

## The Hobbit: An Unexpected Outcome?

by Carol Jess

The film industry is an important part of New Zealand (NZ) culture and source of patriotic pride, particularly since the successes of Peter Jackson and Weta Workshop with The Lord of the Rings films (LOTR). It is also economically significant; in 2004, 150 000 foreign tourists gave the Lord of the Rings as one of the main reasons for their visit to New Zealand. Globally, LOTR is the highest grossing motion picture trilogy of all time, and the joint record holder for the number of Oscars.

For the premiere of "The Hobbit – An Unexpected Journey", a prequel to LOTR, on 28 November 2012, New Zealand is going Hobbit mad. Wellington will be turned into "The Middle of Middle Earth" and international visitors will receive commemorative immigration stamps.<sup>1</sup>

For many in the New Zealand trade union movement though, the opening of The Hobbit will not inspire pride or excitement. Instead, the film serves as a reminder of how fragile our rights are when under assault from the fear of capital flight.

### The Dispute

To understand this (at best) lukewarm reaction, a bit of context is required. The plans to film The Hobbit in New Zealand brought to a head an already fairly acrimonious dispute. This involved New Zealand Actors Equity – the union for New Zealand actors – who had been attempting for some time to open negotiations with the Screen Production and Development Association (SPADA), the film industry body. Equity's aim was to update and review a set of minimum terms and conditions for the engagement of actors in screen production in New Zealand concluded in 2005 with SPADA. Frustrated by SPADA's unwillingness to enter into collective bargaining agreements about these, Equity had resorted to industrial action aimed at local television productions. These failed as the producers displayed their willingness to sack the actors and replace them, or even to cancel a whole (final) series of an immensely popular programme (Kelly 2011). For Equity, the notices for The Hobbit production provided an opportunity to break this impasse.

### International Solidarity

In line with the concept of international solidarity, in June 2010 the International Federation of Actors (FIA) (the actors' Global Union Federation) discussed the New Zealand situation, and made a resolution that their affiliates' members should not "sign on" to work on The Hobbit until collective bargaining was agreed – a step known as "grey-listing".

Exchanges were made privately between the production company for The Hobbit and the unions; word of this "do not sign" order may never have reached the public, but for what Helen Kelly describes

as Peter Jackson's "nuclear option". On 27 September 2010, Jackson released a statement in which he condemned the union as an "Australian bully"<sup>2</sup> looking to wreck the New Zealand film industry to the benefit of its Australian competitors. He also raised the possibility of the film being moved overseas (somewhat vaguely, to "Eastern Europe").

There followed a series of very public attacks from Jackson and his production company associates, building on his narrative of unions as an external "enemy" forcing capital into action. Despite this acrimonious rhetoric, private negotiations between Equity and SPADA continued, and an agreement to bargain was reached on 13 October.

This should have been the end of the drama. The stand-off was over, the FIA "grey-listing" of The Hobbit was lifted, and all that remained was to decide on the timing and manner of the public announcement that there was no longer a grey list. But despite a media release being agreed to on 17 October, no announcement was made.

### The Debacle!

While the union held off on announcing the resolution of the dispute (as inexplicably agreed with SPADA and Warner Brothers), Peter Jackson elected to stir the hornets' nest again. Addressing a meeting he had called at Weta Workshops, Jackson announced that the Hobbit dispute was not over, and worse, that Warner Brothers executives were coming to New Zealand to prepare to move production overseas. The response from Weta employees was predictable: hostility to the union and fear at the prospect of losing their jobs. (Coincidentally or not, Jackson's meeting coincided precisely with a nationwide day of action, organised by the Council of Trade Unions (CTU) to protest against planned changes to employment rights.)

Clearly, holding off for a joint statement was no longer an option; Equity issued its own statement explaining that – contrary to Jackson's dire warnings – the "do not work" order had been rescinded, and that this had been known to everyone involved. This was largely ignored by the New Zealand media, which prominently reported Jackson's version. Faced with a version of events that depicted the unions as driving away The Hobbit, many New Zealanders reacted with outrage. Union leaders were subject to an onslaught of abuse, including death threats.

Warner Brothers executives did indeed come to New Zealand, and were welcomed by the Government. The result was confirmation that the filming of The Hobbit would take place, af-

ter all, in New Zealand.

But at a price.

### Concessions

The Government's concessions were twofold. First, an amendment to the Employment Relations Act 2000 (the overarching legislation regulating employment in New Zealand) was announced on 28 October, and was passed into law the very next day under a process called "urgency".<sup>3</sup>

This amendment excludes from the statutory definition of "employee" all those engaged in film production work in any capacity, thus removing any employment rights or protections from any New Zealander engaged in this sector of the economy.

Second, the Government made further tax concessions and subsidies to Warner Brothers. This may have reflected changes to the exchange rate between the United States of America (USA) and New Zealand, which had made New Zealand a less favourable filming location. It is not impossible, though, that Warner Brothers felt their bargaining position strengthened by the tide of pro-Hobbit/anti-union opinion, stirred up by a combination of Jackson's threats and the media's portrayal of events.

### Conclusion

The ongoing release of documents under New Zealand's freedom of information legislation throws light on just how well manipulated the union, the media and the public were over this dispute. But the ease with which the internationally-recognised rights of workers to collectively bargain and organise were swept away overnight is symptomatic of a climate in which the narrative of trade unions, and their members, as the "other", "foreign" and a threat to "our" economy, jobs and livelihoods has taken root.

This narrative is particularly powerful when taken up by such a Kiwi "icon" as Peter Jackson. Jackson was not a disinterested, neutral party in this case – but his motives and actions were never scrutinised or questioned. He, a multi-millionaire, Hollywood 'player' was depicted as "one of us", union members as the "other".

Since 2010, further industrial disputes<sup>4</sup> throughout New Zealand have been met with the same treatment, ensuring that already bitter arguments over the place (and pace) of casualisation, "flexibility" and job insecurity are framed to ensure anyone arguing for maintenance of employment rights and protections is seen as a threatening "other".

Possibly emboldened by the ease with which they were able to rewrite employment law for film workers, the New Zealand Government now plans further anti-union legislation. Its new proposals include removing the requirement for an agreement to be reached in collective bargaining. Without this requirement, the disputes noted above would not have occurred, as the management could simply have walked away from bargaining, sacking and replacing the union workers.

Meanwhile, living standards for the majority in New Zealand continue to fall, as the cost of living continues to rise and inequality widens.<sup>5</sup> The threat to the "ordinary Kiwi" does not lie in the retention of what few employment rights they have, but the actions of those who profit from the ongoing march of neo-liberalism, and the culture of fear and insecurity they rely on.

- <sup>1</sup> (<http://www.stuff.co.nz/entertainment/film/7785573/Middle-earth-returns-for-The-Hobbit>)
- <sup>2</sup> NZ Equity is an independent subsidiary of the Australian Media Arts and Entertainment Association
- <sup>3</sup> Intended for genuine emergencies, this allows legislation to be passed through all the Parliamentary stages without any public consultation, Committee stages, or regulatory impact statements
- <sup>4</sup> <http://www.munz.org.nz/ports-of-auckland-dispute/>; (<http://www.stuff.co.nz/manawatu-standard/news/6938365/MPs-rally-to-meatworkers-cause>)
- <sup>5</sup> <http://stats.oecd.org/Index.aspx?DatasetCode=INEQUALITY> (<http://www.scoop.co.nz/stories/PO1208/S00303/stats-show-shocking-truth-of-growing-inequality-in-nz.htm>)

*Carol Jess is a PhD candidate with the Industrial Relations Centre at the Victoria University of Wellington, New Zealand. Her research is on strategies for trade union renewal. In addition, she works with the GLU Alumni Research Group on Gender and Trade Unions.*

### References and further information

- Dominion Post (2010) The show will go on – wherever it is 28 September
- Haworth, N (2012) A Political Economy of 'The Hobbit' Dispute Journal of Employment Relations 36(3): 97-106
- Kelly, K The Hobbit Dispute 11 April 2011
- McAndrew I & Risak M E (2012) Shakedown in the Shaky Isles: Union bashing in New Zealand Labor Studies Journal 37(1): 56-80
- Mosley L, Uno S (2007) Racing to the Bottom or Climbing to the Top? Economic Globalization and Collective Labor Rights Comparative Political Studies Volume 40 (8): 923-948
- Nutall, P (2012) ...Where the Shadows lie: Confusions, misunderstanding and misinformation about workplace status. NEW ZEALAND Journal of Employment Relations 36(3): 71-88
- Tyson, AF (2012) A Synopsis of the Hobbit Dispute NEW ZEALAND Journal of Employment Relations 36(3): 5-14
- PriceWaterhouseCoopers (2009) NEW ZEALAND Fact Economic contribution of the New Zealand film and television industry
- Wilkinson K (2012) One Law to Rule them All NEW ZEALAND Journal of Employment Relations 36(3): 34-36
- Wilson, M (2012) Constitutional Implications of 'The Hobbit' legislation NEW ZEALAND Journal of Employment Relations 36(3): 89-96