

Film Inquiry Submission No. 59

SUBMISSION

BY

MEDIA ENTERTAINMENT AND ARTS ALLIANCE

TO THE

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON COMMUNICATIONS,
INFORMATION TECHNOLOGY AND THE ARTS**

**INQUIRY INTO THE FUTURE OPPORTUNITIES FOR AUSTRALIA'S FILM,
ANIMATION, SPECIAL EFFECTS AND ELECTRONIC GAMES INDUSTRIES**

JUNE 2003

Media Entertainment and Arts Alliance

Established in 1992 following the amalgamation of the Australian Journalists Association, Actors Equity and the Australian Theatrical and Amusement Employees Association, the Media Entertainment and Arts Alliance (the Alliance) is the industrial and professional organisation representing the people who work in Australia's media, entertainment, arts and cultural industries. Its membership includes journalists, performers and film, television and live theatre technicians.

“The international profile of the Australian industry and the depth of talent that it produces is quite disproportionate to the population and the size of the industry ... Last year’s record 12 Oscar nominations for Australian films and filmmakers is just one example. No other country outside the US achieves this. It is the success of our local industry that provides the launching pad for the high profile Australian film creators and performers, and the local industry can only survive and prosper with continued regulation and subsidy.”¹

Andrew Mason, producer (*Matrix, Matrix Reloaded, Dark City, Swimming Upstream*)

The Alliance welcomes the opportunity to make submission to the Inquiry into the Future Opportunities for Australia’s Film, Animation, Special Effects and Electronic Games Industries.

This submission will focus on film, animation and special effects and only touch on the electronic games industry. As animation and special effects apply to both film and television production, this submission covers both film and television whilst focussing on film and makes comment on the television commercials sector of the industry.

Animation and special effects are subsets of the film and television industry.

Animation is a technique for making film and television productions rather than something that can be considered as an industry separate from the film and television industry. Although live action is replaced by created images, all other aspects of production that relate to drama production remain – from financing through to production, direction and recording of performances, postproduction and music to distribution. Increasingly, animation productions are being created digitally as developments in technologies are making traditional cell animation less cost effective.

Special effects can be divided in two categories – physical effects and visual effects. Physical effects are those that are created during filming, for instance, pyrotechnics, rain effects, wind effects, explosions, fire and the like. Visual effects covers a range of effects that can in part be created physically and completed in the laboratory such as matte shots, or be created in part physically and completed digitally, or entirely created digitally. Like animation, special effects cannot be considered separately from the contribution they make to a completed film or television program.

The Alliance notes that the Committee’s focus is on creative and technological issues and is not seeking submissions which address issues relating to the Commonwealth’s taxation treatment, or funding, of the film industry.

A number of inquiries have been conducted in the past eighteen months that have relevance to Australia’s film, television and performing arts industries and have relevance to the current inquiry. They have included:

Trade Agreements:

- Joint Standing Committee on Treaties: Call for public comment on Singapore-Australia Free Trade Agreement, April 2003
- Senate Foreign Affairs, Defence and Trade References Committee: Call for public comment on Australia’s Foreign and Trade Policy White Paper *Advancing the National Interest*, April 2003
- Senate Foreign Affairs, Defence and Trade References Committee: Call for public comment on issues for Australian in the negotiation of the General Agreement on Trade in Services (GATS) in the Doha Development Round of the World Trade Organisation (WTO) and in the negotiation of a free trade agreement with the United States of America, March 2003
- Office of Trade Negotiations, Department of Foreign Affairs and Trade (DFAT): Call for public comments on the *Discussion Paper on the General Agreement on Trade in Services (GATS)*, February 2003

¹ Andrew Mason, speaking in Cannes on May 19, 2002, quoted in *Screen Hub*, May 20, 2003, available online at www.screenhub.com.au/sh1/news/news.asp?Id=40922

- DFAT Inquiry into a Free Trade Agreement between Australia and the United States of America, January 2003
- DFAT: Call for public comment in the lead up to the development of the White Paper, *Advancing the National Interest, Australia's Foreign and Trade Policy*, August 2002
- DFAT: WTO Doha Round of Trade Negotiations, May 2002

Australian Content

- Australian Broadcasting Authority (ABA), Review of the Australian Content Standard, February 2002
- ABA, Call for comments on the Draft Australian Content Standard, September 2002
- ABA, Call for comments on submissions received regarding the Draft Australian Content Standard, September 2002
- ABA, Call for comments on the Final Draft Australian Content Standard, December 2002
- ABA, Review of Australian Content on Subscription Television, February 2003

Workers' Compensation and Occupational Health and Safety

- House of Representatives Standing Committee on Employment and Workplace Relations: Inquiry into aspects of Australian Workers' Compensation, August 2002
- Productivity Commission Inquiry: National Workers' Compensation and Occupational Health and Safety Frameworks, June 2003

Poverty and Discrimination

- Senate Community Affairs Reference Committee: Inquiry into Poverty in Australia, March 2003
- Productivity Commission: Review of Disability Discrimination Act 1992, April 2003

Training

- Review of the Commonwealth New Apprenticeships Incentives Programme, July 2002

The Alliance made submissions to all of the above inquiries and copies of those submissions are available online at www.alliance.org.au and can be made available on request if required.

This submission builds on those submissions to the extent to which they are relevant to the current inquiry.

A copy of the submission made to the Senate Community Affairs Reference Committee Inquiry into Poverty in Australia is attached at Appendix B. The issues canvassed in that submission are not usually aired in any other arena and are of particular importance in ensuring that Australia is able to sustain the careers of highly skilled and talented performers. Any viable film industry is reliant upon access to a pool of talented and diverse performers. Films that reflect Australian identity in all its cultural diversity cannot be produced without performers. Consequently, it is imperative that the particular needs of performers are considered in any review that discusses the future of the film industry in this country.

This submission also recommends amendments to Australia's Working Holiday Maker Program to ensure that employment opportunities for Australians are not eroded by overseas technicians and performers.

The economic, social and cultural benefits of Australia's film industry

"The advent of globalization brings in its wake the grave danger of the standardization of cultures and of the reduction of intellectual works to the level of commercial products. In order to lend globalization a human dimension, the 31st General Conference of UNESCO adopted the Universal Declaration on Cultural Diversity."²

The Declaration acknowledges the importance of cultural diversity as a factor in development: "Cultural diversity widens the range of options open to everyone, it is one of the roots of development, understood not simply in terms of economic growth, but also as a means to achieve a more satisfactory, intellectual, emotional, moral and spiritual existence."³

In Article 9 of the Declaration, the role of cultural policies as catalysts of creativity is articulated: "While ensuring the free circulation of ideas and works, cultural policies must create conditions conducive to the production and dissemination of diversified cultural goods and services through cultural industries that have the means to assert themselves at the local and global level. It is for each State, with due regard to its international obligations, to define its cultural policy and to implement it through the means it considers fit, whether by operational support or appropriate regulations."⁴

Australia has long recognised the social, cultural and economic role of the film industry and the importance of Government policy in ensuring the development and fostering of a viable indigenous industry. The Federal Government has played a direct role in the development of the industry since Federation, commissioning production companies to produce documentaries relevant to the national interest since 1901.

Support mechanisms to the industry have matured over the past hundred years, reflecting changes in society, technological changes and in response to the increasing penetration of the Australian market by overseas companies.

During the 1950s, the Government's priorities focused on television and the indigenous film industry languished until its remarkable resurgence in the seventies, a resurgence that was underpinned by Government support.

The blossoming of the film industry in the seventies resulted in outstanding productions that presented a uniquely Australian voice that found resonance in Australia and abroad, helping to define who Australia is as a nation and portraying an increasingly confident and mature reflection of itself to audiences in Australia and overseas.

Films like *My Brilliant Career*, *Newsfront*, *The Adventures of Barry McKenzie*, *Mad Max*, *Picnic at Hanging Rock*, *Gallipoli*, *Crocodile Dundee*, *Romper Stomper*, *Muriel's Wedding*, *Strictly Ballroom*, *Priscilla Queen of the Desert*, *Shine*, *The Castle*, *Lantana*, *Wog Boy*, *Looking for Alibrandi* and *The Rabbit Proof Fence* successfully explored the diversity of the Australian experience and all demonstrate the social, cultural and economic role of the industry, finding audiences here and abroad.

² UNESCO, available online at www.unesco.org/culture/pluralism/diversity/html_eng/Exhibition.shtml

³ Article 3, UNESCO Universal Declaration on Cultural Diversity, available online at www.unesco.org

⁴ UNESCO Universal Declaration on Cultural Diversity, available online at www.unesco.org

Likely effect of international agreements on the production, distribution and display of Australian films and the ongoing development of an Australian voice in film

International trade agreements have the potential to support or devastate the Australian film industry.

The Alliance has consistently argued that it is in the national interest for cultural industries – including film, television, multimedia, performing arts, visual arts and crafts, broadcasting, e-commerce and games – to be differentiated from other industries and protected in all bilateral, plurilateral and multilateral trade agreements either by way of a comprehensive reservation in negative listing agreements or by way of making no commitments in positive listing agreements.

This year the Alliance has made submissions in respect of the General Agreement on Trade in Services (GATS), the negotiations for a free trade agreement (FTA) with the United States of America, the Government's White Paper on Trade and Foreign Policy, *Advancing the National Interest*, and the Singapore-Australia Free Trade Agreement (SAFTA) arguing that if the cultural industries are not quarantined from free trade agreements Australia will be prevented from giving effect to its social and cultural policy objectives.⁵

Support to the audiovisual industries is provided by way of a complex but cost efficient and transparent set of mechanisms that include:

- Australian content standards for free to air commercial television, by way of an overall transmission quota that includes sub-quotas for program types most subject to market failure together with a content quota for television advertising, and an expenditure requirement for pay television, currently in respect only of predominantly drama channels;
- Regulation of temporary entry of non-Australians into the Australian entertainment industry;
- Regulations governing foreign ownership of media and cross-media ownership;
- Subsidy provided by way of direct subsidy through the Film Finance Corporation, the Australian Film Commission and the Australian Children's Television Foundation and by way of taxation concessions through Divisions 10B and 10BA of the Income Tax Assessment Act;
- The Official Co-production Program administered by the Australian Film Commission;
- Support for public broadcasting – the ABC and SBS – and community broadcasting;
- Support for training through the Australian Film Television and Radio School and the National Institute for Dramatic Art;
- Provision of export market development grants;
- Support for ScreenSound, the national film and sound archive.

⁵ April 2003, Submission to the Senate Foreign Affairs, Defence and Trade References Committee – response to the call for public comment on Australia's Foreign and Trade Policy White Paper *Advancing the National Interest* March 2003, Submission to Senate Foreign Affairs, Defence and Trade References Committee – response to call for public comment on issues for Australian in the negotiation of the General Agreement on Trade in Services (GATS) in the Doha Development Round of the World Trade Organisation and in the negotiation of a free trade agreement with the United States of America

February 2003, Submission to the Office of Trade Negotiations, DFAT, response to call for public comments on the *Discussion Paper on the General Agreement on Trade in Services (GATS)*.

January 2003, Submission to DFAT Inquiry into a Free Trade Agreement between Australia and the United States of America

August 2002, Submission to DFAT – response to call for public comment in the lead up to the development of the White Paper, *Advancing the National Interest, Australia's Foreign and Trade Policy*

May 2002, Submission to DFAT in respect of the WTO Doha Round of Trade Negotiations,

August 2001, Submission to DFAT in respect of Australia's Relationship with the WTO,

March 2001, Submission to Joint Standing Committee on Treaties Inquiry into Australia's Relationship with the WTO.

All these submissions are available online at www.alliance.org.au/free2baustralian or can be provided electronically if required.

Other forms of support include spectrum allocation, the oversight of industry codes of practice such as the code of practice for radio that provides for a 25% Australian music content standard and legislation in respect of copyright, intellectual property, cultural property rights and moral rights.

Assistance is also provided by state governments, usually by way of direct subsidy and payroll tax relief.

Given the cross-over between cultural industries, other mechanisms of support are also crucial to the ongoing viability of the industry including subsidy provided through the Australia Council to the performing and visual arts and crafts and to festivals and ATSIC's funding of indigenous arts and broadcasting. Support is also provided by state and local governments.

Any of the above mechanisms of assistance can be jeopardised by free trade agreements.

Australia is not alone in relying on on-going government assistance to foster its film and other cultural industries. Other than the United States and India, all countries with a thriving film industry rely in part on government intervention. Globally, the United States industry is the dominant player in the film industry. Its vertically and horizontally integrated production and distribution companies, together with the size of its population, enable it to finance films with the largest production and advertising budgets of any industry in the world. In almost all other industries around the world, feature films are produced by small companies and independent producers, reliant on a range of government support mechanisms similar to those in Australia.

General Agreement on Trade in Services (GATS)

To date, Australia has made no commitments that will adversely impact on our cultural industries in the GATS and we understand will be making no commitments in the current Doha Round. It is noted that the commitment made by Australia in March this year in respect of computer services sub sectors, namely "data base services" and "other computer services", explicitly excluded measures relating to content covered by these services. This position is supported by the Alliance.

Singapore-Australia Free Trade Agreement (SAFTA)

The recently negotiated SAFTA was a negative listing agreement. Whilst the Alliance considers positive listing agreements – such as GATS – are the preferred model for negotiating bilateral agreements, the Alliance welcomes the comprehensive Annexe II reservation for the cultural industries in SAFTA.

Australia-Thailand Closer Economic Relations Free Trade Agreement (CER-FTA)

The Alliance understands that the proposed Australia-Thailand CER-FTA will be a negative listing agreement and further understands that, consistent with Australia's position in respect of GATS, no commitments will be made that might adversely impact on Australia's cultural industries.

Proposed Australia-Japan Free Trade Agreement

The Alliance understands that negotiations for an FTA with Japan might not come to fruition. The Alliance is not aware of whether the FTA will be a positive or negative listing agreement. In the event it is a negative listing agreement, the Alliance supports that agreement mirroring the reservations taken out in SAFTA. In the event it is a positive listing agreement, commitments in respect of cultural industries should not be made.

Proposed Australia-United States of America Free Trade Agreement

The Alliance understands that the FTA with the United States will be a negative listing agreement. Consequently, the Annexe II reservations in SAFTA will serve as a model for Australia's negotiators and it is hoped that such a reservation can be achieved.

The difficulty of achieving an outcome in line with that achieved in SAFTA, however, cannot be underestimated.

Although the Australian Government has made its position clear: “We will ensure that our capacity to support Australian culture and national identity, including in audio-visual media, is not watered down in the negotiations”⁶, the Alliance is concerned about submissions made to the United States Trade Representative (USTR) calling for the repeal of the Australian content standard on free to air television, the expenditure requirement on pay television, the abolition of the Foreign Investment Review Board and for complete liberalisation in advertising, e-commerce and computer and related services.

The Alliance notes the comments made by Ralph Ives, the US Chief Negotiator, on 23 May 2003: “I guess I could say that, in terms of the content requirements and the subsidies, we’re certainly not seeking, as some in Australia have indicated, to abolish either the broadcast quota or the subsidies – let’s make that clear. At this point it may be useful to say that, if the current system is working for the Australians and *if it is working for the US industry that we consulted with*, then I’m not sure there is any reason to change.”⁷ [emphasis added]

These comments may appear to offer some comfort and hold out the possibility that the United States might agree to standstill provisions.

However, as indicated above, submissions made to the USTR by the Motion Picture Association (MPA), Motion Picture Association of America (MPAA) and the Coalition of Service Industries make it clear they would not be happy with the sentiments expressed by Ives.

Testifying before the Trade Policy Staff Committee Office of the USTR, the Coalition of Service Industries cited what it considered to be key objectives in an Australia-United States FTA – the achievement of full market access and national treatment for production, distribution, and projection services (including cinema theatre ownership and management) for motion pictures, sound recordings, videos, packaged media such as films, music, goods needed in audiovisual services, printed media, publishing, removal of ownership regulation in the media with commitments made to be technologically neutral.⁸

Central to the Trade Promotion Authority (TPA) that authorised the United States entering into negotiations for a range of FTAs, including that with Australia, is “its instruction to the USTR to conclude trade agreements that anticipate and prevent the creation of new trade barriers that may surface in the digital trade environment.”⁹ Despite the fact that the negotiation of the TPA through Congress was fraught and secured by only one vote, the mandate in respect of digital trade received unconditional bipartisan support.

The FTAs the United States has recently negotiated with Singapore and Chile have both delivered on the TPA instructions in respect of e-commerce and the United States’ digital agenda.

More broadly, the United States has adopted a negotiating approach in FTAs that includes standstill provisions in respect of current arrangements – for instance, the Chile FTA contemplates the existence of a 40% quota for indigenous programming on free to air television – where the abolition of such measures cannot be achieved and is seeking commitments on electronically delivered audiovisual services, for instance, video on demand and other new forms of content distribution. In short, the US digital agenda is “tailored to the free trade of so-called digital products like music, software or movies that derive their value from ‘content’ produced by the information technology (IT) and entertainment

⁶ The Hon. Mark Vaile, MP, Minister for Trade, addressing the New Horizons in Trade Conference held in Adelaide on 5 June 2003, transcript available online at www.dfat.gov.au

⁷ Transcript available online at www.dfat.gov.au

⁸ Statements of Robert Vastine, President of the Coalition of Service Industries on the Australia Free Trade Agreement before the Trade Policy Staff Committee Office of the United States Trade Representative, January 15, 2003, and Linda Schmid, Vice President, Coalition of Service Industries on the Australia Free Trade Agreement before the International Trade Commission, February 6, 2003, available online at www.usci.org

⁹ *The Digital Trade Agenda of the U.S.: Parallel Tracks of Bilateral, Regional and Multilateral Liberalisation*, Sacha Wunsch-Vincent, Institute for International Economics, Washington DC, page 8, available online at www.iie.com

industries and that were previously – in the offline world – delivered on physical carrier media like CDs”.¹⁰

Given its success with the Chile and Singapore FTAs, it is likely that the United States will achieve compliance with TPA digital agenda instructions with the African, Central American and Asian countries with whom the United States is currently negotiating trade agreements. A similar outcome can be anticipated in negotiations for the Free Trade Agreement of the Americas (FTAA) currently being negotiated, especially given that Mexico did not seek a cultural industries reservation in the North America Free Trade Agreement (NAFTA) and the provisions grandfathered from the Canada United States FTA included standstill provisions negotiated back in the late 1980s.

Given the manner in which digital delivery of content is likely to transform the cultural sector in coming decades, the Alliance considers standstill provisions in respect of current measures to be an unacceptable outcome.

If Australia is able to achieve Annex II reservations that mirror SAFTA in the Australia-United States FTA, it will be a considerable but essential achievement.

If Australia is not able to achieve a comprehensive carve-out for the cultural industries, it will have a far greater impact on Australia than will be the case for Singapore or Chile where the first language is not English.

As Mark Twain said, “forecasting can be difficult, especially when it concerns the future”. The SAFTA reservations taken out in respect of foreign investment, the cultural industries, broadcasting, computer services and e-commerce will ensure that, in years to come, Australia will not look back in disappointment about decisions that needed to be made without the benefit of hindsight. SAFTA represents the minimum that Australia must achieve in negotiations with the United States. Future proofing trade agreements in these key areas is the only appropriate approach.

We are likely to see technological changes during the 21st century even greater than that which occurred during the 20th century. Consequently, it is essential that Australia is able to regulate in ways that today have not been contemplated but may become vital at some point in the future. The principle of considering content separately from carriage will be central to preserving Australia’s cultural and social policies.

Given that Australia is a remarkably open cultural market and America conversely is a very closed market, it is difficult to see why greater market access is such an issue for the United States.

Around 250 feature films are released in Australia annually, of which around 70 per cent are from the United States, ten per cent are Australian with the balance from the United Kingdom, Europe, Asia and elsewhere. The United States commands 83 per cent of the gross Australian box office compared with Australia’s current share of four per cent. The United States commands 65 per cent of Australia’s audiovisual import trade.

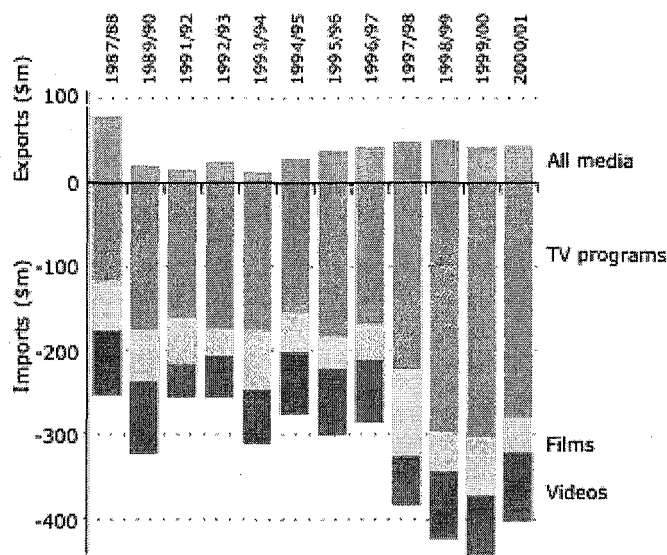
“63.4% of new shows in 2002 originated from outside Australia. Only 28% of new hours to TV originated from non-US sources. This compares to approximately 1.5% of new television programs being foreign-sourced in the US and 4.3% in the UK.”¹¹

¹⁰ *The Digital Trade Agenda of the U.S.: Parallel Tracks of Bilateral, Regional and Multilateral Liberalisation*, Sacha Wunsch-Vincent, Institute for International Economics, Washington DC, page 9, available online at www.iie.com

¹¹ Source: Australian Film Commission, www.afc.gov.au

Value of audiovisual royalty trade with the USA, 1987/88 to 2000/2001¹²

There is not enough data to fully break down export earnings from royalty trade with the USA. The high result in 1987/88 (\$79 million) was probably largely due to *Crocodile Dundee II*, but in recent years, export royalty income from the USA has tended to come more from television programs than cinema films. Imports of American TV programs rose significantly in 1997/98 and again in 1998/99, coinciding with the take-off of pay television in Australia. Imports of American films and videos have remained relatively steady.



Sales of television programs to the United States market have been to cable television, usually niche channels and typically programs that do not appear overtly Australian to their audience, for instance, science-fiction, fantasy or programs filmed or dubbed with American accents. No Australian television program has achieved a free to air network television sale in the United States in the past two decades.

With such one-way traffic in audio-visual products, what more can the United States hope to access? Put simply, they just want more.

“The MPA and MPAA are concerned with enhancing the outward flow from the United States of the output of the United States’ audiovisual industry. They represent the largest and most powerful producers of audiovisual programs in the world. The membership (as reflected by the structure of the Board) of the MPAA includes the seven major studios¹³, vertically and horizontally integrated companies that dominate the audiovisual and broadcasting sector in the United States and to varying degrees around the world.

“Although representing the industry with the greatest penetration into global markets, the MPA and MPAA are nonetheless seeking even greater access.”¹⁴

The industry in the United States is making concerted efforts to ensure maximum liberalisation is achieved in trade agreements. On 13 March 2003, a group of entertainment and trade associations announced the formation of the Entertainment Industry Coalition for Free Trade. Their goal is to educate policymakers about the importance of free trade and “the positive impact international trade has on the entertainment community”.¹⁵ Coalition members include AOL Time Warner, the News Corporation, Universal Music, Twentieth Century Fox, Viacom, Walt Disney, the Recording Industry

¹² Source: Australian Film Commission, sourced from the Australian Bureau of Statistics, available online at www.afc.gov.au

¹³ The MPAA board of directors includes the chairmen and presidents of the seven major producers and distributors: Walt Disney, Sony Pictures Entertainment, Metro-Goldwyn-Mayer, Paramount Pictures, Twentieth Century Fox, Universal Studios and Warner Bros.

¹⁴ Background information on the MPA and MPAA available online at www.mpa.org/about

¹⁵ Entertainment Industry Coalition for Free Trade press release, 13 March 2003, available online at www.mpa.org

Association of America and the Interactive Digital Software Association. Jack Valenti, President and CEO of the MPAA noted, "The US-Chile and US-Singapore FTAs have groundbreaking provisions that will not only protect and promote our great American creative resources but will set the standards for future US trade policies."¹⁶

The terms of the TPA legislation prevented United States negotiators from discussing specific market access issues until the United States International Trade Commission (ITC) delivered its report on the likely impact of the FTA on the United States economy. The report was delivered on June 6 and market access negotiations will no doubt be discussed in the next round of negotiations to be held in July. The ITC report has not as yet been made publicly available. The Alliance has been told, however, that the report will most likely reflect the submissions made to the USTR by industry organisations earlier this year. Consequently, it seems likely the ITC report will conclude that the American industry will benefit from the abolition of the content standard for free to air television together with other deregulatory measures mentioned above.

So, just as Australia sees its FTA with Singapore as the template for future bilateral trade agreements, the United States sees its FTA with Singapore in the same light. It is unfortunate for the Australia United States negotiations that the outcomes in respect of the cultural industries are diametrically opposed.

The experience of other countries

The examples of trade agreements where other nations have made commitments they have subsequently come to regret are numerous.

New Zealand made commitments in the GATS during the Uruguay Round, a decision that government now rues. Prime Minister and Minister for Culture Helen Clark recently reflected: "We have unilaterally disarmed ourselves on trade but very few others have been so foolish. We're now left with perfectly legitimate calls for local content and people saying 'You can't do that because of GATS'. This seems a bit ridiculous so we're just working out the best way to handle it."¹⁷ New Zealand has yet to find an answer.

When Canada negotiated a free trade agreement with the United States in the late 1980s, it negotiated a reservation for audiovisual industries that was both narrow and constrained by standstill provisions. That negotiation was subsequently grandfathered in (NAFTA). Unfortunately for Canada, delivery platforms have dramatically changed since the late 1980s and the 20th century, of course, ended with digital production and delivery poised to transform audiovisual content industries.

The Canadian reservation was subsequently grandfathered in the North America Free Trade Agreement (NAFTA) between Canada, the United States and Mexico and Mexico did not seek a cultural industries reservation. Earlier this year, Mexico introduced a one peso levy on screen admissions (estimated to generate AU\$23 million annually) to generate revenue to support their indigenous industry. Despite American feature films currently capturing 90 per cent of screen time in Mexican cinemas, the announcement prompted MPAA's Jack Valenti to write to Mexico's President Vincent Fox "warning that the one peso levy on admissions may jeopardise Hollywood's investments in local cinema"¹⁸ and "warning that the US may take retaliatory measures".¹⁹

¹⁶ Entertainment Industry Coalition for Free Trade press release, 13 March 2003, available online at www.mpaa.org

¹⁷ As quoted in *Serving Whose Interests? A Guide to NZ's Commitments under the WTO General Agreement on Trade in Services*, Dr Jane Kelsey, produced on behalf of Action, Research and Education Network of Aotearoa (ARENA), January 2003, page 40

¹⁸ *Screen Daily*, 10 February 2003, available online at www.screendaily.com

¹⁹ *Ibid*

Effect of foreign film unions' requirements concerning fee scales for their members appearing in Australian productions

The Alliance assumes the reference to foreign film unions' requirement concerning fee scales for their members appearing in Australian productions refers to the much publicised Screen Actors' Guild (SAG) announcement that their members must work under SAG agreements regardless of where their work might be undertaken.

At the time of the announcement, the Alliance entered into negotiations with SAG and reached an agreement that will ensure Australian productions are to the greatest extent possible quarantined from this requirement.

To date not one Australian production has been adversely affected by the agreement reached between the Alliance and SAG.

A copy of that agreement is attached at Appendix A.

Fostering the development of Australian content

Free to air commercial television – overall transmission quota and subquotas

During 2002 the Australian Broadcasting Authority (ABA) conducted a review of the Australian content standard for free to air commercial broadcasters. The existing standard was amended only slightly and came into effect on 1 January 2003. The Alliance contended that the subquota for documentaries should have been increased, a proposal that was met with some enthusiasm by the ABA but ultimately was not adopted, the status quo prevailing.

Overall, the transmission quota for free to air television has served the industry and the viewing audience well, with ratings consistently demonstrating audience attachment to all genre of Australian programs.

Pay television

The Alliance believes that it is time content standards for pay television were genuinely embraced.

At the time pay television was introduced in Australia, the government contemplated a 20 per cent expenditure requirement. However, initially an expenditure requirement was set at 10 per cent and applied only to predominantly drama channels. When first introduced, the reality of the pay television industry did not mirror the drafting of the legislation and consequently the standard was not enforceable.

When the legislation was reviewed, the Alliance argued that the standard be mandatory and enforceable, increased to 20 per cent as originally envisaged and apply to predominantly drama, documentary, music and scripted learning channels. The legislation was subsequently amended to make the expenditure requirement mandatory and enforceable but other changes were not adopted.

In 2000 the Australian Broadcasting Authority conducted an investigation into whether it might be appropriate for the cost of unproduced scripts to count towards the 10 per cent expenditure requirement. The Alliance opposed the proposal on the basis that it is difficult to see how unproduced scripts could assist in delivering on the policy objectives that underpin the legislation, specifically in "developing and reflecting a sense of Australian identity, character and cultural diversity". The Alliance argued that the only way in which this policy objective could be achieved is as envisaged by the legislation, namely the broadcasting of programs that reflect a sense of Australian identity, character and cultural diversity.

This inquiry was followed by another the same year which looked at whether an expenditure requirement for pay television documentary channels was appropriate. The Alliance recommended that a standard be introduced along the following lines:

- the content standard must be mandatory and enforceable

- a combined standard comprising a transmission quota and an expenditure requirement
- a transmission quota of 20 hours first release new to television programs a year building to 52 hours a year over four years
- an expenditure requirement – 20% of total program expenditure to be spent on Australian programs
- the definition of “new” to mean new for all broadcasting (commercial free-to-air, national and pay)
- in the event a 20% expenditure requirement does not deliver observable outcomes in respect of fostering the production of high quality and innovative programs or increasing the investment base for the local industry, consideration be given, in addition to an expenditure requirement, to the introduction of a public benefit tax as a condition of licence.

Earlier this year, the ABA conducted a review of Australian content on pay television. The Alliance argued in its submission that in order for the Government’s economic, social and cultural objectives as articulated in the Explanatory Memorandum to the Broadcasting Services Bill 1992, the Explanatory Memorandum to the Broadcasting Services Amendment Bill (No 3) 1999 Regulatory Impact Statements and elsewhere, to be given effect, the content requirement for predominantly drama channels should be increased and a content standard introduced in respect of other subscription television channels. The Alliance also argued that a content standard should be introduced in respect of advertising, a matter not previously canvassed, largely no doubt as a result of the legislative prohibition on the broadcasting of advertising or sponsorship announcements before 1 July 1997.

To date there has been no outcome in respect of the three reviews of pay television referred to above.

In order to foster Australian content, mandating enhanced requirements for pay television is clearly an attractive option. Importantly, it is a measure that is revenue neutral for the Federal Government.

The Alliance notes that the Australian Film Commission again called for the matter to be addressed on June 17, arguing that the expenditure requirement for predominantly drama channels be increased from 10 to 20 percent, that an 80 per cent quota for advertising on pay television be introduced in line with the free to air television advertising quota, and that a 20 per cent Australian content requirement be introduced for documentary pay television channels.²⁰

The Alliance also believes that the Australian Broadcasting Authority should examine the effectiveness of the current 10 per cent expenditure for predominantly drama channels to establish whether the outcomes have resulted in meaningful content on pay television in respect of hours screened.

Third national broadcaster

The Alliance supports the recommendation contained in the Productivity Commission Report on Broadcasting that the “government should examine the need for, and feasibility of, establishing an Indigenous broadcasting service, including who should provide the service; how the service should be provided; the additional government resources required; and a timetable for implementation”.²¹ Clearly, were a third national broadcaster to be established, one of the outcomes would be to foster the development of more Australian content.

²⁰ *Encore*, June 19, available online at www.encoremagazine.com.au

²¹ *Broadcasting Inquiry Report*, Productivity Commission, Report No. 11, 3 March 2000, Recommendation 8.7, page 291

Fostering co-productions

The Alliance considers administration of co-productions is best handled by the Australian Film Commission.

There is little point in entering into co-production treaties (country to country arrangements) or co-production memoranda of understanding (competent authority to competent authority arrangements) unless there is a mutual benefit.

The treaties and memoranda of understanding (MOUs) to which Australia is a party have generally – but not always – been predicated on the satisfaction of a number of criteria that include the following:

- The two countries have a strong interest in co-producing films together (to warrant the considerable resources associated with negotiating the treaty or MOU);
- Comparable film industries in the two countries with comparable infrastructure;
- A public sector entity similar to the Australian Film Commission that is able to oversee and administer the program;
- Comparable benefits that make most favoured nation treatment valuable to both countries such as government subsidy for investing in productions, taxation concessions, or television local content quotas;
- Reciprocal access to national treatment;
- Balance over time of financial and creative participation;
- Broadly comparable conditions of work;
- Facilitation of the production of programs that would not otherwise be produced.

Other considerations could include whether productions produced under the arrangement are likely to find resonance in both markets and whether the arrangements will lead to greater market acceptance of other Australian productions.

Australia currently has treaties with the United Kingdom and Northern Ireland, Canada, Ireland, Italy, Germany, Israel and MOUs with France and New Zealand. A one-off MOU was signed with Vietnam but never utilised. The treaty with Israel has also never been utilised. The most utilised arrangements have been those that generally meet the criteria set out above.

Negotiations for a treaty with Japan failed in 1994 when Japan refused to afford national treatment to Australian productions but sought national treatment for Japanese productions. Negotiations with Russia and Georgia floundered and faded away for a number of reasons but ultimately because there was little by way of reciprocity that could be offered and employment conditions were significantly different.

It should be noted that not all countries seek such outcomes nor make such determinations when entering into film and television co-production arrangements. For instance, Canada has entered into a plethora of treaties that would not meet the above criteria. The Canadian arrangements with a number of Asian countries do not require comparable employment conditions making it likely that the majority of co-productions would be produced in the country with the least favourable employment conditions simply to reduce the cost of production. Canada's MOU with Japan imposes an obligation only on Canada to provide the benefits of national treatment to Canadian-Japanese co-productions. The Alliance believes similar arrangements would not be in Australia's interests.

At present, the Alliance is not aware of any opportunities to enter into further treaties or MOUs that would meet the above criteria and believes that resources to foster Australian film production could be better utilised elsewhere.

Current and likely future infrastructure needs of these industries, including access to bandwidth

Content quotas

Volume and certainty of work are crucial to ensuring the ongoing viability of the infrastructure required by the industry. Central to that are the content quotas on free to air and pay television. The production capacity supported and nurtured by the content standards is particularly important in creating the critical mass required for a viable film industry. This is as true of the overall transmission quota on free to air television with its attendant sub-quotas for drama, documentary and children's programs, as it is of the content standard for television commercials.

For the expenditure requirement on pay television to deliver the economic, social and cultural objectives articulated by government, the requirement needs to be increased, extended to channels additional to predominantly drama, applied to television programs that are new to television rather than new to pay television (other than in respect of feature film expenditure as is the case for free to air television) and a content standard for advertising introduced, again as is the case for free to air television.

If the expenditure requirement for pay television were increased it would drive greater production output thus, axiomatically, embedding and making more robust the infrastructure required of any vibrant film industry.

A critical mass of work is fundamental to ensuring that skilled practitioners remain in the industry and are not forced to seek work elsewhere, either overseas or, more typically, within another industry in Australia. Television commercials are an essential plank of working life for almost all those working in the film industry. For some, television commercials comprise all their work, whereas for others they provide the short-term work that can sustain them between feature films or television productions. They are crucial to the viability of facilities such as post-production houses, equipment rental companies and film laboratories.

Further, larger budget commercials afford the industry the opportunity for creative experimentation of a kind not possible on low budget commercials. As, by international standards, Australian films can (with rare exceptions such as *Babe* and *Moulin Rouge*) be classified as low budget, such creative experimentation is usually unaffordable because of both budget and schedule constraints. Larger budget commercials can also accommodate high end effects such as special effects, visual effects, computer generated imaging, animatronics, complex coverage, use of specialist rigs, aerial, underwater filming and the like. The benefits of such opportunities enhance the skills base of those working on expensive commercials ensuring a sophistication in the skills pool that assists in making Australia attractive to offshore production and having flow-on effects to the Australian film industry.

Unfortunately, the reduction in the television commercials quota for free to air television from 100% to 80% in 1992 had the effect of eliminating some of the most expensive commercials, those being replaced with international campaigns. In part the use of foreign commercials is driven by a desire to cut costs. However, more importantly, as Mervyn Smythe has observed, companies "are increasingly motivated by a desire to standardise their marketing messages around the world. They are rationalising their product lines, dropping products which might be profitable but are not core activities, aligning advertising agencies world-wide on accounts, making pack designs uniform across different countries and using the same TVCs globally."²²

Smythe continues, "There appears to be an increase in the number of locally made commercials which are tactical in nature and frugally made. These support much more expensive umbrella TVCs from corporate headquarters overseas."

The reduction in the quota for television commercials has resulted in a loss of opportunity for the Australian film industry. This loss could be offset to some extent by introducing a quota for television commercials on pay television commensurate with the free to air requirement. The Alliance, however, remains of the view that the requirement for free to air television should never have been reduced and that the requirement for both free to air and pay television should be 100% (save only for an ongoing

²² *Get the Picture*, AFC, 1998, p91

capacity to accommodate overseas commercials for film trailers, public service announcement, and so on as has always been the case for the free to air quota).

The reduction in the quota has resulted in Australian commercials companies becoming increasingly reliant on attracting increased levels of offshore work – work that is uncertain in that Australia is competing with the rest of the world for runaway commercials.

Access to bandwidth

The Film Industry Broadband Resources Enterprise (FIBRE) was established in response to industry concerns about the cost of bandwidth. The industry identified the cost of accessing bandwidth as a key barrier to Australia remaining competitive in the global industry.

With adequate access to bandwidth, Australia can turn one of its chief disadvantages in attracting offshore production for North America into an advantage. Canada has the advantage of operating in the same hemisphere as the American industry, has adequate cost competitive access to bandwidth, Vancouver enjoys no time zone disadvantage with Los Angeles and, obviously, geographically Canada is closer to the United States than Australia.

If the Australian industry can achieve cost effective access to bandwidth, many of the above disadvantages would be overcome. Australia is able to work while the United States sleeps. Consequently, the results of a day's filming would be available to view in the United States the following morning.

Further, the advantages of affordable access will accrue directly to the Australian industry where post-production and visual effects companies need to forward large amounts of data within Australia.

Assisted by grants from the Commonwealth Government, FIBRE has been able to work with telecommunications partners to introduce initiatives like bandwidth on demand and free local traffic within states.

Clusters of companies have been important to achieving the outcomes thus far but more work remains to be done. FIBRE was awarded a further grant this month to pursue its work, now with matching funds from New South Wales and Victoria.

However, affordable access to bandwidth is only going to increase in importance as digital delivery gains in importance.

The challenge for the future will be affordable access for all capital cities and across the country. The concept of film industry clusters that has been explored by many state governments, in particular by the New South Wales Government, to see film industry centres in regional areas established will only be truly viable if accompanied by access to broadband.

Skills required to facilitate future growth in these industries and the capacity of the education and training system to meet these demands

“We simply won’t have an industry at all unless we invest in people.”

Sir Alan Parker, Chairman, UK Film Council

Industry Characteristics

The film production industry differs in many respects from other industries.

Employment is predominantly short term – anything from one day to one year but typically less than four months. For those working on commercials, it is not uncommon to have two or more employers within one week.

The range of skills required for production is diverse – from design, to lighting to construction to management and editing. Construction can include set and prop construction as well as wig-making and costume design and manufacture.

Little formal training. Many practitioners – including heads of department and supervisors (and often employers) – have never had any formal training with all training having been acquired on the job.

Extensive formal training. Many practitioners have extensive formal training, often but not always, in areas other than film and television, before entering the industry.

Employers are most typically small businesses. Whilst there are some major companies within the sector very few have permanent employees. An independent feature film producer typifies the business model. A producer may have a company that employs only that person for the majority of the time. However, when finance for a production has been secured, approximately ten people might be engaged for approximately two months, increasing as the shoot date approaches and expanding to approximately fifty people for approximately eight weeks and increasing, depending on the production, to 100 or more on any single day, reducing thereafter to approximately six persons for another four months and then back to maybe only one employee if any. To survive, the producer may have to seek other employment between their own productions. There is no certainty at the completion of one production that there will be a further production.

Larger companies such as Southern Star who maintain on-going staff between productions typically focus on television production rather than film production. However, in such companies the core staff is principally management, marketing, legal affairs and finance. Those technicians required for a particular production are typically engaged for the duration of the production only.

The postproduction sector of the industry includes a mix of companies, some of whom do not maintain a permanent workforce while others do. Others are a mix, maintaining some permanent staff and hiring in additional personnel either on fixed term contracts or as casual employees as the volume of work demands.

Significant reliance on government support. The Australian film and television industry is heavily reliant on government assistance – principally by way of subsidy (for instance via the Australian Film Finance Corporation or Divisions 10B and 10BA of the Income Tax Assessment Act) or regulation (Australian content standards administered by the Australian Broadcasting Authority).

Even offshore production is increasingly seeking government incentives, whether it is by way of state government payroll tax waivers or most recently by the introduction by the Federal Government of the refundable tax offset for eligible large budget productions. Despite the fact that offshore productions have larger budgets and employ more technicians than is possible on Australian productions, offshore productions are nonetheless locating to Australia principally because it is a cheaper market in which to operate, thereby enabling them to reduce costs. As a result, offshore production does not necessarily afford training opportunities for Australian technicians.

Survival in a small market. The fact that the sector relies to a significant extent on government support mechanisms indicates that the production industry operates in a market too small to ensure its ongoing

financial viability in the absence of government intervention. However, the industry offers significant high quality employment opportunities and increasing export opportunities that outweigh the financial cost associated with government subsidy.

Low returns. Unlike countries like the United States, the United Kingdom and India, the Australian film industry is reliant for its survival on a small primary market. Consequently, costs must be minimised and returns are low. Many Australian feature film productions do not recover their full budgets.

New Apprenticeships Program largely irrelevant to industry

The characteristics of the industry outlined above combine to create circumstances wherein, despite the need for training, the current apprenticeship programme in Australia has been and will continue to be woefully under-utilised for the following reasons.

Duration of employment. Most technicians are not engaged for periods of time that enable them to undertake an apprenticeship of twelve months. Whilst at face value it may appear that Group Training Companies are the mechanism to resolve this particular issue, very few such companies have operated in the sector for precisely the reasons that the apprenticeship program is not working – companies struggle to find suitable employers to take on trainees and to find a succession of suitable employers to enable an apprentice to complete their training and the Alliance is not aware of any currently including this industry in their portfolio.

Employment opportunities at the conclusion of an apprenticeship. For the reasons outlined above, most employers are not able to offer employment at the conclusion of an apprenticeship because the production on which the apprentice might have been engaged would have concluded and there is no certainty of any further employment opportunities with the employer.

Financial incentive. Given the very tight financial parameters within which Australian productions operate, the cost of taking on apprentices (wages) and the cost of supervising those apprentices is usually beyond the reach of the production budget.

No obligation on employers to provide training. With rare exceptions, other than during the currency of the National Training Guarantee Scheme, funds are neither allocated towards nor expended on training in production budgets.

Apprenticeship program not suited to industry needs. The apprenticeship program reflects a training model that does not lend itself easily to the production industry. It is not available to those persons who have already completed formal training and it must be matched with accredited training programs complying with levels 2, 3 and 4 of the Australian Qualifications Framework. Examples may serve to illuminate why.

On film and television productions, the gaffer is the key electrician. That person must be a licensed electrician to undertake many aspects of their job. However, a licensed electrician is not able to commence in the industry as a gaffer as such a person, whilst having the relevant trade qualification, will have no knowledge of light qualities, the setting of lamps to achieve the lighting effect required by the Director of Photography nor any knowledge of gels, scrims, positioning of barn doors, use of reflectors, issues relating to shadows and so on. Most gaffers work their way up through the industry by starting either as a generator operator or more typically as a lighting assistant, notwithstanding the fact that a license is not a requirement for an assistant.

Many wishing to enter the industry may have completed a trade, for instance, carpentry, or a course such as pattern making or cutting but be unsuitable for employment other than as lower paid assistants because their training has not been industry specific. A person trained and able to cut or manufacture street clothing will not have any experience in the specifics of cutting and manufacturing costumes for a feature film where the requirements are more varied. For instance, they will not necessarily have the understanding and knowledge of period costume design required for productions such as *Moulin Rouge* and *Ned Kelly*, nor to create doubles of costumes that will be worn by stunt performers doubling an actor that might be subject to extraordinary pressure at certain points of the garment or need to be fire

retarded for special effects sequences or stunts involving flames or explosions, or costumes that might need to be only worn once.

Those people completing tertiary education with a bachelor of arts majoring in communications will not find work in the film industry other than at any entry level, for instance as a driver or runner.

Film industry specific training is offered by the Australian Film Television and Radio School. However, its focus is on training for writers, directors, cinematographers, designers, editors and producers. Short courses are also available for production managers, first assistant directors and the like. Training for grips, gaffers, film industry scenic artists, visual effects supervisors, animatronics technicians and so on does not exist.

For an apprenticeship program to deliver meaningful outcomes to the film industry, it needs to be moulded to the realities of the sector.

The National Training Guarantee Levy was abandoned, largely because it was being rorted in many industries. It was, however, a very useful and effective driver of training in the film industry. It could be tailored to a specific production and the training could be designed having regard to the particular skills of the individual trainee. For instance, it allowed for a person who had completed a trade or tertiary qualification to undertake on-the-job training combined with industry specific training that would enable the trainee to build on their existing skills and knowledge. The duration of the traineeship could be tailored to the duration of the production and there was no requirement that the person be afforded employment at the conclusion of the training which traditionally lasted the duration of the production – the trainee was able to simply join the film industry job market at the conclusion of the traineeship. The construction of the Training Guarantee Levy also allowed another key issue for these sectors to be addressed and managed, namely designing appropriate on-the-job training matched with formal training and supervision of the progress of the trainee. Many highly skilled and experienced technicians have no experience in teaching and are ill-prepared for designing training or for supervising trainees, as required with the New Apprenticeship Scheme. During the life of the Training Guarantee Levy, many employers contracted with the Australian Film Television and Radio School to write suitable training plans for individuals that were tailored to the individual's prior experience and training and identified suitable off-the-job training and structured on-the-job training. Whilst highly tailor-made, this strategy ensured that training was effective and delivered the outcomes sought by the individual and the industry. It could have been improved upon had there been a model like group training organisations in place at the time that could have then facilitated the individual trainee moving from one production to another.

Whilst not necessarily endorsing a re-introduction of the National Training Guarantee Levy, the Alliance believes it offers a model that can be used as a reference point in modifying the current scheme for utilisation within the film industry. Such a model would need to include financial incentives and be sufficiently flexible to enable it to be tailored by individual organisations.

Financial incentives are important as the industry operates within tight constraints. Even those organisations that traditionally operated as the training ground for the industry – the ABC, Film Australia – have found that, with funding cuts and increasingly constrained budgets, it is rarely possible to take on apprentices.

Any amendments to the New Apprenticeship Scheme will need to allow for apprentices to be drawn from those with prior training, be it prior vocational training or tertiary education. Apprenticeship Schemes that predetermine the entry pathways to an industry will not have relevance for the film industry. A redesign of the scheme would also need to take account of the management of multiple employers to facilitate the on-the-job training components of the apprenticeship. Further, it would need to be responsive to the realities of film production to ensure that access to off-the-job training was available and accessible having regard to an industry where working hours are longer than the norm and can be at any time of the night or day and in any location.

That an appropriate training mechanism needs to be introduced is evidenced in the fact that the film and television industry is a growth sector with expenditure on drama production doubling in recent years, largely the result of Australia becoming an increasingly attractive destination for overseas productions (for instance, *Star Wars*, *Matrix*). With the growth in offshore production, the skills

shortages in the industry have become more evident. Although Australia has highly skilled world-class technicians, increasingly there are insufficient to service periods of high demand.

Production volume, especially that generated by productions from other countries, is difficult to manage and during peak periods of activity it is likely there will be circumstances where a particular skill cannot be located amongst the Australian workforce and a person from overseas will be required.

The larger budgets available to offshore productions allow them to undertake work that is usually beyond the financial capacity of Australian productions. Consequently, in recent years there has been a demand for technicians who would not normally find sufficient work to stay employed in the industry in Australia over any meaningful period of time. For instance, the construction demands of the *Star Wars* series require fibrous plasterers experienced in working with convex curves. Such persons are in short supply internationally with most coming out of the British industry, although for the current *Star Wars* production more were able to be sourced within Australia than was the case for the earlier film.

Changes in technology have also led to skills shortages as on-the-job training for some personnel is no longer available.

Traditionally, editors learned on the job, firstly working as edge-numberers, then moving to a position as an assistant editor and finally to editor. That this was possible was because editing was linear and the assistants physically worked in the same workplace and at the same time as the editor. With the introduction of non-linear editing, the situation has changed dramatically. Assistant editors no longer physically assist the editor. Often their duties require that they work in a separate location and work separate hours to the editor. The opportunity to learn editing by watching has disappeared.

This problem is not confined to Australia – it is an issue world-wide. The British reality television series, *I'm a Celebrity, Get Me Out of Here*, was filmed in Australia earlier this year. The program goes to air the evening of the day on which events occur. The program also screened in two separate versions on two television networks. To accommodate the broadcast demands, the production needed to engage 24 editors. Those editors needed reality television experience. The tight turnaround time from filming to broadcast meant that editors with a background in news or current affairs editing were preferred together with some drama or comedy experience to ensure they could cut for the dramatic personal moments, the underpinning of the reality television experience. Given the series was personality cult driven, the celebrities were unlikely to be known to Australians and hence it was always anticipated that at least six of the editing team would be from the United Kingdom (six to allow for rotating crews). The most recent series of *Big Brother* was gearing up and competing for editors from the same labour pool. *Big Brother*, with the possibility of further employment from Southern Star, had a competitive advantage. In the end, the 24 editors comprised twelve Australians, nine from the United Kingdom and three from the United States. That three were sourced from the United States reflected a shortage of suitable personnel in both Australia and the United Kingdom.

The situation with broadcast engineers highlights the problem of an inflexible apprenticeship scheme. Global Television have been forced to import broadcast engineers from overseas, the ABC is confronting the fact that they may not have any broadcast engineers within the next five years and will be unable to afford to import from overseas. The situation at Channel 7 appears likely to be as critical. That most likely candidates will be ineligible for the New Apprenticeship Scheme as a result of prior tertiary and/or vocational training is certainly not assisting the situation.

With a burgeoning of production activity, and in the absence of strategically developed training schemes, it would be unfortunate if the principal solution to skills shortages in Australia is to look to overseas.

At the end of 2002, Sir Alan Parker, Chairman of the Film Council in the United Kingdom, "identified three basic 'must have' assets if the UK wants to build a sustainable film industry. First, effective distribution of our films into the global marketplace; second, a stable but cutting edge film infrastructure to service the global industry; and third, and perhaps most importantly, a world-class workforce".²³

²³ *Developing UK Film Talent: A comprehensive skills survey of the UK film industry*, February 2003

In February 2003, *Developing UK Film Talent* was released, the most comprehensive skills review of the industry ever undertaken. Announcing the new drive to enhance the skills base of the British industry, Film Skills Action Group Chair Stewart Till said "We are an industry whose primary asset is its people. Not only must we attract the brightest and the best of the new generation, but we must hold on to them. And the only long term way to do that and maintain our competitive edge is to develop the very highest level creative and technical skills which will allow individuals and the UK film industry as a whole, to prosper and grow."²⁴

Till went on to say that "the main conclusion [of the report] – with some exceptions – is that it's a pretty barren landscape ... If education training opportunities were better you would attract better people to the industry, and if we could get better people and grow them quicker and smarter, overnight we've got a better workforce. The film industry is simply an aggregate of the quality of the workforce."²⁵

Whilst the Alliance does not believe the landscape in Australia is as bleak as Till concluded in respect of the United Kingdom, it is essential that Australia recognises the importance of training and tackle the issue head on. The United Kingdom, after Canada, is Australia's chief competitor for offshore production. The United Kingdom recognises that to attract offshore production a highly skilled workforce is a precondition and it is this awareness that is largely driving the current investment in training in the United Kingdom.

Total Commonwealth and state expenditure on the new apprenticeship scheme for 2000-2001 was in excess of \$1 billion of which Dr Phil Toner of the Employment Studies Centre of Newcastle University estimates as much as \$340.8 million was devoted to the lowest skill new apprenticeships Major Groups 8 and 9.²⁶ Major Groups 8 and 9 cover the least skilled occupations – elementary clerical, sales and service workers, labourers and the like.

At the same time, no expenditure is being applied to the film industry where jobs are high quality and where there is a desperate need for certain skills shortages to be addressed.

As the New Apprenticeship Scheme does not match industry training needs, the state film agencies are forced to make such endeavours as they are able – and from scant resources – to fill the gap. Various agencies run attachment schemes that allow for on-the-job training schemes. That they are successful can be demonstrated by the television series *McLeod's Daughters*. In recent months, the supervising producer has moved to executive producer, the director has become supervising producer, the first assistant director has become associate producer, the production co-ordinator is now the production manager, the storyliner is now script producer and the director's attachment is now post-production producer. Sue Bower, now executive producer, told *Encore* magazine that the reason the series was such a training ground was attributable to support from the South Australian Film Corporation through its attachments program. "We have had about 20 people in the past 18 months attached to all departments, from directing and sound to make-up and runners," she said, noting that several of those attachments led to full-time positions on the series.

Notwithstanding such successes, the Alliance does not believe that state funding agencies should have to divert resources from their primary objectives of project development and production finance to address what the apprenticeship scheme has been unable to do due to the inflexibility of its approach to industry specific training needs.

²⁴ UK Film Council press release, available online at www.filmcouncil.org.uk

²⁵ UK Film Council press release, available online at www.filmcouncil.org.uk

²⁶ *The Occupational and Skill Structure of New Apprenticeships: A Commentary*, Working Paper 74, Dr Phillip Toner, Principal Researcher, Employment Studies Centre, University of Newcastle, page 7

Legislative and regulatory changes required to support the industry

The film industry is a highly mobile industry. Production companies regularly work across state borders. Australia's legislative framework is three-tiered – federal, state and territory, and local. As a result there are a number of issues that confront productions, create unnecessary complexity and cost, that could easily be resolved to the benefit of the industry.

Workers compensation

There are currently ten different workers compensation schemes' in Australia. These arrangements were recently reviewed by the House of Representatives Standing Committee on Employment and Workplace Relations and are currently the subject of a Productivity Commission Inquiry. There are also a number of state based reviews in train, including a current initiative to resolve some cross border issues.

The Alliance believes there is an urgent need for a national framework to be established to enable the harmonisation of the various workers' compensation schemes, a conclusion reached by the House of Representatives Standing Committee in its report *Back on the job: Report on the inquiry into aspects of Australian workers' compensation schemes* released this month.

The following issues must be addressed:

- **Definitional consistency:** the definition of 'worker', 'employee' and 'employer' vary between the jurisdictions. The Standing Committee recommended (in Recommendation 1) that the Workplace Relations Ministers' Council "conduct a study to identify the extent to which workers are currently not covered by any workers' compensation system, with a view to adopting a national standard that covers the widest possible number of workers".²⁷ The Alliance concurs with the Committee's view that "[t]here is a need to ensure that injured workers are not falling through the gaps when they are working in more than one jurisdiction"²⁸. It reflects the findings of the Industry Commission almost a decade earlier in 1994 set out in *Workers' Compensation in Australia* (Report No 36). The Industry Commission recommended that all "jurisdictions should adopt a common definition of a worker for the purpose of workers' compensation coverage"²⁹.
- **Consistency of benefits:** The Industry Commission recommended in 1994 that "[w]eekly workers' compensation payments should be based on a worker's pre-injury average weekly earnings (including penalties and any other allowances 'normally' received).³⁰ Again this was mirrored in Standing Committee's Report which urged the Workplace Relations Ministers' Council to "continue to work towards the introduction of nationally consistent Memoranda of Understanding between the jurisdictions to ensure that employees have equivalent workers' compensation cover when working in other jurisdictions"³¹ and "a set of benchmarks and best practice for all aspects of workers' compensation" be developed "to ensure that the responsibility for assisting people suffering compensable injuries rests with the compensation authorities and not with taxpayer funded social security programs or the burden placed on the injured worker"³² noting that "[s]ocial security was not established to subsidise insurance companies".³³

The two inquiries referred to above make a number of other important recommendations including:

- Ending the need for employers to take out multiple policies when employees are working in more than one jurisdiction;
- Establish consistency in premiums;
- End the double dipping that results in employers needing to pay premiums more the once to cover the same employee.

²⁷ *Back on the Job: Report on the inquiry into aspects of Australian workers' compensation schemes*, The Parliament of the Commonwealth of Australia, June 2003, page xv

²⁸ *Ibid*, page xxix

²⁹ *Workers' Compensation in Australia*, Report No 36, Industry Commission, February 1994, page xliii

³⁰ *Back on the Job: Report on the inquiry into aspects of Australian workers' compensation schemes*, The Parliament of the Commonwealth of Australia, June 2003, page xliiv

³¹ *Ibid*, page xv

³² *Ibid*, page xvi

³³ *Ibid*, page xxv

They are best summarised by the Standing Committee's recommendation "that the Commonwealth Government support and facilitate where possible the development of a national framework to achieve greater national consistency in all aspects of the operation of workers' compensation schemes"³⁴.

Occupational health and safety legislation

In 1994, the Industry Commission conducted an inquiry into occupational health and safety in Australia. Its report, *Work, Health and Safety* (Report No 47) was released in September 1995.

In that Report, the Commission found that "the solution to achieving better OHS outcomes is to be found in a more faithful application of the principles for the regulation of health and safety enunciated in the Robens Report"³⁵.

Since the release of the 1995 Report, legislative change has been effected in many jurisdictions. In New South Wales, the occupational health and safety legislation was overhauled with the new Act coming into effect in 2000. The Alliance considers that the NSW Act represents best practice in Australia and should serve as a template for other jurisdictions. Importantly, the NSW Act reflects the principles outlined in the Robens Report and is written in plain English. Equally importantly, a raft of regulations has been abolished and replaced with, what was termed during its drafting, a "combined regulation", the Occupational Health and Safety Regulation 2001. The only sector of the workforce now separately regulated is the mining industry. Again, the Regulation has been written in plain English and it is now possible for employers and employees with English language fluency to read and understand what is required in the workplace.

Conversely, the Act in Victoria has not been overhauled since the 1995 Industry Commission Report but a number of regulations have been amended instead. The result is that occupational health and safety in that state is governed by the following:

- Occupational Health and Safety Act 1985
- Dangerous Goods Act 1985
- Equipment (Public Safety) Act 1994
- Road Transport (Dangerous Goods) Act 1995
- Road Transport Reform (Dangerous Goods) Act 1995 (Commonwealth)
- Mines Act 1958
- Dangerous Goods (Explosive) Regulations 2000
- Dangerous Goods (Storage and Handling) Regulations 2000
- Dangerous Goods (Transport by Rail) Regulations 1998
- Equipment (Public Safety) (Incident Notification) Regulations 1997
- Equipment (Public Safety) (General) Regulations 1995
- Occupational Health and Safety (Asbestos) Regulations 2003
- Occupational Health and Safety (Certification of Plant Users and Operators) Regulations 1994
- Occupational Health and Safety (Confined Spaces) Regulations 1996 (S.R. No. 148/1996)
- Occupational Health and Safety (Hazardous Substances) Regulations 1999
- Occupational Health and Safety (Incident Notification) Regulations 1997
- Occupational Health and Safety (Issue Resolution) Regulations 1999
- Occupational Health and Safety (Major Hazard Facilities) Regulations 2000
- Occupational Health and Safety (Manual Handling) Regulations 1999
- Occupational Health and Safety (Noise) Regulations 1992
- Occupational Health and Safety (Plant) Regulations 1995
- Occupational Health and Safety (Lead) Regulations 2000
- Road Transport (Dangerous Goods) (License Fees) Regulations 1998
- Road Transport Reform (Dangerous Goods) Regulations 1997

³⁴ Ibid, page xviii

³⁵ *Work, Health and Safety – An Inquiry into Occupational Health and Safety*, Report No 47, Industry Commission, 11 September 1995, page xxxiv

As the requirements of film are so varied, all of the above have relevance to the film industry, albeit not all will require compliance by any single production. Given that regulation is also augmented by Australian Standards, differing approaches to Occupational Health and Safety between the jurisdictions adds unnecessarily to the complexity of film productions, especially when productions may be filming across state borders.

The Alliance is strongly of the view that compliance with occupational health and safety legislation and regulation is best achieved when it is simple to access and easy to understand. The greater the range of legislative mechanisms, the less likely compliance becomes.

Occupational health and safety and workers compensation schemes are currently being reviewed by the Productivity Commission. Hopefully, the outcome will be harmonisation of legislation and regulation between the states and a more thorough implementation of the Robens principles in occupational health and safety legislation and regulation.

Firearms legislation

Following the Port Arthur massacre in 1996, the Federal Government triggered state based reviews of firearms legislation, initiated the gun buy-back scheme and hoped that national consistency of state legislation could be achieved. Whilst some advances to legislative consistency were achieved, there are still considerable differences state to state.

Licensing of theatrical armourers is handled at a state and territory level. Currently, to secure a licence in New South Wales, the only preconditions are that a person have no criminal conviction in the last ten years and have sufficient secure premises to store the weapons. The Alliance believes that these criteria are insufficient and has recommended to the New South Wales Department of Police that licensing involve on-the-job training, supervision and other criteria to ensure that those handling weapons are sufficiently skilled to do so safely. Licensing in other jurisdictions needs similar improvements.

Firearms legislation that takes account of the needs of the film industry is an important element in attracting large offshore productions to Australia. Films such as *Thin Red Line* and *The Great Raid*, both set during World War II, *Matrix I, II* and *III* set in a futuristic world and fantasy contemporary films such as *Mission Impossible II* all had massive firearms and weapons requirements.

In addition to the lack of harmonisation of state and territory legislation, federal legislation also imposes constraints on the industry that make Australia a less competitive country for offshore productions.

Legislation that prevents the export of some kinds of weapons, such as semi and fully automatic weapons, from Australia to another country (as was necessary on *Thin Red Line* which filmed in Australia and at Guadalcanal) followed by importation back into Australia, severely impacts on continuity of production and, importantly, on the ability of Australian armourers to provide the weapons for such films compared with the ability of armourers based in countries such as New Zealand, Thailand and America. It is not helpful to the Australian industry for overseas suppliers to have a legislative advantage in competing for production work undertaken in Australia.

Current restrictions that provide for weapons that are imported to Australia for a particular production to be exported (when possible) or otherwise destroyed on conclusion of the production also mitigate against the viability of Australian armourers to service offshore productions seeking to film in Australia. The exercise of Ministerial discretion on a case by case basis could resolve this issue.

Hopefully forthcoming amendments to legislation covering pistols will not further constrain Australia's ability to attract offshore productions with weapons requirements.

State based licensing and registration regimes

Registration or licensing of occupations is administered under the laws of state and territory governments. Persons wishing to work in more than one state or territory are required to register in each of the states or territories. Under the mutual recognition laws, a person who is registered or

licensed to practise an occupation in one state or territory, is eligible to apply for registration/licensure to practise the same occupation in any other state or territory.

For most industries registration in multiple states is not an issue. Persons are generally located and work within one jurisdiction. However, in film production this can be an irritant. For instance, a nurse who usually resides in Queensland and is registered as a nurse in Queensland might accept work on a film in New South Wales. That person can then find that the location filming in Albury at the last minute might require a day's filming across the Victorian border in Wodonga, necessitating registration in Victoria involving flights to Melbourne and time away from work or, alternatively, the producer engaging an additional person across the border with current Victorian registration. That same person might find their next job is in Queensland, followed by New South Wales with no further work in Victoria for years. Genuine mutual recognition would be of assistance.

Working holiday visas

The relevant visa subclass for persons from overseas undertaking work in the entertainment industry – defined as including film production – is the 420 Entertainer visa. The 420 visa requires the person to be sponsored to Australia by an Australian entity to undertake a specific engagement and for the sponsor to demonstrate compliance with the net employment benefit test set out in the Migration Regulations. If that person is a performer, a certificate must also be issued by the Minister for Communications Information Technology and the Arts (DCITA). A certificate will be issued if the application is in accordance with the DCITA Guidelines on the Entry into Australia of Foreign Actors for the Purpose of Employment in Film and Television Productions.

The requirements of the 420 visa work effectively to maximise employment opportunities for Australians in the film industry. The Report arising from the recent Department of Immigration Multicultural and Indigenous Affairs (DIMIA) Review of Temporary Residence Program, *In Australia's Interests*, was released on 25 June 2002. In respect of the operational outcomes for the 420 Entertainer visa, the Report found that "As employment opportunities themselves form a large part of the training opportunities offered in the entertainment industry, it is considered that the current arrangements offer significant protection to Australian residents involved in the industry".³⁶

However, this protection can be circumvented by those aged 18 to 30 who travel to Australia on a working holiday visa.

Australia

The Working Holiday Program provides opportunities for people between 18 and 30 from some countries (see below) to holiday in Australia and to supplement their travel funds through incidental employment.

*The visa allows a stay of up to 12 months from the date of first entry to Australia, regardless of whether or not you spend the whole time in Australia.

*You are allowed to do any kind of work of a temporary or casual nature, but work for more than three months with any one employer is not permitted.

*Working holiday makers must hold a passport of a country which has a reciprocal arrangement with Australia. Currently, these countries are: The United Kingdom, Canada, the Netherlands, Japan, the Republic of Ireland, the Republic of Korea, Malta, Germany, Denmark, Sweden, Norway, the Hong Kong Special Administrative Region of the People's Republic of China, Finland and the Republic of Cyprus.

Australia is negotiating working holiday maker arrangements with a number of additional countries.³⁷

As most work in the film industry is of a temporary or casual nature and can be undertaken in a timeframe shorter than three months, Australians are losing valuable employment opportunities to

³⁶ *In Australia's Interests, A Review of the Temporary Residence Program*, DIMIA, June 2002, pages 201-202

³⁷ http://www.immi.gov.au/allforms/temp_whm.htm

people from overseas. Jobs being lost are at all levels of the industry. For instance, a 28 year old scenic artist may have trained in the United Kingdom and have five years' experience in the industry. Roles for actors are usually age determined by the requirements of the character being cast.

Whilst all job losses are losses that should not be occurring, of real concern is the loss of on-the-job training opportunities for Australians. Working holiday visa holders may be as young as 22 but still have had sufficient industry experience to work as a third assistant director, an art department assistant or camera assistant in say the British industry. That additional experience can provide them with a competitive edge over Australians who might not have had as many opportunities to work in the industry here. Importantly, Australian employers cannot discriminate against working holiday visa holders.

Conversely, Australians travelling to the United Kingdom on working holiday visas are expressly prevented from undertaking work in the entertainment industry and from pursuing a career in the United Kingdom.

United Kingdom

The purpose of the working holiday makers scheme is to allow young Commonwealth citizens to come to the United Kingdom for an extended holiday (up to 2 years) which they may fund by taking work provided this is incidental to the holiday. Prior entry clearance is mandatory. To qualify for admission under this category the applicant must be:

- * a Commonwealth Citizen including British Overseas Citizens, British dependent Territories Citizens, and British Nationals (Overseas); and
- * is aged between 17 and 27 inclusive; and
- * (if married) is married to a person who qualifies as a working holiday maker and with whom the applicant intends to take the working holiday; and
- * has the means to pay for his/her return or onward journey; and
- * intends to take work incidental to the holiday (such work must not involve engaging in business, professional sports/entertainment or pursuing a career in the UK); and
- * does not have commitments which require a regular income; and
- * does not have any dependent children who will be 5 years or over during any part of the working holiday; and
- * intends to leave the UK at the end of the working holiday³⁸

Australians travelling to Germany are able to stay in Germany for up to 12 months and are allowed to work for a total of only 90 days during those 12 months.

Japan allows working holiday visa holders to engage in any kind of job, part-time or full-time, as long as their stay is deemed to be primarily a holiday in Japan. They may not, however, work in places where business is being regulated by the Law on Control and Improvement of Amusement and Entertainment Business³⁹.

The working holiday program in Australia is designed to allow so-called backpackers to supplement their financial resources and the intention is that they do so by way of short-term employment that is generally considered to be low skilled and not likely to impact on employment opportunities for Australian residents, hence the three month restriction. In certain industries such as fruit picking working holiday visa holders are a crucial part of the itinerant workforce upon whom the industry depends for its viability. There is no doubting the value of working holiday visa holders to the economy, in particular to the tourism industry.

The problem, however, for the film industry is that almost all work is short term and working holiday visa holders are able to take work away from Australians who see their commitment to the industry as a full-time commitment albeit a commitment that comprises a series of short term engagements.

³⁸ <http://www.britain-info.org/visas/YesWork.asp>

³⁹ www.mofa.go.jp/j_info/visit/w_holiday/programme

That working holiday maker (WHM) tourists are undertaking high value work rather than securing additional income from work such as bar work and fruit picking has recently been noted by the Tourism Task Force.

“The traditional understanding was that while WHM tourists are commonly still studying or in early stages of their post graduate training, these visitors often carry out seasonal work – unpopular with Australians or provide a valuable labour force boost to allow servicing of major events such as the Rugby World Cup.

“However, a recent survey of WHM visitors puts the lie to this industry understanding. In a survey carried out by the TNT Magazine of 1,000 WHMs they were both older, more qualified and undertaking more high value work than previously understood. This was despite the current restriction of a maximum three-month term with one employer that restricts the opportunities to take on professional placements.”⁴⁰

The survey found that just under one in three backpackers were university graduates, nearly a further one in four had completed part of a university degree and 6 per cent had completed a trade qualification.

The working holiday program is available to people aged 18 to 30, and the survey found that 22% of backpackers were aged between 26 and 30.

As the annual intake of working holiday makers continues to increase – 85,200 in 2001-02 up 11.3 per cent on the 2000-01 intake of 76,570 and, as in 2001-02, they predominantly come from the United Kingdom – 48% – the Alliance is increasingly concerned that British film technicians and actors with a few years’ experience in a very similar industry are displacing Australians in what is always a tight labour market.

The Alliance recommends that the working holiday program be amended to exclude working holiday visa holders from taking any employment in the Australian entertainment industry, thus mirroring the restrictions on Australian working holiday makers travelling to the United Kingdom and restoring the integrity of the 420 Entertainer visa.

⁴⁰ Tourism Task Force, Submission 29 to Joint Standing Committee on Migration Review of Skilled Migration, page 2, available online at www.aph.gov.au

NewStart Allowance and Superannuation

For a film industry to be viable it requires the availability of a highly skilled pool of talented actors whose approach to employment is flexible. They might be offered a job with very little notice or conversely with a lead time of several months.

Although difficult to determine with total accuracy, unemployment levels among performers are high. The best estimate is that on any day in excess of 90% of Australian performers will be unemployed. This is unlikely to change as it is a structural issue, found in film, television and performing arts industries around the world.

Even those actors whom the general public might assume to have year round full time work often do not. Take the following example: an actor is well-known to the television viewing audience for their ongoing role in a television series. However, as it is possible for all that actor's scenes in each episode to be scheduled within one day, that actor will be contracted on a daily rather than weekly basis, at say \$500 for a ten hour day, and engaged for one day a week for 22 weeks. The day of the week on which work is to be undertaken is often not specified but the actor must be available when advised. That actor might also be contractually required to undertake no other film, television or commercials work for the duration of the series. Thus the actor's ability to earn other income is severely constrained. Further, the contract might include an option for future employment so that if the production is picked up by the network for a further series, the producer can be certain the actor will be available. No payments are made during the time between when the first series is completed and the second commences. Given the need to remain available, in addition to not accepting film television or commercials work as indicated above, work opportunities are again severely limited during the period when the actor is receiving no income from the production. Thus it is possible for an actor with a high audience profile to earn only \$11,000 from acting in a year. Changes made to New Start have impacted seriously on the actor's ability to access social security in the 30 weeks of the year in which this actor might be unemployed.

In March this year, the Alliance made submission to the Senate Community Affairs Reference Committee's Inquiry into Poverty in Australia outlining concerns regarding New Start, superannuation and other barriers to employment for actors. A copy of that submission is attached at Appendix B.

For many years, the Government recognised the unique working circumstances of performers, reflected in the special recognition given to their status when seeking social security support. However, last year changes were made to the New Start guidelines that have severely impacted on an actor's ability to access that support.

Superannuation payments are currently capped at a certain income level and are not available to those over 70. As argued in our submission to the Senate Reference Committee, amendments to the legislation are required to take account of the special circumstances of performers.

As set out in the Senate Committee submission, performers often struggle to survive in the entertainment industry. Anything that makes that survival harder or results in actors being forced to abandon the industry in search of a career with a more certain income is not in the best interests of the industry.

Documentaries

Since Federation, the Commonwealth Government has recognised the power of cinema and sought to use the medium to the advantage of the nation. From 1901, the Government commissioned companies such as Pathé Frères and the Limelight Department of the Salvation Army to produce documentaries and record events of significance.

In 1911, the Government engaged a full-time Commonwealth Government Cinematographer and Stills Photographer with a general brief to travel Australia and record anything of interest. During the following 40 years, responsibility for the Commonwealth's film production output changed from one department to another. After World War II, the Government established the Australian National Film Board, an entity that many years later became Film Australia.

Film Australia now runs the National Interest Program producing documentaries considered to be in the national interest.

The Alliance considers the output of Film Australia speaks for itself but is concerned about other trends in the wider film industry.

Specifically, the Alliance is concerned at the extent to which overseas production companies are exploiting Australia's physical and natural environment to the detriment of Australia's documentary makers.

Currently, overseas documentary filmmakers can travel to Australia to produce documentaries on either a 423 Media and Film Staff visa or on a 420 Entertainer visa. The 423 visa requires demonstrating that there is not anyone available in Australia who might be able to undertake the work and that the documentary will never be screened in Australia. The 420 visa requires the sponsor to demonstrate compliance with the net employment benefit test, specifically that undertaking the work would lead to greater employment of Australians that would be the case were an Australian to undertake the employment in question. The 423 visa is to be abolished and applications in respect of documentary production will be captured by the 420 visa. However, the Alliance has been aware that for some years overseas documentary filmmakers have been working in Australia travelling on business visas.

The area of particular concern to Australian documentary filmmakers is wildlife films and films that explore Australia's physical landscape. Overseas producers, and of particular concern are those from the United Kingdom, the United States and Japan with better access to production finance and distribution guarantees, are competing with Australians to make films that can only be made in Australia. Thus, films where Australia is effectively the central character are being produced by foreigners who are able to secure the copyright in their work and derive all future profit from such work, thereby minimising the potential for Australians to undertake such projects themselves and sell them into the international market.

The concern is that overseas film stock libraries are looking to create stock footage of Australia for commercial exploitation. The Alliance is aware of one British film company engaged by a major American stock footage library to film in Australia for approximately 18 months. Surely it is time for the model adopted by the Government in 1911 and for Film Australia to be funded to engage cinematographers and stills photographers with a wide ranging brief to travel Australia recording anything of interest. In this way, Australia's physical and natural history can be recorded for posterity and for the financial benefit of Australia and Australian filmmakers.