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Pukeko Pictures and the Kiwi DIY Spirit: Building Global Partnerships from the End of the World

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If the 1990s and 2000s were the period of crossing the digital threshold in media production processes then the 2010s was a time when digital disruption extended to media distribution itself. Curtin, Holt and Sanson (2014, 2) see distribution as undergoing a "veritable revolution in the twenty-first century"—and one which is "overthrowing institutional relationships, cultural hierarchies, and conventional business models" (Ibid.). At its centre is the emergence of the internet—online delivery—as a viable vehicle for subscription, pay-per-view, and advertiser-supported television provision models, alongside, and increasingly in opposition to, free-to-air and pay-TV systems (Lotz 2017).

The instability of contemporary television distribution, which saw the rapid rise of internet distributors like Netflix, with no structural connections to existing media conglomerates (McDonald 2013), has introduced complexity into the decision making of television production companies. Do they go with these new SVOD or OTT services, or work with their existing connections in established media organisations? The risks for a production company include the long-term viability of media providers—both new market entrants and existing players—given the unpredictable character of the shake-up of distribution that is occurring. This state of flux poses particular difficulties for smaller independent television production companies and has encouraged attempts to minimise risks associated with these digital disruptions and the potential failure of services.

Pukeko Pictures, a New Zealand-based production company, provides a useful vantage point on how media organisations are seeking to navigate their way through this new market reality. This small television production company in a country with a population of 4.8 million is becoming a global player in children's television at a time when many television broadcasters are reducing their investment in children's television (Ofcom 2015; Zanker

2017). Given this circumstance it will be useful and instructive to analyse Pukeko Pictures' success at such a difficult time.

In this article we examine the strategies underpinning that success. Pukeko Pictures has benefited from and creatively used New Zealand screen industries' support mechanisms by way of state subsidies including production incentives for qualifying productions. It has benefited from telecommunication infrastructure provision such as high-speed data networks linking Wellington and New Zealand to the rest of the world. It has also benefited from the availability of lower cost, flexible labour and air traffic corridors that enable gaps in creative capabilities to be met. But these are all general benefits available to any other producer or service provider operating in Australasia. They do not sufficiently explain Pukeko Pictures' success. We venture here that Pukeko Pictures' co-founder—and long-term Peter Jackson collaborator—Richard Taylor has a personal brand and leadership style that have been critical to the company's international success. Further, Taylor's efforts to build professional and personal relationships in multiple territories have been key to the establishment of some of Pukeko Pictures' most important collaborations.

These collaborations include the company's recent high profile production with the UK's ITV Studios *Thunderbirds Are Go* (2015-). Pukeko Pictures has been the lead agency for the three series of this re-boot of Gerry and Sylvia Anderson's cult classic TV series from the 1960s. The new series has sold in multiple territories, including the US where it is available on Amazon Prime. Another Pukeko Pictures involvement was as a co-production partner with the Australian company, Goalpost Pictures, for the Indigenous-themed Australian live action drama, *Cleverman* (2016-2017), commissioned by the Australian Broadcasting Corporation (ABC), Australia's principal public broadcaster and close equivalent to the BBC. Through this co-production, Pukeko Pictures provided its Wellington-based expertise in postproduction and digital visual effects, and creature development. More recently, Pukeko Pictures has embarked on New Zealand and China's first official co-production, the pre-school CGI animated series *Kiddets* (2017), produced in partnership with China's Guangdong Huawen Century Animation (GHCA). Taylor's deliberate strategies of relationship building in key media markets, coupled with his stewardship of the company's children's television properties, reveal much about how this small, Wellington-based production company managed to secure a significant foothold in rapidly changing international audio-visual markets. The case study shows how personalities and intellectual property relations have played key roles in navigating risk in the current TV production marketplace.

This article is organised as follows. First, we consider the New Zealand context of contemporary screen production and how Pukeko Pictures is located within that context. This is followed by an analysis of Pukeko Pictures' relationship with its Chinese production partners, including the ways in which China's GHCA develops, monetises and safeguards the IP of its children's properties in China and the rest of the world. We will explain how Pukeko Pictures's strategies for content production and distribution have allowed the company to jump its national and regional fence, while successfully harnessing local screen production supports to build an internationally recognised television production company. The value of its principals' creative and relationship building expertise, honed through years of experience in New Zealand's screen and publishing industries becomes clear as well, particularly in creating a China/New Zealand axis for the production of original children's television properties. As a 'China first' production intended for distribution in global media systems, *Kiddets* is emblematic both of Pukeko Pictures' innovative production practices, and of the transforming production and distribution landscape for all screen industries operating in global markets.

The New Zealand context

Over the 1990s New Zealand service providers built significant film and television production capacity through their participation in international production (Dunleavy and Joyce 2012; Leotta 2011). This participation is part of a larger regional story in which both New Zealand and Australia emerged from the late 1980s as providers of locations, facilities and infrastructures for emerging systems of globally dispersed production, initially through the Gold Coast and Auckland and later Wellington, Sydney and Melbourne (Goldsmith and O'Regan, 2006; Goldsmith et al 2010; Leotta 2013). This involvement was built upon several factors: first the local development of Hollywood-standard film studios/sound stages and digital visual effects capacities, coupled with proximate natural and built environments, encouraged incoming productions to be based out of New Zealand and Australian locations. Extensive transport and communication infrastructure further facilitated production, permitting the close management of projects and the efficient accessing of Australasian creative labour. At the same time a shared telecommunication data infrastructure linking New Zealand and Australia with the west coast of the US, East and South East Asia and Europe permitted the immediate transfer of large amounts of video data and collaborative interactions. Film friendly policies, including facilitating agencies and incentives, were developed by local, state and national governments to support participation. Finally, favourable exchange rates of both local currencies against the US dollar, and the New Zealand currency against the Australian dollar, ensured the production expenditure dollar could go further over much of the 1990s and 2000s.

Prior to the late 1980s and early 1990s these conditions were not in place and ‘antipodean’ film and television production industries participated in location-based, higher budget film and television production at best, intermittently. Initially New Zealand’s participation in international production was through the country’s largest city and media centre, Auckland, courtesy of the initiative of the Mayor of the Waitakere City Council in West Auckland, Bob Harvey. Under his leadership the Council developed its own studios, the Henderson Valley studios in 1994 out of a former freezing facility. These studios were later expanded in 2007 with a purpose-built $7 million soundstage in partnership with a local property investment company (Auckland Film Studios, 2013).

This participation was built upon Auckland’s leadership role in television, independent film production and in related creative industries. It was film services focused: providing location services and some specialised inputs into international production (Leotta and O’Regan 2014, 101-4). These Auckland initiatives provided opportunities for Wellington participation (Sibley 2006, 337-39) in parts of these productions, helping build the capacity of first RT Effects (the company Richard Taylor and Tania Rodgers set up in 1987) and then Weta Workshop (the film and TV special effects company established in 1994 when Peter Jackson and Jamie Selkirk joined forces with Taylor and Rodgers), which now operates as two divisions Weta Workshop and Weta Digital (Weta Workshop 2017).

At present Jackson and his partners have five companies including Stone Street Studios, Portsmouth Film-Equipment Rentals and Sales, Park Road Post Production, Weta Workshop and Weta Digital. The latter are among the world’s leading postproduction and visual effects companies, responsible for the special effects on, among others, *Heavenly Creatures* (1994), *The Lord of the Rings* (2001, 2002, 2003) trilogy, *King Kong* (2005), *The Lovely Bones*

(2009) and *The Hobbit* (2012, 2013, 2014) trilogy. Their ability to provide digital special effects on a large scale, over a sustained period (three and a half years for *The Lord of the Rings* trilogy) and at a low cost underpins the success of Weta Workshop and Weta Digital (Leotta 2015, 227-29). Through these locally designed and produced blockbusters, Jackson and his associates, rather than Auckland production agencies and facility providers, enabled the New Zealand transition from a service production centre to an intellectual property (IP) and postproduction infrastructure provider. Pukeko Pictures represents the further extension and consolidation of this design capability. Its priority does not lie in service provision but through the combination of developing its own born-global productions, in which it retains significant IP interest, and parlaying its creative contribution in service provision into co-production arrangements and lead agency status.

Both Wellington and Auckland-based participants in global screen production have benefited from New Zealand governments' determination at a number of levels to develop their film friendliness and state support mechanisms, including most recently through the provision of cash grants for both New Zealand productions (including co-productions), incoming large international productions, and high budget post production and digital visual effects work carried out in New Zealand (New Zealand Film Commission 2017). These national and local production arrangements were put into place to service globally dispersed production and to build New Zealand connections in high budget film and television production. All three movies in *The Lord of the Rings* trilogy for example, were certified as New Zealand films by New Zealand state agencies, qualifying the trilogy for local tax breaks (Conor 2011). Nonetheless Jackson-directed films are funded by foreign investment (supplemented by these local tax breaks), deliberately made to appeal to global audiences, and entirely distributed and marketed by US conglomerates (Lealand 2006).

New Zealand's film friendliness to US media corporations is not unusual; indeed New Zealand support in this area is similar to that available in Australia and elsewhere. In 2015 for example the Australian government announced $47.25 million in direct funding to ensure the filming of two movies, one of which was the Chris Hemsworth vehicle directed by Maori New Zealand director Taika Waititi *Thor: Ragnarok* (2017), and made on the Gold Coast in Australia (Jericho 2015). Such policy settings supporting international screen and television productions are, however, more important in New Zealand. This is due to several interlocking factors.

New Zealand's size—it is a small country of 4.8 million people in 2017—places limits on demand for local film and television content. Consequently, producers must be more internationally orientated to give productions scale and capacity. Furthermore, as part of broader moves towards market deregulation and marketisation objectives in broadcasting, the New Zealand government in 1988/89 eschewed the development of local content regulations of the kind neighbouring Australia had developed since the 1960s. As Dunleavy (2005, 216-19) points out this left New Zealand without a regulatory tool to put a floor under certain kinds of high cost film and television drama production. In their stead, policy makers created a screen agency, New Zealand on Air, with responsibility for the funding of local production to enable some New Zealand first programming beyond basic local broadcast staples. But with finite amounts of money available for 'public good' programming through this support mechanism mainstream New Zealand television had, arguably, more limited means to support "specifically New Zealand" production than it might have (Dunleavy 2005, 217). Unlike its Australian, British and Canadian counterparts, New Zealand did not have a 'general' public service broadcaster. The broadcaster that could fill this role, Television New

Zealand (TVNZ), was at best a 'part' public broadcaster mandated to operate on a commercial, advertiser supported, and self-supporting basis. While Maori Television in 2004 and its later extension in 2008 was able to take over some of the role of a general public service broadcaster, this was not its intended purpose and it was not funded at the level expected of a more general national public broadcaster. Finally, as we have seen, New Zealand service providers actively sought to service international rather than local productions, and governments at the municipal and national level facilitated such production.

This combination of market size, the absence of mandated content levels in television, limited availability of local direct investment, the concerted development of New Zealand as an international film services centre, and the lack of a general public interest broadcaster, all ensured crucial struts were missing to support local production. A consequence of these several developments is that over the past twenty-five years New Zealand has partially suspended many of the goals of national self-representation and cultural representation in its cultural and media policy space, squeezing them into the necessarily limited capabilities of New Zealand on Air and Maori Television (Dunleavy and Joyce 2012). Producers therefore looked to international production for both collaborators and service work as first Auckland and then Wellington became central players in international production in Australasia. Such internationalisation transformed how film production activity was understood and projected in New Zealand, while providing producers with potent means of jumping their local and regional (Australasian) scales. In these circumstances, international productions acted as a substitute for local New Zealand first production, occasionally acquiring a cultural patina, such as occurred with New Zealand re-branded as Middle Earth for *The Lord of the Rings* cycle (see Leotta 2011, 161-194).

Screen content with no recognisable New Zealand markers has become closely identified with the quintessential expression of New Zealand. This speaks to the normative business aspiration captured by Campbell-Hunt to be "world famous from New Zealand" (Campbell-Hunt 2001, 31)—to participate in and take advantage of globalisation while retaining a New Zealand footprint and benefit. Here the national element comes in the guise of a celebration of New Zealander resourcefulness and ingenuity—what is referred to generally as "Kiwi tenacity and 'back-shed' DIY ingenuity" (New Zealand Business 2011, 10). Translated into film and television production, such ingenuity refers to flexible, creative crews and production companies, delivering inventive low-cost production solutions who have not forgotten their origins as they become 'world famous from New Zealand" (Campbell-Hunt 2001, 31).

Pukeko Pictures

Pukeko Pictures emerged in the context of a small country with a de-regulated media system, no dedicated system of public service broadcasting, and minimal local supports for children's content. Yet Pukeko Pictures has become a successful producer of children's content. Its participation in global systems of film and television production enabled the company to transcend its domestic New Zealand and larger Australasian settings, despite being located outside traditional national and global media centres. While Jackson's work has been the subject of scholarly attention (see Bogstad and Kaveny 2011; Leotta 2015; Leotta and O'Regan 2014) far less is known about Pukeko Pictures, which was established in 2008 by two of Jackson's key collaborators, Richard Taylor and Tania Rodger, and children's author Martin Baynton. Pukeko Pictures can tell us much about how audio-visual companies are adapting to the distribution revolution and the value of having a buffer against the current disruptions, with their concomitant corporate and conglomerate realignments.

Pukeko Pictures operates out of a series of demountable buildings in Wellington's film industry precinct of Miramar, adjacent to Wellington's airport. While it is a young company, founded as a niche provider of services for TV production and developer of mainly children's properties, its youth belies the considerable experience and industry connections of its principals. Five-time Oscar winner Richard Taylor is the co-founder and co-director of the design and effects provider Weta Workshop, which he established with his wife and business partner Tania Rodger, Peter Jackson and James Selkirk in 1994. Jackson's partnership with Taylor and Rodger (Sibley 2006, 162) grew out of his extensive prior involvement with them and their company RT Effects with his feature films *Meet the Feebles* (1989) and *Braindead* (1992). Taylor and Rodger set up Pukeko Pictures in 2008, with Baynton, who is now Pukeko Pictures' chief creative officer. Baynton has written and illustrated more than thirty children's books, including *Jane and the Dragon* (1988) and *The WotWots* (2009), both of which were produced as animated series by Pukeko Pictures. Following the adventures of two siblings from outer space, *The WotWots* (2009-11) was executively produced by Tania Rodger and sold well internationally, eventually being distributed in over ninety countries. While the decision to focus on children's television was a creative one, it was also grounded in pragmatism, because as former CEO Andrew Smith (2016) notes, "At a business level children's TV makes some sense, because you can sell it all around the world. It doesn't require massive budgets like high-end feature film" (Smith 2016). Current CEO Clive Spink was appointed in 2015 from a telecoms background and is responsible for the company's growth in development and production.

From its inception, Pukeko Pictures has had a focus on children's television and particularly the development of its own IP, as part of a broader production and special effects slate. After making the children's series derived from Baynton's creative works, Pukeko Pictures produced the live action drama, building of sets, and CGI animation for *Thunderbirds Are Go* (2015-), ITV Studios' reboot of the cult classic 1960s television series, *The Thunderbirds* (1965-1966). This commission saw Pukeko Pictures acting as the coordinator of this globally dispersed production. *Thunderbirds Are Go* was conceived for distribution on multiple media forms—broadcast, SVOD and OTT services. It was also designed with supplementary multi-platform content in mind, including apps, games and a YouTube channel (Potter 2017). *The Thunderbirds* commission cemented Pukeko Pictures' credentials as a leading provider of high profile children's television programming, with the purchase of all three series by Amazon Prime ensuring its distribution in US markets while providing an extra source of revenue to ITV Studios (Potter 2017). In addition to its children's offerings, the company also provided special effects for the six-part Australian-New Zealand co-production live action drama, *Cleverman* (2016) (see Media Week 2015). Pukeko Pictures realised the drama's supernatural elements (the Cleverman is an important figure in Australian Aboriginal culture) and connected the production with its Miramar partners: Weta Workshop, which provided the creature; and Park Road Postproduction, which provided the picture and visual effects for the series. *Cleverman* premiered on SundanceTV in the US in June 2016 and on the Australian public service broadcaster the ABC the next day.

Without a doubt, Richard Taylor has been critical to the company's strategies for establishing itself as a global player. Taylor worked assiduously to secure *The Thunderbirds Are Go* commission from ITV Studios for Pukeko Pictures, and invited Sylvia Anderson, the co-creator of the original series as his guest to the London premiere of *The Lord of the Rings* (Smith 2016). As Pukeko Pictures' former CEO Andrew Smith (2016) explains, it was not only the company's creative ideas that appealed to ITV Studios:

> We weren't the only ones who actually pitched, but they liked our take of the mix of live action, miniatures, and CGI animation and obviously Richard's brand. ITV Studios used that. If you look at Comicon, when *Thunderbirds Are Go* was released it was basically Richard up on stage front and centre, so they used that in the brand association. In the Amazon deal it doesn't talk about ITV or Pukeko Pictures, it talks about Richard, so he does have a good brand in the world.

For Pukeko Pictures, however, it is China who is providing safe haven from the storm associated with the revolution in screen content distribution in global media ecologies. Taylor has cultivated relationships with China over many years. As current CEO Clive Spink (2016) explains:

> Richard has been going to China for eighteen years and built up some really strong relationships both at a business level and at a central and local government level. He's done a lot of philanthropic work, including when they had the Sichuan earthquake. He's done lot of lecturing at universities there and we have a strong connection through to the Beijing Film Academy, which is probably the top film school there in China.

Taylor's efforts recently culminated in Pukeko Pictures securing the first co-production between China and New Zealand, 52 x 11 minute episodes of the CGI animated series *Kiddets,* a sister show of *The WotWots*. Pukeko Pictures is responsible for forty-five percent of production, including all the scripting, asset building and post production, while their Chinese partners are responsible for the CGI animation. According to Keane (2014, 139) animation is a "highly protected creative industries species in China". It has benefited from state efforts to nurture an industry that can compete with Japan, Korea and the US. Nineteen "national animation bases" have been accredited by broadcasting regulator The State Administration of Radio, Film and Television since 2004, although most continue to struggle for survival in highly competitive animation markets (Keane 2014, 140). Taylor's long-term relationships in China are vital to the project's success, as Spink (2016) explains:

> Our competitive advantage is Richard's relationships into China. Martin Baynton and I had lunch with the First Lady at the Great Hall in Tiananmen Square two months ago. So when she's asking how our *Kiddets* project is going—you can't overestimate what that means at a business level.

The company's executives, including Spink, have also worked hard to develop personal relationships with their Chinese co-production partners, which are an integral part of the creative collaboration. Speaking of the executives from GHCA (Guangdong Huawen Century Animation) he says:

> They're very respectful—and it's taken eighteen months to two years of moving at a glacial pace, getting to know each other, understanding the cultural differences to the point now that they will come out to my place for dinner, my kids come home, and we have a good big family feed with them all. That's something they probably get at home and probably appreciate, that sort of integration with the family (Spink 2016)

With *Kiddets*, Pukeko Pictures has moved further into developing its own IP, with a project that resonates with China's recent efforts to develop its creative economy. These include through the establishment of creative clusters, such as industrial parks, precincts and animation hubs, all of which are seen by local governments as the means to promote urban growth (Keane 2014).

Kiddets revisits *The WotWots* by creatively ratcheting up the scale and so extending the value of its underlying intellectual property. Working in partnership with GHCA through a formal co-production allows Kiddets to be treated as local content in China, meaning it can be transmitted in prime time on the main state broadcaster China Central Television (CCTV), without being affected by the time slot restrictions for non-Chinese content. It is therefore likely to be seen by large numbers of Chinese children, creating a brand recognition that is vital to the effective monetisation of its licensed products there.

In developing story properties with Chinese partners, the New Zealand company and its creative team is also helping Chinese companies to craft global story properties—and licensed properties—with appeal to Chinese middle-class parents, but of relevance and significance well beyond China. This partnership facilitates the global aspirations of China's state-owned media outlets which are now operating as "market-oriented business conglomerates" for whom "outward and global expansion" (Zhao 2013, 22, 23) has become normal practice.

Merchandise and licensed products are vital to the long-term viability of *Kiddets* as they are to the majority of children's television circulating in global markets. While television is undergoing an increasing dematerialisation in distribution and consumption, *Kiddets'* merchandise, toys and theme parks constitute an abundance of tangible artefacts likely to continue in importance and market presence. The Chinese partners plan to launch the show with seventy indoor theme parks throughout China; the first Kiddetsland is scheduled to open in early 2018 in Guangzhou. A number of flagship stores are also planned, including a 15,000 square metre building that has 2 million people within walking distance, in Wuhan in Central China (Spink 2016).

Having acted as licensing partners for the CBeebies pre-school show *Waybuloo* (2009) for its Chinese launch on state broadcaster CCTV, GHCA has built up experience in handling this kind of product and its merchandising possibilities. GHCA is well aware of the risks of piracy to the effective monetisation of its television properties. The company minimised these risks for *Waybuloo* by generating a large community of interest in the brand, with thousands of products across multiple categories, thus ensuring multiple stakeholders were involved in every aspect of the brand's development, all of whom had a vested interest in preserving the IP (Spink 2016).

Pukeko Pictures' move from being a service provider for international production with *Thunderbirds Are Go* to being an IP producer in its own right with *The WotWots* and now *Kiddets* repeats a trajectory that is part of a larger story facilitated by the first digital disruption of the 1990s and 2000s. The contemporary reality of globally dispersed production was initially evident in higher budget film and television production but increasingly extends to mid- and sometimes lower budget productions. Pukeko Pictures' logic mimics, to an extent, the larger story that has seen New Zealand, with its small population, punch well above its weight in international film and television production. The *Kiddets* co-production with China, in addition to the *Thunderbirds Are Go* commission and its co-production

Cleverman, is a considerable achievement for this young company and the creative partnership between Taylor, Rodger and Baynton. Nonetheless, although Spink is aware of the benefits the partnership with China brings in a disrupted market, the company is keen to preserve its independence as a global player:

> I think for us because there is quite a lot of disruption in the content market globally, I think that having an eye on a big territory like China does make us interesting. We're not just going to drop everything and become the Chinese production company though. We still want to have our world focus if we can. But we do have some competitive advantages I think. (Spink 2016)

The focus by Taylor on doing deals and building relationships, when taken in conjunction with the focus on individual productions—all of which need to develop bespoke finance, distribution, circulation and merchandising deals—speaks to the intensively project-based character of the industry. It also reiterates the importance, in these circumstances, of pre-existing relationships which have the capacity to develop into production partnerships.

Children's television and SVODs

Interviews with two of Pukeko Pictures's key players—one present and one past—about its operations point to the uncertainties that production companies face as relationships, funding and financing, and distribution arrangements undergo a period of digital disruption. With this disquiet extending to concerns over the very shape and disposition of the distribution marketplace and the longevity of key players in the market, deal making in this context can carry significant risks. These are not necessarily risks up front; in children's television such risks are associated with whether or not the project can achieve an extended shelf life in multiple territories with a guaranteed supply of new, young audiences for the program and its licensed products. With the concept of the long tail for television content that the distribution revolution was expected to create now discredited, as Netflix and other SVODs reduce the range and scope of their offerings (Napoli 2016), the disruption to longer term arrangements creates concerns for all television production companies.

Netflix's bold and high profile interventions into the television market whether through *House of Cards* (2013-) or later *The Crown* (2016-) have generated the most headlines, with suggestions that SVODs have inflated production costs and precipitated bidding wars. But for the producers of children's television operating outside these high-profile programs, Netflix is not the spendthrift it has, at times, been portrayed as. According to Spink (2016):

> Netflix pay very good license fees products, but they pay it over time. So you deliver the product, you have to effectively cash flow the whole production. They'll pay really good licence fees, but they'll pay them over three to five years.

While Pukeko Pictures are by no means averse to distributing *Kiddets* on Netflix, Spink (2016) is well aware of the volatility of the distribution landscape:

> The thing with animation is that it takes eighteen months to actually make the show so who knows what the broadcast landscape looks like in eighteen months.

Netflix's strategies of investing heavily in its own content, extending deficit financing to producers, and refusing to share its programs' audience data and engage with the ratings game, suggest a company seeking unprecedented control over producers, other market players and market information. Nonetheless, the extraordinary premiums it is paying for content, without advertising revenue, equally suggest its efforts to ensconce both the online distribution process and itself at the very apex of the television system are not without significant risk. The scale and extent of these plays, which now include the response of its competitors, is such that it has led to concerns about whether we are reaching saturation—or “peak TV”. The uncertainties and concerns our informants raised about this new television environment are well captured by Gady Epstein (2017) in *The Economist:*

> For now, the competition among studios and video programmers is delivering more high-quality television for everyone than ever before, but it is also stoking fears of a collapse to come.

While Epstein was mostly referring to high budget television drama series productions of the *Game of Thrones* (2011-) and *Big Little Lies* (2017) variety, concerns for overproduction and being exposed in the event of an inevitable market shake-up are more widely shared, particularly in the sphere of animation. There are fears especially around the worldwide glut of animation. This oversupply has been created by various governments’ efforts, particularly in Asia, to establish local animation industries, a policy making context favouring animation in the children’s television space and animation’s natural competitive advantage in global markets (Potter 2015).

It is in this larger context we can understand Pukeko Pictures’ concerns about potential deals with SVODs like Netflix, whose deficit financing model entails risk and financial strain compared to production deals with existing broadcast and subscription television services. In these circumstances Pukeko Pictures’ co-production with a large Chinese television partner provides it with several advantages, not the least of which is time to develop *Kiddets* and go into the market place in a position of strength, with content, licensed products and merchandising already set up.

Digital disruptions in the 1990s and 2000s gave us production processes that facilitated the development of global supply chains and dispersed production systems. Contemporary digital disruptions in distribution, however, provide scope for new players like Pukeko Pictures and its Chinese partner GHCA to organise a play for a children's television brand on a New Zealand-China axis. This brand can be extended via licensing, merchandising, toys and theme-parks on a massive scale, all of which were previously the preserve of American and, to an extent, Japanese content producers. Innovation in this traditional practice has entailed the creation by Pukeko Pictures and Chinese partner GHCA of a childrens series, based on a New Zealand children's story-book property, that is embedded as a "born global brand" from China.

If successful, *Kiddetts* will be Chinese first programming as global programming. For the two production companies involved to participate in this league they needed a global brand and a global product. At the same time, the Chinese television marketplace becomes more suited to a global market place while retaining Chinese control. The creation of *Kiddets* meets China's long stated "soft power" diplomacy goal to, in President Xi Jinping's 2014 words, "increase China's soft power, give a good Chinese narrative, and better communicate China's messages to the world" (Shambaugh 2015, 99; see also Shambaugh 2013; Zhao 2013). Supported at the highest levels as "soft diplomacy", Chinese production companies like GHAC are being encouraged and authorised to lift their horizons towards operating at a global scale on Chinese terms.

For Pukeko Pictures' part their Chinese relationships, and specifically their partnership with GHAC, have enabled the company to operate from their New Zealand base, and are allowing each partner to continue to foreground the development of its own production capabilities while facilitating research and development in each. If the New Zealand story in international film and television production design began with Weta’s connections to the US and Hollywood, the same infrastructure and capabilities that were built to support these westward moves across the Pacific—such as high speed data connections, transport infrastructures and production and postproduction facilities and services—now point directly north to China as well.

Redefining New Zealand in Regional and Global Economies

In his examination of the economics of media companies Robert Picard (2011, 1) makes the point that for all the coherence and settled arrangements in a media sector, companies always operate individually: they face “individual economic and managerial challenges”, they make “individual choices’, and they pursue “individual strategies” to achieve “different outcomes’. This provides a useful framework for thinking about Pukeko Productions, GHAC, and the collaborative arrangements they have forged. Their relationship is a consequence of their facing as New Zealand and Chinese production companies respectively, connected but different “economic and financial forces”. They are both operating as business entities seeking “to respond to and manage those forces effectively” (Picard 2011, 1).

On the one hand, we have the larger media transformations being brought about by the advent of platform (or “portal”) media (Lotz 2017), and the consequent recalibration of and diminishing of power of broadcast and subscription TV networks. On the other hand, we have the rise of China and its increasing participation in film and television as a significant global player leveraging its domestic market power internationally. Supported at the highest levels as “soft diplomacy” Chinese production companies are being encouraged and authorised to lift their horizons towards operating at a global scale on Chinese terms. All of these market settings come together in the *Kiddets* story.

Having outlined the strategies of the respective parties, let us now consider how the Pukeko-GHAC collaboration is part of a range of responses on the part of media production companies to these new operating conditions. While the Pukeko-GHAC collaboration is unusual at multiple levels, their partnership speaks to the diverse palette of actions increasingly required of principals of production companies as they seek sustainability in a contemporary film and television marketplace whose market settings are in flux. It also speaks to the ways Pukeko Pictures and GHAC are influenced by their respective wider national business, corporate strategies and settings.

Pukeko Pictures—like its counterparts in the Weta group of companies and Jackson's Wingnut films—is changing how New Zealand actors can participate in film and television production internationally. It is making a play to refashion the longstanding children's television settlements that had consigned New Zealand content makers to minor player status.. It is reshaping the relations between Australia and New Zealand which had cast New Zealand as a junior partner. It has jumped geographical scale by effectively using the more integrated, global supply chains and messy entanglements of globally dispersed production.

Pukeko Pictures, like Weta before it, is redefining the antipodal relationship between New Zealand and Australia. Following Jackson and Weta, Pukeko Picture is refiguring the shared "Tasman world" between New Zealand and Australia (Mein Smith et al. 2008) on New Zealand terms. While New Zealand content does count as Australian content in Australia's television content regulations—and this is likely to be the case for *Kiddets*—this is very much a minor play, as New Zealand and Australian domestic broadcast and subscription television services do not constitute large prospective markets. Moreover, these television networks are becoming less important as emerging SVODs and other content market players gain footholds.

Pukeko Pictures has, however, drawn upon the largely integrated Australasian audio-visual labour market place, which has grown up around both globally dispersed production and an interconnected screen labour market to develop its co-production partnership with Australia's Goalpost Pictures. While the close New Zealand-Australia relationship has facilitated a criss-crossing of creative talent across the Tasman, it is a relation that has worked historically in Australia's favour. But as New Zealand participation in international production has grown this relationship has become more balanced. In the process, Australia has become just another player in the Pukeko Pictures story, providing a co-production partner with Goalpost Pictures for *Cleverman*. Australia's more incidental role here contrasts with the more central role Australian television has historically played on New Zealand television screens, the importance New Zealand producers have placed on gaining access to the larger Australian market through having their content count as Australian content, and their utilisation of multi-level market connections. The proximate regional relationship with Australia has been recast into *just another relationship* that is useful from time to time as a convenient source of crew, production expertise and an occasional co-production partnership. In this Pukeko Pictures is continuing in the mode that its principal, Richard Taylor, had established working collaboratively with Peter Jackson in Weta.

Pukeko Pictures' market play with GHAC is also part of larger structural shifts within New Zealand as its traditional business, economic and cultural relationships with neighbouring Australia, the US and UK are increasingly mediated by China as an active partner. By the same token, the close Chinese relationship that Taylor and Pukeko Pictures have forged points to new screen marketplace configuration in which China plays an increasingly important role. Forging New Zealand connections with China has been a longstanding governmental and business priority. New Zealand struck the first free trade agreement between a developing country and China in 2008 (Treasury 2015, 9). Pukeko Pictures'

Chinese partnership and its assiduous development over many years by Taylor provides a screen version of the New Zealand governmental priority to develop more extended relationships with China. This Pukeko Pictures-China story presages a larger and increasingly multifaceted Chinese presence in global film and television production with significant consequences for its shape and character, including longstanding market relationships and arrangements. In this context, it is notable that in 2013 China replaced Australia as New Zealand’s largest trading partner (The Treasury 2015, 29).

Conclusion

Pukeko Pictures’ *Kiddets* is a product of the thoroughgoing media transformation of television distribution, commissioning, and delivery—the advent of global supply chains with their globally dispersed production processes benefitting distant places participating in international film and television production—and the rise of China as a market participant. Over its short life Pukeko Pictures has navigated its way through this changing distribution landscape, drawing upon a mix of SVOD, free-to-air broadcasting and pay-TV commissioning for its projects. The Pukeko Pictures-China co-production shows the value of a long-term strategic partnership supported at the highest level in China between a modest but well-connected New Zealand company and a Chinese company with global ambitions.

Using the logics and possibilities of globally dispersed production that were initially improvised for high budget, feature and live action television drama production (with significant American involvement), Pukeko Pictures has been able to directly connect with British and then Chinese market producers and distributors. This orientation has enabled it to establish an important position for itself in children’s television, at a time when production levels of local children's television in Western countries are falling in the wake of eroded advertising revenues, declining subscriptions, and cord cutting. Responding to a commissioning system no longer as anchored as it was in nationally-framed terrestrial free-to-air and pay-TV and their settled partnerships, Pukeko Pictures has been able to adjust to a looser, more variegated, global commissioning system that includes China. Pukeko Pictures seems to us purpose-built to exploit this recasting of the logics of commissioning globally given its orientation to the global scale and, as part of this, to China as a partner seeking a global footprint in television.

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