: Ministry of Industry, Trade & Tourism
- **ELIGIBILITY CRITERIA:**
- Certificate of business registration
- Valid Business License
- Birth certificate/ passport for Fiji residents
- Resident permit for foreign nationals
- Police Clearance
- TIN
- Details of operations – AV service currently offered, qualifications possessed relevant to the industry, relevant work experience in the AV industry
- FIU Report (Financial stability)
- FRCS (Tax Compliance)
- Film Fiji (credibility)
- Application fee

AUDIO VISUAL AGENTS



- **AV AGENTS CODE OF CONDUCT (draft)**
- To establish and maintain standards of professional practice for AV Agents
- **Main Contents include:**
 - Core Values for AV Agents
 - Ethical Principles for AV Agents
 - Film Fiji expectations from AV Agents
 - Complain mechanism, etc.
- Draft code of conduct submitted to the Ministry in 2015.
- Yet to be tabled in cabinet
- Received back from the Ministry this year; to be reviewed and re-submitted.
- Currently, there are 15 AV Agents in Fiji

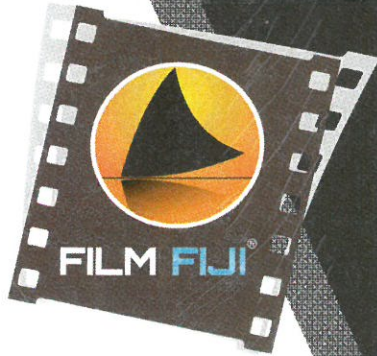
ECONOMIC IMPACT STUDY



- Film Fiji commissioned the independent study
- Findings endorsed by RBF, FRCS & Ministry of Economy
- Average of 2.81 of new economic activity (NEA) from each \$ of Fiji expenditure.
 - Other multipliers:

USA:	7.0
Canada:	3.3
Australia:	2.6
South Africa:	2.5
- 63 Full-Time Equivalent jobs for each \$1m of actual Fiji expenditure

LOCAL DEVELOPMENT



➤ Training [Film Fiji Academy]

- Conduct expert training in specialize areas for local industry stakeholders / crew
- The success of training provided from 2015, 2016/17 and 2017/ 18 shows that this type of training will be extremely beneficial to the industry

➤ Kula Film Awards:

- Annual Kula Film, Dance and Arts Awards
- A major part of our efforts at developing a vibrant local audiovisual industry.
- The awards have grown into a major industry event.

Kula Awards

	2019	2018	2017	2016	2015	2014
Film	35	34	25	23	19	19
Dance	19	20	15	15	21	21
Art	96	30	25	44	31	20





LOCAL DEVELOPMENT



- **Kula Awards – Success Stories**
- Precious Moments Fiji, Nadi – 3 former Korovuto students formed and owned videography/ photography business
- Sekove Tuni – former student of Sacred Heart College won Best Male Dancer in 2017; now a professional international performer with VOU Dance Group based in Nadi
- Samuel Weik
 - Took part in the film competition for Nasavusavu Secondary School in 2017
 - Their school won the award for Best Original Score
 - In 2018 he was employed by Survivor Australia in the art department
- Tevita Tobeyaweni – Took part in the Dance Competition
 - Currently Director at MATA Dance and AUE
 - Had two teams qualify for the World Hip Hop Championships in the USA – 2019

MARKETING & PROMOTIONS



- Attendance at Overseas Industry Markets/ Expositions
- Advertise in Industry related magazines
- Host functions / forum in major film markets
- Engage PR company to assist with penetrating through the major markets in Bollywood and Hollywood.
- Research and Identify new markets
- On Line Marketing:
 - Continued maintenance of Website database management & social media management

2019 Exhibitions

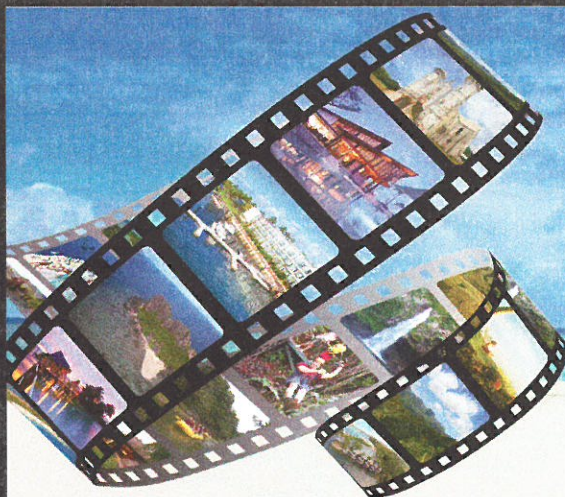


IIFTC

INDIA INTERNATIONAL FILM TOURISM CONCOURSE



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www.film-fiji.com

47%
Film Tax Rebate



FILM FIJI®

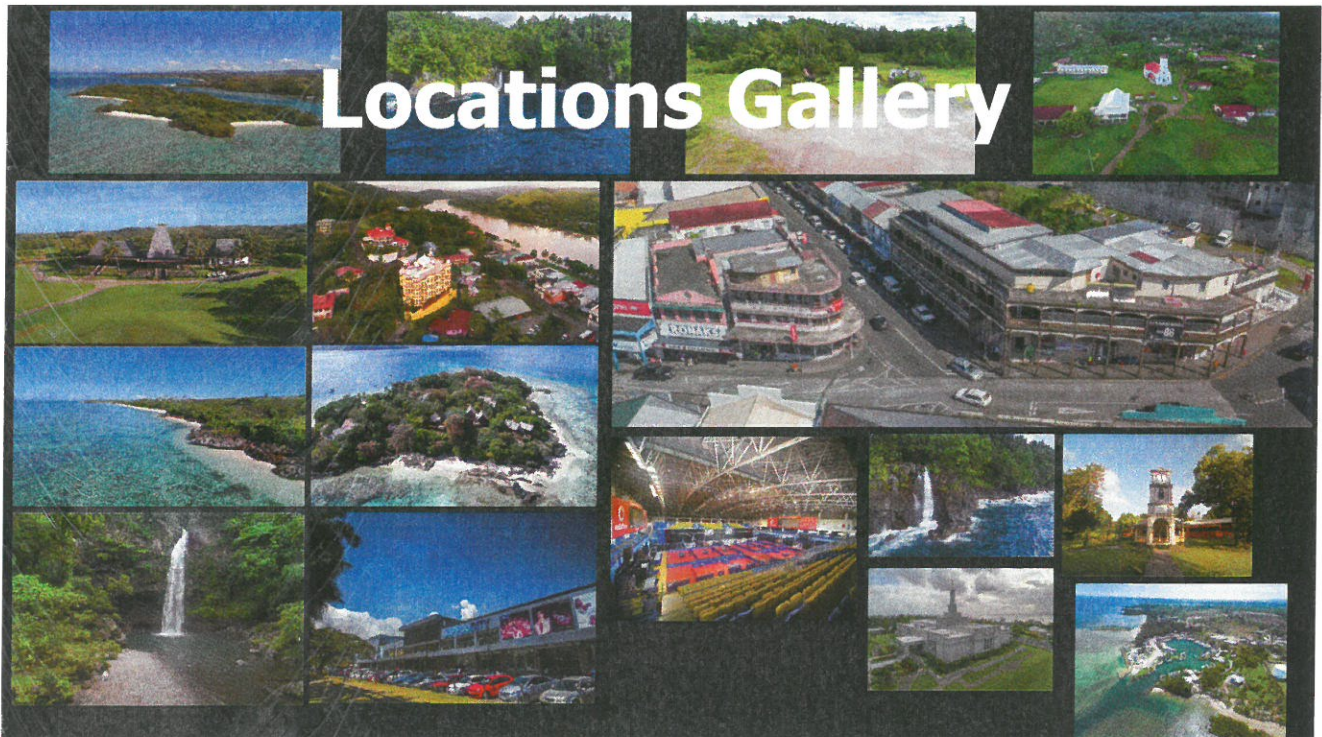
Your Ultimate Filming Destination

Marketing & Promotions



- **Locations Database:**
 - Continue work on new locations database.
 - To cover ALL locations within Fiji not previously covered
- **Locations & Production Assistance:**
 - Assistance to producers and production executives who come to Fiji to scout locations for potential productions in Fiji.
 - Hiring of specialized locations scouts, chartered transportation, accommodation and hosting of official functions with Government Officials and the Board.

Locations Gallery



FILM FIJI PROGRESS



\$6.963 million

Government invested in Film Fiji
(2014 to 2018/2019)

\$702.9 million

New Economic Activity

FILM FIJI PROGRESS



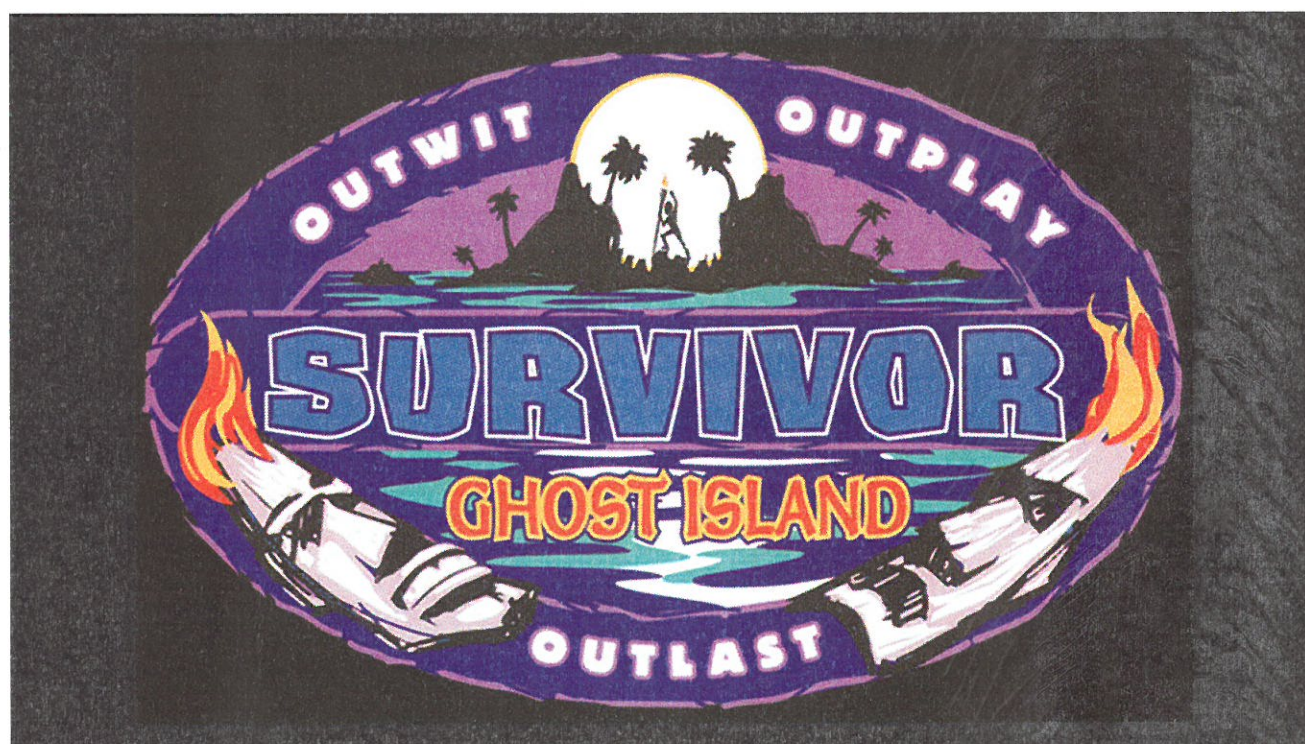
- 4,453 full-time equivalent jobs were created in these years
- The contribution to GDP by the AV Industry in 2017 was similar to the Sugar Industry.
- AV industry can be a real contributor to the nations economic progress
- Staff of 8

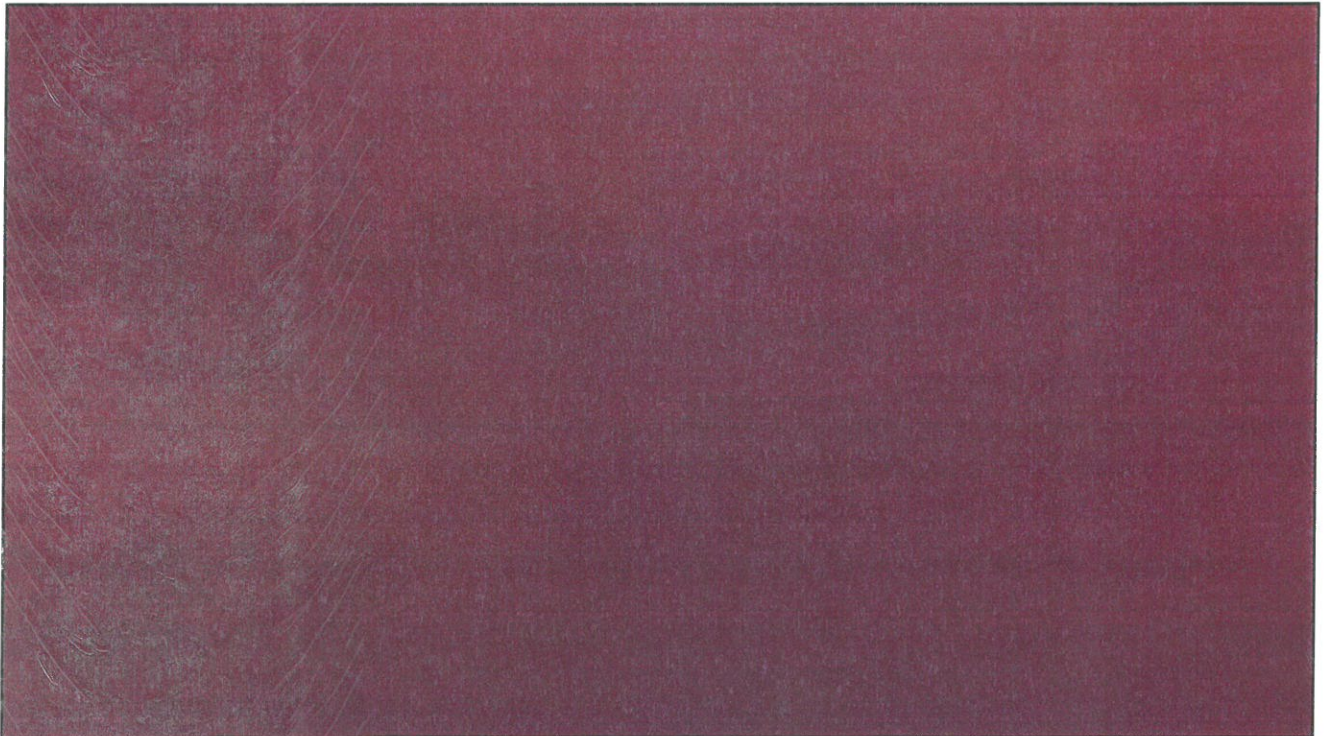


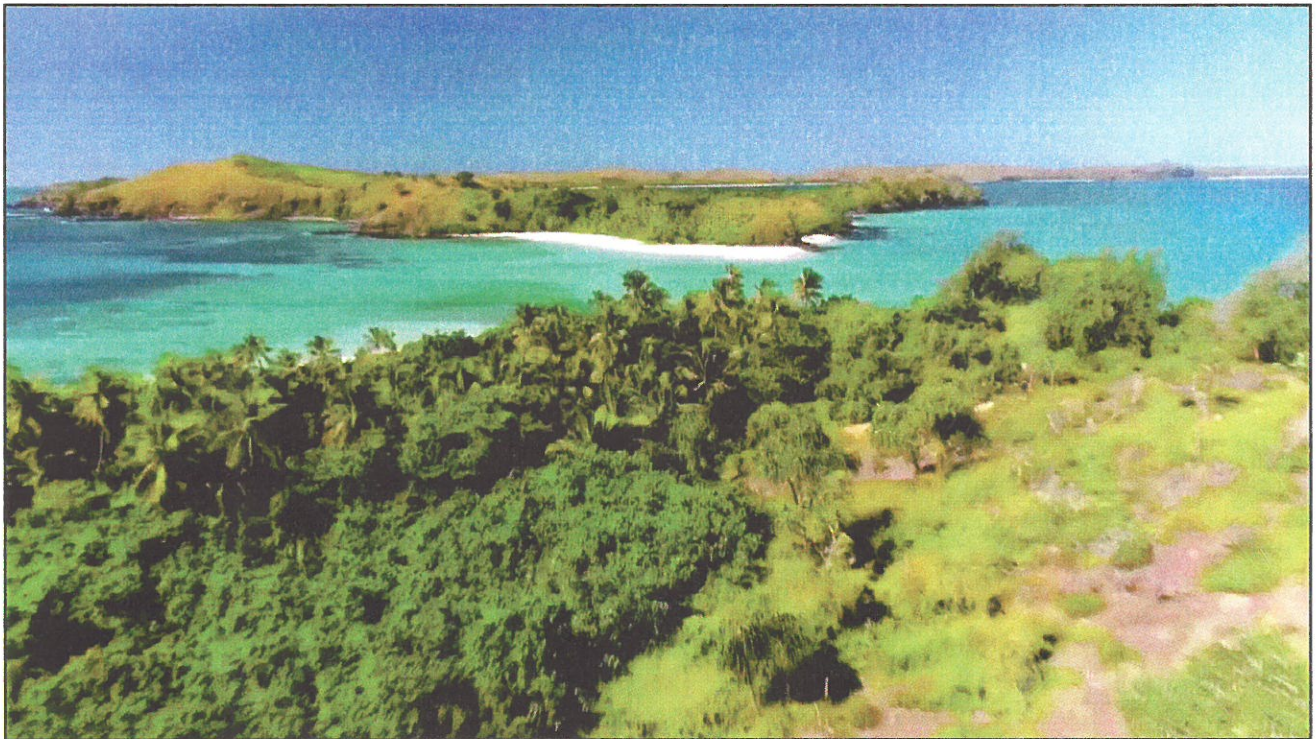
Productions

2014 54 productions
2015 42 productions
2016 57 productions
2017 74 productions
2018 106 productions

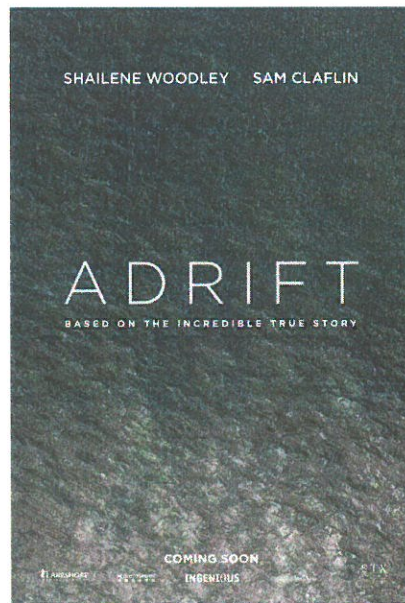
	2018	2017	2016	2015	2014
Total Marketing & Promotions Budget	727,496	858,540	97,026	261,769	247,793
Total Productions	106	74	57	42	54
Rebate Productions	14	13	8	1	2
Fiji Spend	\$96.9m (estimated)	\$94m (estimated)	\$43m	\$5.8m	\$11.6m
Economic Activity	\$271m (estimated)	\$263m (estimated)	\$120m	\$16.3m	\$32.6 m
Direct Jobs	1,480 (estimated)	1,300	800	122	751











2019 SLATE



- 84 productions so far
- 13 rebate production already wrapped
- 1 in prep;
- 1 major production confirmed from the US
- 1 from Europe
- \$444.3million in budgetary value of approved productions to date
- Estimated local spend \$134.1m
- Record year; highest amount spent in Fiji so far

Value to Fiji



- Injection of large amounts of **NEW** foreign money in a short period;
- Promotion and awareness of Fiji through the showcasing of locations
- Creation of Employment – assist in reducing unemployment; alleviating poverty
- Use of service from local vendors
- Use of locations; production will leave location either the way they found it or with improvements
- Environmental friendly investment / Eco-friendly
- Development and training of our local crew base
- Upgrading or installation of local infrastructure

Returns to Fiji



- New economic activity with a multiplier effect of 2.8
- New employment
- New business opportunities
- Increase in tax revenues from the production company
- Increase in tax revenues from the local suppliers and employees
- Recognition as a player in the lucrative global film industry
- National infrastructure improvements
- Filling up accommodation plant and aircraft seats in otherwise off peak periods

Returns to Fiji



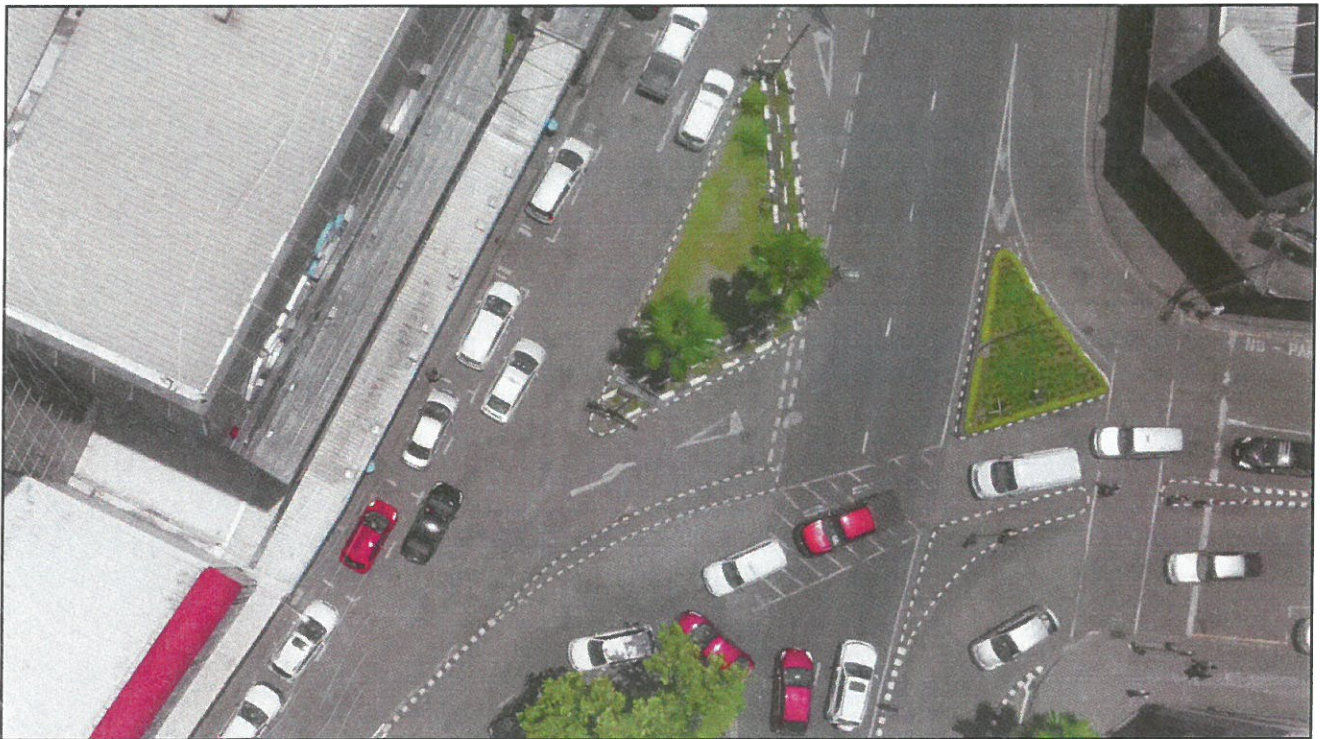
➤ Film tourism

- Placing a destination in a film is the ultimate product placement – promote Fiji as a production & holiday destination
- studies show that wherever a successful film has been shot, that location has experienced a growth of 54% in tourism arrivals in the following 4 years
- Enhances the image and awareness of the host location
- Compensation for seasonality problems for tradition tourism – All year all weather attraction

What do we need to do?



- Provide good, honest service to the visiting productions
- Understand the needs of production and facilitate
- Learn as much as we can
- Invest in the industry
- Take Fiji to another level
- Show the world that Fiji is a great country



THANK YOU



Office Location: Ground Floor, Civic House, New Town Hall Rd., Suva
Telephone: 330 6662 / 773 6662
Website: www.film-fiji.com
Email: info@film-fiji.com.fj

No	Date of Issue	License Term	Full Name of License Holder	Business Address	Residential/Postal Address	Phone Contact	Email Address	Services Offered
AUDIO VISUAL AGENTS REGISTER								
1	12-Oct-17	2 years	Costello Film Services	155 Vitogo Parade, Lautoka	P.O. Box 608, Lautoka	9168730	Vinecostello26@gmail.com	Location manager/ scout, Logistics manager/ coordinator
2	12-Oct-17	2 years	Pricewaterhouse Coopers (PWC)	Level 8, Civic Tower, 272 Victoria Parade, Suva	P.O. Box 200, Suva	3313955/ 3315199	minu.gandhi@fjpwc.com	Freight forwarding, Custom brokerage, Vehicle hire, Equipment hire, Packing material sales, Location scouting and Line production
3	3-Nov-17	2 years	UB Freight (Fiji) Limited	Unit 3, 189 Foster Road, Wailu Bay, Suva	P.O. Box 10154, Nadi Airport, Fiji	6724587/ 3302710/ 9929486	BenL@ubfreight.com	Logistic support in Production
4	29-Dec-17	2 years	Global Pacific Pte Limited	Level 10 Suva Central Bldg, Renswick Road, Suva	P.O. Box 32, Suva	9993473/ 3301155	tony@abkoy.com/ julian@globalfilmsolutions.com/ frith@globalfilmsolutions.com	Logistics services, Assists in negotiation
5	1-Mar-18	2 years	Pacific Investment Consultancy Limited	1st Floor, Suite 8&9, Queensland Insurance Centre, Victoria Parade, Suva	P.O. Box 549, Suva	3316066/7082786	lalunkhan@pacificinvestconsult.com.fj	Investment advisory services, Corporate services, Tax rebate services and Consultancy services
6	1-Mar-18	2 years	Productions Pacific Limited	1st Floor, Suite 8&9, Queensland Insurance Centre, Victoria Parade, Suva	P.O. Box 549, Suva	3316066/7082786	lalunkhan@pacificinvestconsult.com.fj	Location scouting, Caterer services, Accommodation services, Sourcing and engaging talent and Equipment Line, Liaison with airline and freight forwarders
7	2-Mar-18	2 years	KPMG	Level 10 Suva Central Bldg, Suva	P.O. Box 32	3301155	suvaoffice@kpmg.com.fj	Audit services, Advisory Services, Tax related services
8	28-Jun-18	2 years	Khan & Company	1st Floor, Suites 8 & 9, Queensland Insurance Centre, Victoria Parade, Suva	P.O. Box 549, Suva	3315777/ 3313655/ 7072786	khancolawyers@unwired.com.fj	Legal services
9	28-Jun-18	2 years	Magnum Productions	Level 4, BSP life Building, Suva	P.O. Box 12785, Suva	3312997/9992007	Mr. Hendrik de Jong/ frimagnum@gmail.com	Production services for a range of visual productions, Equipment for hire, Production Crew and Consultancy services
10	2-Oct-18	2 years	Welcome (Fiji) Limited	Lot 3, Navo, Nadi	GPO Box 18669, Suva	9298162/ 3303034	nie@welcomefiji.com/ jone@blawyers.com.fj	Film production and facilitation company, Tax rebate, Assist in setting up bank accounts and other financial aspects
11	11-Jan-19	25/01/2019	BDO (G.L.A.L)	Level 10, FNPF Place, 343-359 Victoria Parade, Suva	GPO Box 855, Suva	3314300	info@bdo.com.fj, rbano@bdo.com.fj	Accountancy services, Business Advisory services
12	22-Jan-19	12/02/2019	HILB MANN JUDD	HLB House, 3 Crickshank Road	PO Box 10973, Nadi Airport	6702430/3311061/8811561	sanjay@hlbnadi.com.fj	Chartered accountancy, Business advisory services
13	12-Mar-19	3/05/2019	Zens Medical Centre Limited	40 Lodihi Street, Nadi Town, Nadi	P.O. Box 1512, Nadi	9988425/6703533	ceo@zensmedical.com	Medical Support, Medical Logistics & Administration
14	21-Mar-19	3/05/2019	Go Local Holidays PTE Limited	15, Nasalivara Road, Namaka, Nadi	PO Box 1805, Nadi Town	9925786/7995786	azeem@999group.com.au	Taxi, Rentals, Motor Parts, Transfer & Tours, Online Travel Agent Services
15	24-Apr-19	10/07/2019	Yavusa Lewemoru Trust	59 Vanavou St, Nadi	P.O. Box 11141, Nadi Airport	7707810	ruidrakitevita@yahoo.com	Land Consultancy services, business advisory services, security services, tourism & hospitality services- specifically in sorting out services for transport, legal services including incorporation of companies and legal advice and representation on taxation, land/ natural resources, employment & intellectual law on property law
16	17-Jul-19	29/07/2019	Munro Leys	Level 3, Pacific House, Butt Street, Suva	GPO Box 149, Suva	3314188/7706369	nicholas.barnes@munroleyslaw.com.fj	

Appendix Two

Supplementary Response

Mateo W. Lagimiri

From: Tevita W. Tuivanuavou
Sent: Wednesday, 12 February 2020 4:43 p.m.
To: Mateo W. Lagimiri
Subject: FW: Clarification of Issues Film Fiji 2014 - 2015 Annual Report

From: Jone Tikoca [<mailto:tikoca@film-fiji.com.fj>]
Sent: Wednesday, February 12, 2020 2:58 PM
To: Atelaite Catimaibulu
Cc: Sheron R. Narayan; Tevita W. Tuivanuavou; Amelia Rigsby
Subject: RE: Clarification of Issues Film Fiji 2014 - 2015 Annual Report

Bula Atelaite,

I refer to your email below and submit herewith Film Fiji's response:

1. Proposed changes to the Income Tax (Film Making and Audio-visual Incentives) Regulations 2016 was submitted to the Solicitor-General's Office in December 2019 for review. Film Fiji intends to make submission on the Television Decree 1992 regarding the conditions of the Licence to Broadcast to request for a review of the 'local content' definition in the licence. We believe that by redefining local content in the broadcast licence to include scripted shows could result in more demand for local productions which will eventually help stimulate more local productions. This will assist in growing the film industry here in the country.
2. We are currently in discussions with investors to establish a Temporary Studio City Zone (TSCZ). The last TSCZ at the Statham Campus, Laucala Bay was withdrawn by USP in 2013. Currently there is no TSCZ.
3. The Fiji National University currently has a film school that offers basic film making courses at Certificate level. We are in discussion with FNU on the introduction of more courses at Diploma level and we intend to discuss with other education institutions on offering similar courses.

Please let me know if you need further information.

Kind regards
Jone

From: Atelaite Catimaibulu [<mailto:atelaite.catimaibulu@parliament.gov.fj>]
Sent: 07 February 2020 12:08
To: Jone Tikoca; robertson
Cc: Sheron R. Narayan; Tevita W. Tuivanuavou
Subject: Clarification of Issues Film Fiji 2014 - 2015 Annual Report

Good Afternoon Sir,

The Standing Committee on Social Affairs have highlighted few questions that needs clarification from your good office. The Committee would be grateful if provision of responses to the questions and related documents to be provided before COB on Tuesday 11th February , 2020.

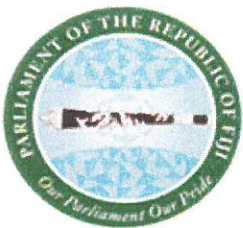
Question are as follows:

Film Fiji Questions

1. The committee understands that there is a need to improve facilitation for film makers through clear legislations. During your evidence session with the committee, we were informed that Film Fiji would like to review the Income Tax Act and other relevant Acts to remove ambiguity. Please specify which areas of the relevant legislations Film Fiji would like amended and the current difficulties faced with these legislations.
2. What plans are in place to establish Temporary and Studio City Zones? Are there currently any such zones in Fiji?
3. Are there plans to set up other Film Schools in Fiji to encourage more people to take up acting as a profession?

Looking forward to your response.

Thank you



"A Resilient
Parliament responsive
to the needs of the
people and driven by
the ideal of a better
quality of life for all
Fijians"

Atelaite Leba (Ms)

Committee Unit

Parliament of the Republic of Fiji

PO Box 2352, Government Building

Suva, Fiji.

Phone : (679) 3225623 Mbl: (679)8933074

Website: <http://www.parliament.gov.fj/>



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this email

Maurice I. Shute

From: Jone Tikoca <tikoca@film-fiji.com.fj>
Sent: Monday, 2 December 2019 3:33 PM
To: Atelaite Catimaibulu; Tevita W. Tuivanuavou; Sheron R. Narayan
Subject: FW: Parliament Questions

Bula Atelaite,

We have obtained a detailed explanation from ITLB on the process for obtaining a film licence and the validity as per chain of emails below.

Hope this will suffice.

Please let us know if you need any further clarification on this.

Vinaka



Jone Tikoca | Manager Finance & Administration / Acting Chief Executive Officer

Ground Floor, Civic House, New Town Hall Road

P O Box 18080, Suva, Fiji

Phone: (679)330 6662 | 992 6680 | Fax: (679)331 4662

Email: tikoca@film-fiji.com.fj | www.film-fiji.com

Find us:



From: robertson
Sent: 26 November 2019 16:16
To: Jone Tikoca
Subject: FW: Parliament Questions

Bula JT,

Please see TLTB comments for the two questions.

Regards,



Jone O'neal Robertson | Locations and Productions Assistant

Ground Floor, Civic House, New Town Hall Road

P O Box 18080, Suva, Fiji

Phone: +(679)330 6662 | +(679) 992 7351 Fax: +(679)331 4662

Email: robertson@film-fiji.com.fj | www.film-fiji.com

From: Peni Qalo [mailto:PQalo@tltb.com.fj]

Sent: Tuesday, 26 November 2019 4:07 PM

To: robertson <robertson@film-fiji.com.fj>

Cc: Rosyann Vunibaka <rvunibaka@tltb.com.fj>; Isoa Tuwai <ITuwai@tltb.com.fj>; Asaeli Moce <amoce@tltb.com.fj>

Subject: Re: Parliament Questions

Bula Robert,

In blue in our respond.

Vinaka

Peni Qalo

Manager Research & Development

iTaukei Land Trust Board (TLTB)

431 Victoria Parade

GPO Box 116, Suva

Phone: (679) 3312 733 (Ext 520) | Fax : (679) 3312 078

Mobile: 9995 904

Website: <http://www.tltb.com.fj>

From: robertson <robertson@film-fiji.com.fj>

To: Peni Qalo <PQalo@tltb.com.fj>

Cc: Rosyann Vunibaka <rvunibaka@tltb.com.fj>

Date: Mon, 25 Nov 2019 21:57:20 +0000

Subject: Parliament Questions

Bula Peni,

Thank you for taking my call this morning, as discussed questions were raised in parliament regarding TLTB's filming license process. Please see questions listed below:

1. What is TLTB's process of a production obtaining a filming license

TLTB have sets of requirements under its license form application that a production company must produce when applied for license. Important documents that usually checked by TLTB includes the approval from Film Fiji, registration of company at company office and tin with FIRCS etc. These documents must be lodged together with other requirements of TLTB checklist and consents of landowners for the processing of license.

Upon receiving of application, TLTB do consult the landowners with the presence of Provincial Office and Production reps. LOU are advice on the process and procedures, the benefits, location rates and other opportunities from the filming on their land. Consultations with LOU is important to obtain their majority consents and support for the filming been undertaken on their land. Inspection and GPS of land area or site is jointly attended by TLTB, LOU & Production rep for the demarcation of area to be used for filming. The area and land GPS will be part of the locality plan for the licence. The license will be issued to the Production company once the license offer is fully paid to TLTB.

2. What is the process if a production is shooting back to back films or shows

It will require the Production company to apply for new license before it commence with shooting.

Therefore, normal process for a filming license will apply.

We will need to submit the answers before Friday. Thank you in advance for your assistance.

Kind Regards,



Jone O'neal Robertson | Locations and Productions Assistant

Ground Floor, Civic House, New Town Hall Road

P O Box 18080, Suva, Fiji

Phone: +(679)330 6662 | +(679) 992 7351 Fax: +(679)331 4662

Email: robertson@film-fiji.com.fj | www.film-fiji.com

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www.avg.com

Appendix Three

Verbatim Report

STANDING COMMITTEE ON
SOCIAL AFFAIRS

Submittee : Film Fiji

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[Verbatim Report of Meeting]

HELD IN THE
COMMITTEE ROOM (EAST WING)
ON
THURSDAY, 3RD OCTOBER, 2019

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE BIG COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON 3RD OCTOBER, 2019 AT 1.58 P.M.

Interviewee/Submittee: Film Fiji

In Attendance:

1. Mr. Jone Tikoca (Acting Chief Executive Officer)
 2. Ms. Marica Vereakula (Legal & Compliance Officer)
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MR. CHAIRMAN.- Welcome, Honourable Members. On behalf of the Standing Committee on Social Affairs, I would like to welcome Mr. Jone Tikoca, the Acting Chief Executive Officer from Film Fiji, and also Madam Marica, the Legal and Compliance Officer. Welcome, Sir and Madam.

For your information, we have gone through the two 2014 and 2015 Annual Reports and we also sent some questions and we have gone through that page by page and we are very interested and want to know more with regards to Film Fiji. So once again, welcome, and we will now give you the opportunity to do your presentations to the Committee. Thank you.

MR. J. TIKOCA.- Thank you, Mr. Chairman. It is a privilege for us to be to present to the Committee here this afternoon, and I would like to first present from our PowerPoint, if we can.

Thank you, Honourable Members. We are so excited at Film Fiji to be here this afternoon. I will be presenting from our PowerPoint and, hopefully, I can answer most of the questions that were raised by the Committee in going through the presentation this afternoon.

Thank you, Honourable Members. I would like to begin my presentation this afternoon by showing the Committee one of the showreels that we usually take out there to the market when we go and promote the locations and destination.

Thank you, Honourable Members, the Film Fiji is a statutory body which is fully funded by Government. It was established way back in 2001 for the primary role to develop and promote the Fiji's Audio Visual Industry, both locally and internationally. We also administer the various audio visual incentives under the Income Tax Act and we provide film location services.

One of the other functions in the Film Fiji Act is to set up a film school. We tried all our best to assist the productions and the industry as a whole to become a one-stop shop. We tried to build and grow a new industry and broaden the economic base of the country as a whole, and we report to the Ministry of Industry, Trade and Tourism.

Organisation Structure: We have the Fiji Film Board and the Chief Executive Officer. Currently, we have eight staff.

Board of Directors: The Chairperson is Ms. Shaenaz Voss; and the members are:

- a) Mr. Sakiusa Bolaira;
- b) Ms. Deborah Sadranu;
- c) Ms. Timaima Vakadewabuka;
- d) Mr. Muni Ratna; and
- e) The Permanent Secretary for Industry, Trade and Tourism.

Composition of the Board: Honourable Members, because we always have a female representative from the Ministry, we always have four females and two males in the Board.

Staff Composition: currently, the Chief Executive Officer position is vacant, and I am currently the acting CEO. We also have another vacancy which is for the Manager, Marketing and Public Relations. For the moment, we have six staff. We also have three females and three males.

The Film Fiji was established by the Fiji Film Act of 2002 and we also administer, like I have mentioned, the various audio visual incentives. These are contained in the Income Tax (Film-Making and Audio Visual Incentives) Regulations 2016.

We also have what we call the “Film Fiji Licencing of Audio Visual Agents Regulations 2012” which regulates the Audio Visual Agents. I will touch on that later, Mr. Chair.

The strategic direction for Film Fiji is to grow the infrastructure and resources for film-making in Fiji by facilitating investment into the film industry, catalogue local resources, provide specific skillset training and we have what we call, the “Kula Awards”. This has become a big event activity of Film Fiji over the years. The interest from secondary schools on the Kula Programme has grown over the years. We also have to find avenues for exhibition for local film-makers. This is something that is also lacking at the moment, Honourable Members.

Making Fiji the film-making destination of choice for film-makers: We focus yearly on television shows and we have benefitted from that because TV shows are very quick as well as very quick turnaround time compared to feature film because feature film may take five to seven years to finalise a film before actual production while a TV show, because of the demand, they need to keep on producing one show after another to be able to meet the demand of the industry.

We continue to push into the American market because we know that is one of the biggest market, which is Hollywood and we also continue to push into the Indian market, in Bollywood.

We also pursue local institutional funding for the film industry. We are talking to a few companies locally, and also we want to grow our locations gallery. This is something that we are focusing on right now. We want to capture as many locations as we have, so we send those that we have appointed across the country to capture locations and then we keep a database of that in-house, as well as we try promote some of those locations on our website or when we go out and attend markets.

So we want to grow that locations gallery that we have. We want to also increase the use of our social media and website. With the strategy that we have, we try to explore new markets such as Asia and Europe. We recently have interest shown from European production houses. For the last 2, 3 years, we have had the French Survivor and the Sweden Survivor and a few other productions and from Europe that were shot here in the country and we want to capitalise on that interest, Honourable Members.

We want to improve the facilitation for film-makers through clear legislations, efficient processes and easier access to locations. So we continue to improve on processes and documentation, streamlining processes and documentation requirements from most of our stakeholders. So we try to reach out to the important stakeholders and we try to get them to sign MoUs with Film Fiji.

One such work that was completed successfully was the work that we carried out with iTLTB. We now have what we call, the “Film Licence” instead of the lease, because the previous Act that governs the use of native land, does not allow the use of land for short term purposes. So we were able to raise that successfully with

iTLTB. We now have a film licence for those that want to use iTaukei land. So we also want to further review legislations which include the Income Tax Act plus other Acts to remove ambiguity and grey areas in the Act.

Key challenges to Film Fiji: We compete with more than 300 Film Commissions around the world and some of these film commissions are very well-equipped, they are much bigger than our commission. They also offer competitive film incentives than our incentives and they have expertise, infrastructure that are already established in those locations and most of these are based in first world economies and they have the knowledge, the know-how on how to operate this very fragile industry.

The audio visual incentive: we are very grateful for Government for providing these incentives which assist the Film Commission in promoting the destination, so we cannot only be promoting locations that we have, we may have good locations but some of the other countries are catching up with Fiji. They might have the same locations that we have, good beaches, clear sea. We need to have incentives to further promote the destination.

We have two new incentives that were announced in the 2019-2020 Budget. Starting from the first one, we have the tax-free concessions for holders of audio visual operating licences in temporary and studio city zones. This incentive is given to those that will operate from within the zone. We currently do not have a zone, the last zone that we had was withdrawn in 2013, which is the USP Statham Campus, but the incentive is still there, so we are currently promoting, trying to encourage our local or overseas investors for the creation of a zone because all those that operate from the zone for the purpose of audio visual will be exempted from income tax.

One of the new incentives is a 7-year tax holiday to companies who set up production facilities, including equipment, cameras, editing and post-production facilities in Fiji. This is really good for us, we have received a lot of interest after the announcement in July, so we are working with some leads with some investors to be able to establish some of these facilities in Fiji.

Then we have what we call the “F1 concession” and “F2 concession”; these concessions are for our local investors. A production for either local or overseas production can raise half of their budget here in Fiji from local investors and the local investors get the tax deduction from FRCS, so if you invest in F1 production, the taxpayer gets 125 percent tax deductions, for an F2, they can get up to 150 percent tax deductions on the amount. This is calculated on the amount that is invested in the production. The only difference between F1 and F2 is that, F1, you can shoot any production irrespective whether it is showing Fiji as Fiji or it can show Fiji as another location; whereas for F2, they have to show Fiji as Fiji, that is the difference between the two.

We have what we call the “film tax rebate” which is very famous. It is one of the best in the world at the moment. This was increased from 47 percent to 75 percent in the last Budget announcement. This is available to fully-funded projects from abroad and the rebate is based on the local spend. Whatever the production spend here locally on local goods and services paid to a resident company, they can get back 75 percent of that.

Also, there is a 200 percent tax deductions available to companies investing in cameras and other filming equipment for the audio-visual productions. This is a new incentive, introduced in the 2019/2020 Budget as well. We have what we call the “film-making incentive”. This is a tax-free income for foreign cast and crew of a foreign production who are nationals of countries who do not have double tax agreement with Fiji. As we do not have a double tax agreement with the United States of America (U.S.A.), and if a crew comes from the U.S.A., they can apply to the Minister for Economy for a waiver of the income tax.

MR. CHAIRMAN.- I believe it is the 2019/2020 Budget.

MR. J. TIKOCA.- Sorry, yes, 2019/2020 Budget announcement, Mr. Chairman. So, the last incentive, Honourable Members, is available to all the production companies that come to Fiji, irrespective of whether they apply for the Film Tax Rebate or the F1/F2 concessions.

We have a very good relationship with the Fiji Revenue and Customs Service (FRCS). We have to protect the integrity of the incentives and that is why it is important to have that good working relationship with the FRCS. We have what we call the “Audio Visual Committee” which consists of officers from the FRCS, as well as our Ministry and ourselves. We know that the FRCS are thinking of the tax income but what this particular industry is looking at, is the economic multiplier effect of the investment that is brought in by the production when we assess the incentives.

The questions that will be asked if you are a Fiji taxpayer investing in F1/F2 or any of those incentives that I discussed earlier on are: Will I get my tax deduction for the F1/F2 or the other tax concession?; and for those producers that are coming from abroad, will I get my 75 percent tax rebate? That is why we try to work very closely with the FRCS and the Ministry of Economy in managing the incentives under the audio-visual industry.

The role of the Audio Visual Committee, Mr. Chairman, is to assist the Film Fiji Board in providing policy recommendations in terms of the audio visual industry as a whole in Fiji. We are governed by the Audio Visual Committee’s Terms of Reference.

The other role that the Committee has is to assist the Film Fiji Board with assessing applications for the audio-visual incentives. So, all the applications, anything that comes in for any of the incentives under the film industry will first have to be assessed by the Audio Visual Committee.

Honourable Members, the membership of the Audio Visual Committee are as follows:

- Mr. Sakiusa Bolaira : Chairperson, Board Director - Film Fiji
- Mr. Muni Ratna : Chief Executive Officer, Film Fiji; Acting Director, Intelligence, Compliance and Investigations, FRCS (Board Member);
- Mr. Shavindra Nath : Deputy Director, Revenue Policy, Policy Design and Monitoring, FRCS (Board Member);
- Mr. William Hamilton : Chief Economist, Ministry of Industry, Trade and Tourism (Board Member);
- Mr. Nitesh Chand : Principal Economist, Ministry of Industry, Trade and Tourism (Board Member);
- Marica Vereakula : Legal and Compliance Officer, (Secretary to the Board, Film Fiji).

The audio visual agents: as I indicated earlier on, Deputy Chairperson, in the Income Tax Act, there is a requirement that for production to qualify for the film tax rebate, they must engage an audio visual agent - that is one requirement. The audio visual agent acts as an agent of the production, so they provide production services to a foreign production company that is eligible for the rebate.

They have to act in the best interest of the foreign production. They ensure that the foreign production complies with all the conditions of the film tax rebate. We have some very strict conditions for the incentives which must be complied with, and the agent must ensure as well that the foreign production complies with all the relevant laws of Fiji while here, like the Employment Law, Environment Laws, et cetera.

Licensing of the audio visual agents: the authority is with the Ministry of Industry, Trade and Tourism. Following are the eligibility criteria where they must have:

- a business registered here in Fiji;
- a valid business licence;
- evidence of birth certificate or passport for Fiji residents;
- resident permit from the Immigration Department for foreign nationals;
- met requirement for police clearance;
- TIN registration; and
- details of operations (this is very important).

The audio visual agent must have qualification to be an Audio Visual (AV) agent, so they must show us evidence that they have worked as well as have relevant work experience previously in production. They must also have an office where they must operate from.

The Financial Intelligence Unit (FIU) of RBF will also give a report on the financial stability of the company as well as the Fiji Revenue and Customs Service; a report on the tax compliance of the company before the company can be given a licence to operate as an audio visual agent.

The audio visual agents' code of conduct: we currently have a draft which was submitted to the Ministry of Industry, Trade and Tourism back in 2015. We have just received the draft this year from the Ministry, and were advised to re-conduct consultation with main stakeholders and re-submit the Code of Conduct back for submission to Cabinet. We are currently doing those processes, Honourable Chairman.

The main contents of the Code of Conduct are the core values of the Audio Visual (AV) agents, the ethical principles of the AV agents, what are the expectations of Film Fiji from the AV agents, and we have a complain mechanism as well included in the Code of Conduct.

We currently have 15 Audio Visual agents in the list with valid licences.

Economic Impact Study: There was a study carried out in 2004 to establish the AV industry in the economy in Fiji. The findings were endorsed by the RBF, FRCS and the Ministry of Economy. The study shows that for every one dollar spent in the country, that has an equivalent of 2.81 of new economic activity created in the economy. There was also an estimation of 63 fulltime equivalent jobs created from every \$1 million spent in Fiji.

On our operations, Honourable Chairman, in terms of Local Development, we have what we call, the "Film Fiji Academy". We try all our best to conduct training for our local stakeholders in areas where we think there is a real need to train our locals. So we bring trainers from abroad for this purpose.

From this year, we will include a requirement in the provisional approval when we give out provisional approval to productions that they must conduct at least one day training. So they can provide the trainers while here in the country, so that we do not have to bring any more trainers ourselves. On the success of the training that were conducted for the past years, we see that there is a benefit to continue to conduct this training for our locals in these areas.

We have the Kula Film Awards which is an annual event for us. What we tried to do, Honourable Members, is to introduce this industry at secondary school levels and tell our children that, yes, there is an opportunity in this industry, just in case they wish to take that opportunity.

We run competitions in film-making and there is a dance competition as well as an art component of the Kula. The event for Kula Awards itself has grown over the years, that is the number of schools taking part from

2014 up till this year. We can see an increase in the interest shown, especially in the film competition as well as the art competition.

(Viewing of Video Clip)271

Those were the highlights from last year's Kula Film Awards, Honourable Members, but we still have the show in for this year's Kula Film Awardd but it was a bit late, I could not show it to the Committee today.

In terms of success stories from the Kula Film Awards, we have:

- Three former Korovuto students who have formed and owned a videography business in Nadi.
- Sekove Tunu, a former student of Sacred Heart College, who won the best male dancer in 2017, now a professional international performer with the Vou Dance Group.
- Samuel Wake, who worked for the Australian Survivor last year in Savusavu.
- Tevita Tobeyaweni, who is the Director of MATA Dance and Aue. This group had two teams qualified for the World Hip Hop Championship in USA this year.

These are only some of the success stories but most of the students that came out from the Kula Film Awards competition have now worked in most of the local production houses. Some of them have gone through the FNU School of Film as well to get their qualification from there before they join the production houses.

In terms of marketing and promotion, we attend overseas industry markets and expositions where we try to promote the locations and the destination, as well as the incentive that we have. So currently, for the last three years, we have been going to both Hollywood and Bollywood to promote the destination to those two countries. We also advertise in industry-related magazines and where we cannot attend some of the important markets, we try to advertise in those magazines that we will distribute in those markets.

We try to engage public relations companies to assist in penetrating through the major markets, especially in Bollywood, where it is sometimes hard to reach the top decision-makers, so we work with the Times of India which is one of the largest public relations companies in the world.

We also carry out our online marketing. We have our website as well as our social media platform; *Facebook* and *Twitter* where we reach out to the industry decision-makers.

In February, 2019, this year, we attended the India International Film Tourism Conclave in Mumbai, and we also attended the Association of Film Commissioners International Week in Los Angeles in 2019. We, sometimes take the officials from the Fiji Revenue and Customs Services (FRCS) with us to the markets. It strengthens our bid in presenting the destination to the producers. This is just an example of advertisements if we have to put this up in overseas magazines.

Like I mentioned previously, we tried to compile a very detailed locations database which we now have in the office. We are still filling up and still trying to get as more locations as we can, to continue work on the new locations. We are trying to cover all the locations in Fiji. This year, we will be covering the Levuka and the Northern Viti Levu, as well as the Yasawas and the Mamanucas, so those areas will be covered.

What we do, in our website, we try to categorise those locations and keep them there, so that the decision-makers can easily look at what they need to look for. If they want to look at waterfalls or cityscape or mountains, so we try to make this very easy for the producers and the directors to look at.

We also assist producers when they are here to scout for locations. We provide some assistance in terms of assisting the producers to direct them to those locations or we can even hire specialised locations scout to work with the producers, provide transportation or accommodation, et cetera.

A location gallery will show something like this, Honourable Members. Our progress over the years, from 2014 to 2019, Government has invested \$6.963 million into Film Fiji and we have curated a total of 702.9 million of new economic activity. This is in terms of the investment that is directly brought into the country by filmmakers.

From 2014 up to this year as well, there was 404,453 equivalent jobs created during this year.

The last meeting we had with Reserve Bank of Fiji last year, we were advised that the contribution of the film industry to GDP in 2017 was similar to the sugar industry. So, we can say that the audio visual industry can be a real contributor to the nation's economic progress.

From 2014, those are the number of productions that come in to the country. The highest number we have so far was in 2018 - 106 productions, and in terms of the marketing and promotional budget for those years in 2018, we budgeted \$727,496 for promotional budget. There were 106 productions that came to Fiji and that was a record year for us.

The 106 productions spent a total of \$96.9 million in the Fijian economy in 2018. So, that created an estimated 271 million of new economic activity in the country last year, also that created 1,480 fulltime equivalent jobs for 2018.

If I can just show the Committee trailers of some of the productions that were shot here previously. The "Survivor's Ghost Island" was shot here in 2017.

(Viewing of Video Clip)

MR. J. TIKOCA.- Honourable Chair and Honourable Members, Jeff Probst is the host of Survivor, US, has a very large following so you cannot buy that kind of comment on international television.

The next one is the "Survivor French", shot up in the Yasawas. I apologise for the language, it is in French.

(Viewing of Video Clip)

This next one, Honourable Members, is a production from Chennai, India, shot here in Fiji in 2017.

(Viewing of Video Clip)

MR. J. TIKOCA.- Lastly, the Adrift Film that was also shot here in 2017.

(Viewing of the Video Footage)

MR. J. TIKOCA.- Thank you, Honourable Members. Looking at this year's operation, we currently have 84 productions in our slate, 13 rebate productions. When I say "rebate productions" it means those bigger productions. We have 13 already shot and wrap. One is currently in pre-production (also called "Prep").

There is one major production already confirmed from the United States and one from Europe to shoot later this year. From the 84 productions that we have hosted this year, their combined budget is \$444.3 million. We estimated that their local spend for the 84 productions will be around \$134.1 million.

This will be a record year. This will surpass the record that we set in 2018 in terms of the record amount that will be spent here in the country by the productions.

The value to Fiji for hosting these productions includes the injection of a large amount of new foreign money within a very short period of time, also the promotion and awareness of Fiji through showcasing of our locations once these films and television shows are released in the television channels or theatres abroad and the creation of employment. We are assisting in the reduction of unemployment therefore alleviating poverty.

What we try to do, Honourable Members, is to take their production out to those locations where there is less development. In 2017, we were able to get productions up to Taveuni. Last year, one major production showed up in Savusavu.

The French Survivor that we just saw, who would have known that we can take that production up to Yasawa. There is no hotel accommodation up there in the Yasawas but they went up there and built units - there were about 96 containers which they turn into small rooms and they built around 96 units somewhere near the beach of Yasawa-i-Rara. That is the furthest island in the Yasawa Group, Honourable Members, so that is something that we try to promote, that we take those productions out to where there is less development.

This year, Honourable Members, there was a pretty large production that was just shot last month. It covers the whole of Viti Levu, going to Ovalau, and spilling across to the Mamanuca Group as well. The benefit that the productions have on those economies where they shoot, we can physically see the benefit in those small economies.

When I went up to Taveuni while the production was up in Taveuni (that was just after *TC Winston*), one of the villages that was nearby the sea had been trying to shift their village away from that current place for some years but because that production crew was there when I went there for a site visit to visit the production crew, I stopped at the village. I saw the caterpillar truck levelling the hills, and I spoke to the village headman. I could see four hills already levelled so those are for houses. Because of the production crew that came there, they employed the villagers in the production, so from the money that they received as wages, they were able to pay for the construction of those bays to move their village. So, that was one very positive remark I received from Taveuni at that time.

While in Yasawa as well, Honourable Members, there was only one resort in Yasawa-i-Rara. The road they have is only from the airport to the resort, so when the French Survivor was shot there in 2017, they constructed the road all throughout the whole island to the four villages that are there in Yasawa-i-Rara. So, they were able to do all these by themselves, they did not ask Government for any assistance, in terms of constructing all these infrastructure for them.

Honourable Members, I am just trying to explain that the industry has really assisted in creating employment to our locals. As you can see, already we have created 4,400 jobs for the six years.

The use of service from local vendors: the local employment that we are showing does not include the local vendors, who have to set up new units to supply to the production. So the benefits to them are separate, because most of the companies already have Film Audio Visual Section, that only caters for production needs.

The use of locations: our locals benefit from the use of location. So in terms of compensation for the use of locations because when they go to a location, they engage mostly with the community at that level.

Back in Yasawa, Honourable Members, I went to the base camp, and at the entrance, I met a gentleman (an old man) whom I was introduced to, he was the Turaga ni Koro from the village because they have used all the men from Yasawa-i-Rara.

So they have to employ too those that are a bit older to come and work for the production and when I went further to another site, I can see a woman there as well working as a security staff because there is no more men to engage for the security role and they engaged almost all of those that can work from the locations.

This is a very clean industry. When they use a location and when they leave, they leave the location the way they found it, because there is no permanent construction going on. Even if they do some temporary construction, they will follow through the process of getting an Environment Impact Assessment (EIA) done and all those requirements that we have, so I can vouch that it is a very safe investment in terms of dealing with our locations.

The very environmental-friendly, eco-friendly and the current production that was shot here last month, because we had a lot of Government support for the production, we had the police who were there with them. I received a request from the Head of Police that was heading the Operation that they wanted some bottles of water, so I turned around and told him that the production does not carry bottles of water, "You have to carry your own bottle, but you have to refill your bottle because they do not use plastics", so even up to that level, they would do that when they go around.

I had a visit to the production when they were up in Lutu, Wainimala. On a Saturday, I saw near Monasavu the sewerage tank that came there to pick their sewerage and bring it back to Suva, that is how clean this industry is.

The other thing is, there is the development in the training of our local crew because there is a requirement in the legislation that they must engage our locals when they come to Fiji. That is apart from engaging students from the Fiji National University Film School. So when our locals are engaged this way, they learn and train themselves to take up a more responsible role in the future. Like I mentioned, upgrading and installation of local infrastructure as well, they always upgrade infrastructure for the local economy where they go.

Returns to Fiji: There is a new economic activity of 2.8 on every dollar that is spent in the economy. There are new employment opportunities and new business opportunities for our business foreign investors. There is an increase in tax revenue from production companies when they shoot here. We have been advised by FRCS that the tax revenue increased from both, the production themselves and also from our local suppliers, which is a good positive sign for our tax collection.

We can recognise this industry as a lucrative, major player in the economy. Where we always have off-peak period for tourism, we believe that we have, sort of, filled in that gap. Now it is going to be hard to find hotel rooms in between because the productions are coming all year round, from January to December now. So they might stop maybe two or three weeks in December but come January, they are here again for the next year.

Film Tourism: Honourable Members, placing a destination in a film is the ultimate product placement to promote a destination. We could not buy all those, it is going to be expensive for us to buy those placement in an overseas television channel. So when a production releases their TV show or their film abroad, they show the beauty of the country, the culture and we cannot pay for that. Studies show that wherever successful films are shot, those locations will experience some growth, at least 54 percent in tourism arrival the following four years.

We receive indication that there was one Chinese show that was shot up in Taveuni in 2015. When they released the film in China, there were some increase in Chinese tourists in Taveuni the following few years. This is actually the perfect platform to promote the country in the tourism industry.

What do we need to do? We have always tried to emphasise this, especially to the AV agents or our locals, to provide good and honest service to the visiting productions. We have to understand the needs of the production and facilitate.

We are so fortunate for the larger productions that we mentioned earlier on. Government, through the Office of the Prime Minister, had agreed to set up a national taskforce to oversee the major production that was shot here last month. When the productions are here, we have to learn as much as we can from them. Where we lack in, there is a need to invest in the industry. We lack a lot in the infrastructure.

The other film that I showed earlier on “*Adrift*”, they would have shot the whole production here had we had water tanks where they shot the hurricane scenes, and because we do not have the water tanks, they had to move from here to New Zealand to shoot those scenes. But all the other ocean scenes were shot in Rakiraki and some were shot in Laucala Bay but otherwise we have lack in infrastructural development. We have to take Fiji to another level and show the world that Fiji is a great country.

I just want to conclude my presentation this afternoon, Honourable Members, I want to play another two minute showreel that we always take out to the market. This current showreel is the one that we usually show the Hollywood (USA) market.

(Footage was shown to Members)

MR. J. TIKOCA.- Thank you very much for you time, Honourable Members.

MR. CHAIRMAN.- Thank you, the Acting CEO of Film Fiji. It is like coming out of a theatre after watching a movie.

Thank you very much for your presentation with a lot of information and very interesting. I believe Film Fiji is doing really well and we are happy with your presentation.

Now, we will give the opportunity to our Honourable Members for some questions. I believe during your presentation you have asked majority of the questions which we have raised, but if we have some more questions, I will allow Honourable Members starting from Honourable Dr. Ratu Atonio Lalabalavu.

HON. DR. RATU A.R. LALABALAVU.- Thank you Acting CEO and Madam for that very visual presentation. I wanted to start off with just one observation. I was going to ask if it could be taken on board but the last clip answered it because I think your first clip was more like Fiji Visitors Bureau video clip which shows a lot of hotels rather than the second one.

MR. J. TIKOCA.- We designed the two showreels for the two different markets. The first reel was for the Asian market. They are mostly like touristy, so the second showreel was for the US market. What we try to do is understand the needs of the market, then we design the showreel accordingly. You are right, thank you Honourable Member, for that.

HON. DR. RATU A.R. LALABALAVU.- As you said, some of the productions had been done in Taveuni and some in Cakaudrove, Vanua Levu, like *Survivor*. With regards to the licence, is it one-off during that shooting then it expires or otherwise?

MR. J. TIKOCA.- The film licence?

HON. DR. RATU A.R. LALABALAVU.- Yes, with regards to the use of *mataqali* land.

MR. J. TIKOCA.- Thank you, Honourable Member. The film licence is a one-off, for the purpose of the one production that comes in to shoot for that particular period. It will be for that period only which is given by iTLTB.

MR. CHAIRMAN.- Is that only for one production?

MR. J. TIKOCA.- Only for one.

MR. CHAIRMAN.- One production within the time limit?

MR. J. TIKOCA.- Yes, within the time limit, Honourable Members.

MR. CHAIRMAN.- So, if you want to have another production, another company coming in, they have to get another licence?

MR. J. TIKOCA.- I have to clarify that with iTLTB because I know there are productions that were shot back to back. I have to clarify whether they can have that one licence if they are using the same location for the same company. It depends on the company, if it is the same company, I am sure they can have that one licence because it is the same company, but shooting two productions.

MR. CHAIRMAN.- Maybe you can provide that information to our Secretariat via email.

MR. J. TIKOCA.- Yes, I will do it. Thank you, Honourable Chairman.

MR. CHAIRMAN.- Honourable George, any production in the North?

HON. G. VEGNATHAN.- Thank you. Mr. Chairman, through you, yes, I think there will be shootings in the North, hopefully if the Acting CEO can facilitate that, we will appreciate it very much. I know that you facilitate the licence for these film companies, do you?

MR. CHAIRMAN.- Licensing is coming from iTLTB?

MR. J. TIKOCA.- Yes.

HON. G. VEGNATHAN.- But do you act on their behalf?

MR. J. TIKOCA.- We introduce the production, we run them through the process that they need to comply with when they are in Fiji, so in terms of the usage of iTaukei land, they need to work with iTLTB in terms of identifying the rightful ownership of those land and then get their consent and the film licence from iTLTB.

MR. CHAIRMAN.- How long does it take for them to obtain this licence?

MR. J. TIKOCA.- Now, the licence can be obtained very fast. It is not following the normal lease process.

HON. G. VEGNATHAN.- Thank you.

HON S.V. RADRODRO.- Thank you, Mr. Chairman, and thank you to the Acting CEO for that very enlightening presentation and I believe one with the difference coming in with your very visual presentation. But after your presentation, I strongly believe that there is a lot of potential that these film industries can offer Fiji, but we are not really tapping into.

My first question is on incentive, the second is on audio visual agents and on the staffing. On the incentives, the incentives are looking very good. There are good incentives, very attractive, but what I would like to ask is, how well utilised are these incentives? Is it really being captured by the target market? What kind of feedback or response or what kind of buy in have we had in regards to those incentives?

MR. CHAIRMAN.- Thank you, Madam.

MR. J. TIKOCA.- Thank you, Honourable Chairman. When we go out and attend markets, we promote the incentives and the locations. The response that we received in terms of inquiries that come in and the number of production that will eventually shoot here in the country is the proof that the incentive is working. So, at the moment, because of the influx of inquiries and the influx of production that is happening here in the country at the moment, we can say that the incentives are working.

If I can just elaborate further on that, Mr. Chairman, in 2017, at one stage there were three big productions happening here all at one time. And we received a call from the New Zealand Film Commission that we have in Fiji, half of the film crew from New Zealand because of those three productions that are happening here around the same time. That is when *Adrift* was also shot here. I believe that our marketing and promotion is working and that can be related to the number of productions that are coming into the country.

At the moment, we are assessing the production on case by case basis because we also need to look at those productions that will promote the destination more or better than the other because we tried to get the maximum benefit from each of the production that comes into our country. That is the way we are going at the moment, because of the influx of inquiries that are coming in.

MR. CHAIRMAN.- Thank you. Any other questions?

HON. S.V. RADRODRO.- Just on that incentives, you had mentioned something about the zone being removed or taken out.

MR. CHAIRMAN.- Zoning needs to be done.

HON. S.V. RADRODRO.- Yes.

MR. J. TIKOCA.- Yes, you may be all aware, Honourable Members, there is the Studio City Zone in Yaqara. That was supposed to be the zone and because it did not eventuate, Government created what we call the 'Temporary Studio City Zone'.

We had one zone that was for proclaiming USP Stratum Campus and that was declared as a zone sometimes in 2004 or 2005. They withdrew that zone in 2013 because they wanted to use the area.

For those audio visual operating licensees, to access the incentive which is the tax free status that they have, they have to be operating from within the zone. At the moment, Honourable Members, we are working with Fiji Revenue and Custom Services (FRCS) to try to resolve this issue. So, the other area that we are looking at is to promote the establishment of a zone within the investors that we have at the moment.

MR. CHAIRMAN.- Thank you, Honourable Nagata.

HON. AT. NAGATA.- Thank you, Mr. Chairman, and thank you, CEO, for the presentation. Apart from the wages earned by the locals, what other benefits have the movie productions brought to the local communities? For instance, may be building of community halls, et cetera.

MR. J. TIKOCA.- Thank you, Honourable Member. The benefits, as I had mentioned is not only in terms of wages. When the production is shooting in a location, if it is nearby the sea they will engage almost all the boats from around the area. They will engage transport and other services, like catering services. In the Yasawas, the ladies or women's group catered for many months and I was told they were receiving quite a good compensation for the catering that they were doing.

It is not only the wages, they also have what we call the compensation of the use of the location that they receive, apart from being engaged themselves in the production. So we have interest now shown from Kadavu because production is there now in one part of Kadavu. Now, other parts of Kadavu are saying ...

MR. CHAIRMAN.- The news is going around?

MR. J. TIKOCA.- Yes, Honourable Member.

MR. CHAIRMAN.- About the benefits?

MR. J. TIKOCA.- Yes, Sir. There is a lot of benefits from the process. You can really feel, you can see, the benefit in those economies when you go and visit them while the production is in shoot there.

MR. CHAIRMAN.- Thank you, Mr. Tikoca.

Also, I would like to inform you that the Committee also wishes to perhaps, visit your office or some of the places or sites around Fiji where these productions are taking place. Also for your information, recently, I was told there was one event at Navala Village in Ba. They have been sending pictures from there to me through the District Officer and even towards the end when they were sharing the money that was given to them. Can you provide some information on that, what was the event? How has the community benefitted because I understand that, that has been through Film Fiji?

MR. J. TIKOCA.- Thank you, Mr. Chairman. I had mentioned that there was a major production that was shot here last month. We had a Government Taskforce headed by the Office of the Prime Minister that was formed, to assist the production while here in Fiji. That was to have been the biggest production to be ever shot here in the country.

In terms of location, they used locations from Ovalau, right across Viti Levu, then up to the Mamanucas, so compensation for our local landowners went across 160 villages. So that is the level of benefit that will go down to the grassroots people.

Yes, Navala was one of the base camp for the production. It was the eco-challenge race that happened here. That was a production by MGM and together in partnership with Amazon Prime. The show will air on Amazon Prime and not on the MGM CBS Channel.

Amazon is buying the show from MGM and they will screen the show. Amazon has over 200 million membership and these 200 million are from over 200 countries. So the show will be aired in 200 countries so

tourism will be benefitting the most from this one production because of the level of viewership across the globe. Yes, it is one of the biggest productions so far that we have just wrapped up in the last two weeks.

MR. CHAIRMAN.- Thank you. Because the information I got from the villagers, they are really very happy. Most of them were employed, they were also paid for the catering and other things, and towards the end accordingly, if I am right, the District Officer told me that they managed to share \$42,000. That was between the villagers.

MR. J. TIKOCA.- Yes, the villagers were employed, the locations used were compensated. If it is within the village boundary, the villagers will be compensated. Outside of the village boundary, if they cross those land, the landowning units will be compensated separately from there. So, it was a fairly large production and it is compensating our locals very well as well.

MR. CHAIRMAN.- Thank you very much for that information. Any other question, Honourable Members?

HON. S.V. RADRODRO.- Thank you, Mr. Chairman. Just on the audio visual agents, if I could just request, I am interested in a list.

MR. CHAIRMAN.- Who are these agents?

HON. S.V. RADRODRO.- Yes.

Also, according to the legislation on the Fiji Film regulations that regulate these agents, is there any part in that legislation, any clause that stipulates any percentage of the income or of these agents, to go to Government? For example, in the super yacht Act, the agents, there is 10 percent or something there. The fees that they collect from the super yacht, 10 percent of that goes to the Government. I am just wondering if a similar thing applies for this audio visual Agents.

MR. CHAIRMAN.- Thank you, madam.

MR. J. TIKOCA.- Thank you, Honourable Member. At the moment, there is no such thing in the legislation but we can look at that.

MR. CHAIRMAN.- But these agents must be registered business people.

MR. J. TIKOCA.- They are registered.

MR. CHAIRMAN.- Yes, because through their business, they should be paying taxes as well.

MR. J. TIKOCA.- They are all paying taxes, I suppose they are, and VAT on all the fees they charge.

MR. CHAIRMAN.- These agents are very important people, as far as the production s are concerned.

MR. J. TIKOCA.- Yes.

MR. CHAIRMAN.- They are the key people.

MR. J. TIKOCA.- I am sorry, I have a list which I will....

MR. CHAIRMAN.- You can give it to the secretariat later and we will have it distributed to Honourable Members.

Any other questions, Honourable Members?

HON. DR. RATU A.R. LALABALAVU.- Thank you, Acting CEO. Firstly, going to one of your pointers on the returns to Fiji, the study shows that whatever is successful – the film has been shot, that location has experienced a growth of 54 percent in tourism arrivals in the following four years. Now, with regards to the shoot on, 'Dad Where Are We Going', is that the Chinese production?

MR. J. TIKOCA.- Yes.

HON. DR. RATU A.R. LALABALAVU.- I was there when they came and I agree with you. The island was hired, it was full of activities with regards to the shooting, but in terms of attracting Chinese tourists coming over to Taveuni, I have reservations for that because I am usually in contact with the local Taveuni Hoteliers Association. Nevertheless, because during their production they were also doing the dam and I think there were a lot of Chinese people there as well.

With regards to choosing Taveuni and Vanua Levu, there is not many movies shot in Taveuni starting from the previous time, the present and together with, like you said, the TV series.

Also, what Honourable Chairman has mentioned that I have witnessed first time the benefits that the locals receive with regards to the shooting of the movie at their location, the set up. Not only those ones, there was also one in Lavena and when I went there, they gave me positive feedbacks with regards to the benefits that they receive.

Also, there was one, the shooting of the *Survivor* done in where, Vunilagi?

MR. J. TIKOCA.- Yes, Savusavu.

HON. A.R. LALABALAVU.- In Savusavu. Which one was done because I think it was in our mataqali land on the other side, Nakobo side? In Vunilagi, there was one there?

MR. J. TITOKO.- Yes.

HON. DR. RATU A.R. LALABALAVU.- On a personal level, most of my *mataqali* were employed there. My question is, when you mention Viti Levu and Vanua Levu, are there any plans or will you be promoting the Eastern Division as well?

MR. CHAIRMAN.- Maritime islands.

HON. DR. A.R. LALABALAVU.- Yes, maritime areas. There are some very scenic areas there.

MR. CHAIRMAN.- Maybe, we can ask, like for data you have for sites and all those things. Are you also collecting it from the maritime islands?

MR. J. TIKOCA.- We will be. At the moment, what we have is all Viti Levu and Vanua Levu. This year, we are moving to Ovalau, the Mamanucas and the Yasawas.

Next year, depending on our budget, we will move across to the maritime islands. We have already captured Kadavu last year.

MR. CHAIRMAN.- To my understanding, personally you will not be able to convince any production. But by sending the pictures, the sites and through that data, that is what really attracts them and they are the ones who make decisions from there. So, if you can also include those sites through your data.

MR. J. TIKOCA.- It is in our plan, Mr. Chairman, to capture the whole of Fiji.

MR. CHAIRMAN.- Yes, even Rotuma. Rotuma is also a very good site.

MR. J. TIKOCA.- Yes.

MR. CHAIRMAN.- Any other question, Honourable Members. Yes, Madam.

HON. S.V. RADRODRO.- Just my final question on the staffing, the human resources. How long has the CEO position not been filled and are there any specific reasons for the delay?

I ask this question because I note your strategic direction, et cetera, and leadership holds a key role in having to achieve all those strategic directions. I know the Acting CEO also has the work in regards to the finances?

MR. J. TIKOCA.- Yes.

HON. S.V. RADRODRO.- So, that is just a question. I ask that because I am sure we recognise the potential that this industry holds. Thank you.

MR. J. TIKOCA.- Thank you, Mr. Chairman. The position of CEO has been vacant now for a little over one year. I know the other question would be better answered by the Board. I do not have any control over the other matter.

MR. CHAIRMAN.- Thank you.

Thank you, Honourable Members and Mr. Jone Tikoca, would you like to say something else towards the end?

MR. J. TIKOCA.- Thank you, Mr. Chairman. I would like to take this time, on behalf of the Chairperson of the Film Fiji Board, Ms. Shaenaz Voss, who has excused herself because she is based in Nadi, to thank the Committee. I think this is also a good platform for us in terms of coming to share with you the growth that we are currently experiencing back at Film Fiji.

We want to thank the Government for their support towards this industry because without their support, incentive is the backbone of this industry in trying to get production to come to Fiji. And with the further improvement of the incentives, especially the tax rebates, we have seen the response or the interest from abroad increasing. We hope to further develop this industry and we hope to become one of the major contributors to our GDP in a few years to come. Thank you very much, Mr. Chairman.

MR. CHAIRMAN.- Thank you, the Acting CEO from Film Fiji and also Madam, the Legal and Compliance Officer. This was a very wonderful and informative presentation.

As I said earlier, this is the first presentation we have had from Film Fiji, these two Annual Reports. The Standing Committee on Social Affairs, received these two Reports and we are very thankful and very happy with the information you have provided. We believe you are really doing well and with that, the local communities are really benefiting, which is the information we are getting.

As I said earlier, we will be happy to get an opportunity, through your office, to see around the places or events at any level which will make our Committee understand better on how you are doing things. I, again, give you the opportunity to say a few things.

MR. J. TIKOCA.- Mr. Chairman and Honourable Members, before I forget, we will be happy to host the Committee in the office at any time when you are free. I have been given some dates that you would like to visit a production site, but unfortunately, the dates that were given fall outside of the days that the production will be here.

If there is a possibility to move the date maybe forward, there will be a production wrapping up on 18th November. I have been told that the Committee would like to visit from 25th to 29th, and so the last two productions on our slate will finish on the week of 18th November. But I am happy to take the Committee out to any other location, but there might not be any shooting happening around that time.

MR. CHAIRMAN.- That is alright. Our secretariat will be in touch with you. We can even move our visits forward and during our recent visit we can come to the office to understand better on how you are doing things. The visit to the sites, we can do it later on, it is not a problem.

MR. S. TIKOCA.- Thank you.

MR. CHAIRMAN.- Honourable Members, on behalf of the Committee, I once again would like to thank the Acting CEO, Mr. Jone Tikoca, and also Ms. Merekula, the Legal and Compliance Officer for your time and for a very informative presentation which you did.

We are very happy and should we need any other information, our secretariat will be in contact with you. So, thank you very much for your time. *Vinaka*.

Honourable Members, we will take a five minutes break and then we will resume.

MR. J. TIKOCA.- Thank you.

The Committee adjourned at 3.47 p.m.