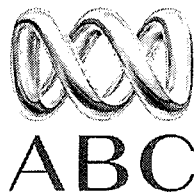


Film Inquiry
Submission No. 22.....

**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

Submission from the Australian Broadcasting Corporation
June 2003



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

ABC Submission, June 2003

- The ABC is an integral part of the wider Australian film industry, operating as a major producer and co-producer with the independent film and television production sector.
- The ABC is also a major acquirer of content from the Australian film industry through pre-purchasing and acquisition arrangements. The ABC began life as a producer of content, but its role has since evolved to include substantial amounts of production from the independent production sector as a key component of its output, particularly in the areas of Television and increasingly in New Media.
- The economic and cultural vitality of the independent sector is crucial to the ABC's output of Australian content. Equally, the ABC's support of the independent sector affects the quality and quantity of Australian content developed, produced and broadcast to audiences.¹
- The ABC has long standing relationships with the major Commonwealth film funding agencies: the Australian Film Commission (AFC) the Film Finance Corporation Australia (FFC), Film Australia and ScreenSound Australia.
- The ABC works collaboratively with State film funding bodies — the New South Wales Film and Television Office, Film Victoria, Pacific Film and Television Corporation, South Australian Film Corporation (SAFC), ScreenWest and Screen Tasmania — initiating and supporting projects of benefit for the Australian public that present aspects of Australia's national identity and cultural diversity.
- ABC Television has initiated a number of measures over recent years to enhance and develop relationships with the independent production industry. "Doing Business with ABC Television" (attached) introduced in 2001, provides guidelines for the independent production sector for commissioning of television programming. The guidelines were developed in consultation with the Screen Producers Association of Australia (SPAA). ABC Television has also initiated national industry briefings for program makers on television programming needs.
- The ABC New Media and Digital Services Division is a major provider of digital content and new media services to Australian audiences. Its current activities include content delivered via narrowband and broadband Internet, wireless, such as SMS, interactive television.
- ABC New Media and Digital Services Division develops new platforms for the delivery of content services to suit a diverse range of audience interests and the changing nature of media consumption in Australia. The Division plays a significant role in collaborating with independent new media practitioners by

¹ *Review of Commonwealth assistance to the film industry*, A report by David Gonski, January 1997, p. 58.

tapping into the skills and expertise of filmmakers, animators, game creators and IT specialist to create and deliver its unique mix of cross-media content and digital services.

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The ABC's submission specifically addresses three of the Committee's Terms of Reference inquiring into the future opportunities for Australia's film, animation, special effects and electronic games industries, namely, sections (b), (c) and (h):

- (b) the economic, social cultural benefits of these industries;
- (c) future opportunities for further growth of these industries, including through the application of advanced digital technologies, online interactivity and broadband; and,
- (h) whether any changes should be made to existing government support programs to ensure they are aligned with future opportunities and trends in these industries.

### **Terms of Reference**

#### **(b) - The economic, social cultural benefits of these industries.**

The ABC plays a major role in developing the Australian film, television and new media industry in terms of producing Australian content and in training personnel. Many film and television industry leaders — producers, writers, directors, cinematographers, and executives—began their professional life at the ABC, as did many programs and program formats. This combination has, to a large extent, ensured that the ABC's Charter requirement for innovation has been met and has also provided the industry as a whole with an on-going supply of creative and award-winning individuals, teams and programs.

#### **Development of Australian Content**

The ABC expends funds in development across its three output platforms for Television, New Media and Radio. Communication with the independent sector as well as the development and maintenance of strong external relationships is a key focus of this work.

The inaugural ABC History Television Workshop, a content development initiative, was held in May 2003. The initiative involved ABC program makers, independent documentary makers and historians with the broad aim of assisting the ABC to deliver accessible Australian history on television.

#### **ABC Content - Television**

ABC content output spans many program genres including arts and culture; business and finance; children's; comedy; current affairs; documentary; drama; education;

factual; indigenous; entertainment; movies; natural history and environment; news; regional and rural; religion and ethics; science and technology; and sport. In terms of ABC Television, this submission focuses on the three genres where the majority of independent activity in conjunction with the ABC occurs, in adult television drama, children's drama and animation, and in documentaries.

## **Adult Television Drama**

Historically, the ABC has been a leader in the production and co-production of innovative and high quality Australian drama.

The ABC continues to develop successful relationships with independent producers and production companies which lead to the production of a diverse range of high quality, award-winning television programs. Most recent examples are the telemovies *The Road From Coorain* and *Secret Bridesmaids Business* and the two drama series, *Grass Roots* and *MDA*. Currently in production are the telemovies *The Forest* and *Small Town Heroes*, and two mini-series, *Marking Time* and *The Shark Net*.

The ABC notes that the combination of private sector activity and direct public funding has combined with available ABC resources to ensure a level of quality Australian drama is broadcast to Australians.

The ABC's commitment to drama continues. Due to rising production costs and the ABC's funding base, the ABC increasingly moves towards a position where the majority of television drama is co-produced.<sup>2</sup>

However, the financing and production of adult television drama in Australia is at a critical stage. The need for deficit financing due to the growing gap between licence fees and production costs - particularly for the high-end of television drama, mini-series and telemovies - coupled with the downturn in overseas sales severely limits opportunity for high-end television drama production

## **Children's Drama and Animation - Television**

The ABC has maintained its place as Australia's most comprehensive free-to-air broadcaster of children's programs. In 2001-02, the ABC broadcast over 360 hours of Australian-made programs, including 63 hours of first release material.

The focus of children's programming is to provide innovative programs of a high standard that maintain non-commercial values. Material for children (aged 2-15 yrs) is designed "to reach different target groups in accordance with their needs, age and level of maturity", through a diverse range of programs from pre-school animation to teen dramas.<sup>3</sup>

While the ABC has an established role as one of the first producers of children's television in Australia through such established programs as *PlaySchool* and *Bananas in Pyjamas*, co-productions form an important part of the children's television schedule. Award-winning and popular co-productions over the past few years include *Saddle Club* (series 1 & 2) and two animated series, *Tracey McBean* and *Old Tom*.

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<sup>2</sup> Under the ABC Act, if the ABC enters into co-production arrangement with a bona fide producer, the producer may obtain external funding, subject to approval of all funding sources.

<sup>3</sup> *ABC Editorial Policies*, 2002, section 10.13, Programs for Children, p. 40.

*Tracey McBean* is a co-production between ABC Television, Southern Star and Egmont Imagination and is produced and animated in Australia. The 26-part series won the 2002 AWGIE Award for Best Children's Screen and Radio Adaptation as well as the 2003 Logie for Most Outstanding Children's Program.

Children's television has also achieved success with a repeat programming strategy. This strategy gains new audiences for quality Australian children's programs by re-licensing past productions, either from the ABC or commercial television. Re-licensed material includes the Australian children's drama titles, *The Wayne Manifesto*, *Round the Twist*, *Ocean Girl* and the upcoming *Thunderstone*.

The ABC's children's programming strategy takes into account the increasing range of media now accessible to children and young people, including the Internet, games and pay television. The strategy also recognises that the demographic section of the population most likely to be affected by the influx of new content is children since children are avid consumers of new media content.

### **Documentaries - Television**

The ABC plays a central role in maintaining and developing a television documentary culture in Australia. There are strong and effective linkages between ABC Television and independent documentary makers. During the last ten years, the ABC has produced over 600 documentaries with the independent sector.

The ABC has operated documentary program Accords with the Film Finance Corporation (FFC) and Film Australia since the beginning of the 1990s. These Accords currently require the ABC to commit to up to twenty-four hours of independently produced programs annually. The ABC pre-purchases these programs for a broadcast licence fee of one third of the total production cost. Pre-purchases are also mediated through the FFC funding mechanism known as the non-Accord, where a further ten hours of documentaries, often series, are able to attract some marketplace attachments. This is usually an investment in the form of an overseas television pre-sale or distribution guarantee, in addition to the local television pre-sale offered by the ABC.

Over the last few years, the Accord arrangements have led to the production and broadcast of a diverse range of innovative and award-winning documentaries including *Cunnamulla*, *A Wedding in Ramallah*, *Family Foibles*, *Losing Layla*, *DIY Law*, and *A Message From Moree*.

The ABC continues to support engaging documentaries by providing dedicated documentary programming in two weekly one hour timeslots, *The Big Picture* and *True Stories*; while half-hour documentary series continue in the weekly timeslot, *Reality Bites*, as well as specialist documentary programming produced for the science, religion, arts and indigenous strands eg, *Catalyst*, *Compass*, *Sunday Afternoon Arts* and *Message Stick*.

A major international co-production has begun with the Canadian Broadcasting Corporation titled *Emotions*, for the *Catalyst* science timeslot. This four-part series will focus on the role-play in studying and controlling human emotions at a biochemical and neurological level.

The ABC remains one of the key distribution outlets for Australian documentaries in the local marketplace, in particular for those programs focusing on social, historical, and cultural subjects. In 2001-02, of the 70 hours of Australian documentaries broadcast on ABC Television, 40 hours were first release programs.

### **ABC New Media and Digital Services Division**

ABC New Media and Digital Services Division (established in 1995) has the responsibility for developing new platforms for the delivery of content services to suit a diverse range of audience interests and the changing nature of media consumption in Australia. The Division plays an important role in collaborating with independent new media practitioners by tapping into the skills and expertise of filmmakers, animators, game creators and IT specialist to create and deliver the ABC's unique mix of cross-media content and digital services.

The ABC as a whole plays a significant role in the industry value-chain of production as a provider of delivery platforms to showcase the work being developed in this country, simultaneously encouraging the merging and development of skill sets amongst in house and independent film, television, design, game, and animation practitioners.

ABC New Media and Digital Services Division has a number of agreements in place to facilitate new media production activities across a range of content genres and delivery platforms and encourages and actively supports any further development of new media industries through a cross-media and cross-industry approach.

Again, with specific reference to Term of Reference (b), the ABC's New Media & Digital Services Division has a positive strategy in place to provide high quality content and a community space for on-line interaction and engagement for all Australians. One of the key objectives of this strategy is to ensure that ABC content is available across all emerging technologies, platforms and devices as they start to become commonly available in the market place.

ABC Online has established a leading position among Australian Internet audiences. In June 2002 ABC Online was positioned eighth and fifteenth in terms of the size of its audience according to independent ratings (*ABC Annual Report 2001-2002*, p. 58).

The ABC keeps a watching brief and maintains a proactive awareness of how audiences are engaging with these new platforms and seeks to identify the best ways in which to offer new content. To achieve this awareness, the ABC's New Media & Digital Services Division has established an enhanced research function to identify audience needs and demands. This information is fed into content development and is reported back in measurable terms of traffic and audience levels. This activity ensures that content and services are relevant to Australian audiences.

Audience growth over the last year demonstrates the effectiveness of this approach. Information garnered from audience research and user testing provides feedback to internal as well as external players working in the industry. The outcome or benefit, overall, is better-crafted content for audiences and maturation of production practices for a range of new media practitioners.

The ABC believes that Australia will be well placed in serving local audiences with distinctive Australian content across a range of new media domains. Furthermore,

the ABC seeks to develop and participate in business activities that encourage commercial models that support further development of content and services, as well as provide opportunities for revenue streams through licensing agreements and managing content rights.

### **ABC New Media Initiatives**

For the Committee's information, the ABC provides below the most recent examples of initiatives with which ABC's New Media & Digital Services Division has been engaged.

These initiatives have aided the development of new media industries and, in turn, these have produced culturally enriching and entertaining content for Australian audiences and beyond.

#### **Game On - online games ([abc.net.au/gameon](http://abc.net.au/gameon))**

ABC New Media & Digital Services Division and Film Victoria were responsible for recently launching *Game On*. This initiative sought applications from animators, filmmakers and game developers to present their ideas to develop online games. Five production teams were granted \$25,000 each to develop a narrative based game.

The benefits of this initiative were numerous:

- ABC received over 1 million page accesses within the first month of going live, with an average of 270,000 per week;
- One of the games – *Kelman to the Rescue* has won three international awards;
- Interest from Nintendo Australia to present the *Game On* show-reel to counterparts in Los Angeles;
- Production teams were made up of animators, programmers, designers writers and filmmakers, indicating the merging of skills and expertise across media territories and therefore, encouraging industry development;
- Negotiations are underway to develop one of the Game properties as an animated series for local and overseas distribution, including merchandising;
- Plans are underway to replicate the initiative in South Australia via SAFC and extend the brief to cover game production for mobile phones. This new approach to the *Game On* initiative is based on an awareness of the market potential for miniature screen-based games and animations via international trade fares, such as MIP COM.

#### **4 Minute Wonders ([abc.net.au/4minutewonders](http://abc.net.au/4minutewonders))**

The SAFC and ABC launched the 4 Minute Wonders initiative in November 2002.

4 Minute Wonders Australia is open to all South Australian residents and is pitched to people working or aspiring to develop careers in new media, design, animation, illustration, multimedia, film and associated areas.

Via ABC's Triple J's *Unearthed* music initiative, potential applicants have been invited to submit a treatment and storyboard for a music track. At each round, three proposals are selected to produce a video clip to accompany the music. Successful

applicants will each receive \$15,000 to create a multi-platform digital music video clip. A total of 12 clips will be produced.

Some of the benefits include:

- 4 Minute Wonders is a true cross-media project, connecting radio, television and broadband Internet. It also aims at connecting people aspiring to work in the music industry with filmmakers, animators, designers etc;
- Provision of a career start for aspiring film and animation makers. Anecdotal evidence locally and overseas indicates that many well know filmmakers have engaged in producing music videos at the beginning of their careers.
- Provision of new locally produced music video content to audiences that will be broadcast by the ABC via Online and its television platforms.
- Film Victoria has committed \$360,000 to a Victorian version of 4 Minute Wonders.
- Opportunities to licence video clips to other territories, platforms (eg. airlines) and the production of commercial products such as DVDs.

## **Documentary Online**

In 2001, the AFC and ABC launched Documentary Online. The AFC has provided investment for the production of four interactive documentary projects (\$100,000 per project). The ABC committed in kind resources to ensure the presentation of the documentaries via ABC Online. The four projects include *A Year on the Wing*, *The Wrong Crowd*, *Homeless* and *Long Journey Young Lives*. Two of these projects have been nominated for local and international awards.

The ABC sees the Documentary Online initiative as an important step in utilising the online medium as a platform to deliver documentary content to audiences. It is also an important incremental step in the strengthening of the relationship between the AFC and the ABC, which resulted in the emergence of the Broadband Production Initiative.

Documentary Online also saw the collaboration of filmmakers with new media production houses and practitioners. In one of the projects, experienced filmmaker David Goldie teamed up with new media developer Sohail Dahdal, to form a new production company that focuses on cross-media production

## **Broadband Production Initiative**

The Broadband Production Initiative is intended to provide Australians with a range of locally produced digital content and to ensure that Australian digital content creators remain at the cutting edge internationally in the highly competitive and rapidly developing broadband applications sector.

Substantial and ambitious projects were sought from the film and new media industries in the range of \$200,000 to \$500,000. Both the AFC and ABC are looking for adventurous projects that primarily exploit the broadband environment on the Internet, but also have cross-platform elements appropriate to other media delivery systems. The Broadband Production Initiative is also seeking projects that primarily



appeal to children's and youth audiences. Education projects are also being sought from practitioners.

The first round saw in excess of 85 proposals from which 9 were short listed for further development. The first three projects to be commissioned via this initiative will be announced in June of this year.

### ***Fat Cow Motel* – Hoodlum Entertainment**

The ABC's Television and New Media & Digital Services Divisions will embark on a new Australian interactive television and multimedia drama series *Fat Cow Motel*. Based in the fictitious country town of Fat Cow, the program is Australia's first multi-platform drama event which exposes audiences to the unique, integrated use of new media platforms including the Internet, email, SMS, voice mail, interactive TV, as well as free to air television.

Each of the 13 half hour episodes contains a lateral thinking mystery for the audience to solve, relying on clues from the program and other sources including SMS, email and the website. New Media staff will be working closely with Austar and the program makers to produce a stimulating and engaging experience for both free-to-air and subscription TV viewers. *Fat Cow Motel* was produced by Hoodlum Entertainment of Queensland and will be screened on ABC Television in June 2003.

### **Interactive Television (iTV)**

The ABC has embarked on a number of interactive television projects in recent months with the aims of providing an enhanced service to audiences and gaining important research data and production skills to prepare for more widespread interactive television production in the future. As digital technology becomes more sophisticated and widespread, these kind of enhanced interactive services will be available to mass audiences and it is important for the ABC to be prepared to deliver content in this new environment.

### **Cross Media Projects**

ABC Television and New Media and Digital Services worked together on a cross media interactive version of the *Long Way to the Top Concert*. This was screened simultaneously by the ABC on Austar on 1st December 2002 as the linear concert was screened on free-to-air television.

The interactive concert was looped on Austar for 24 hours following the initial broadcast allowing audiences to explore the interactive features at their leisure. There was a range of interactive elements to augment the concert material, including archival material and recent backstage interviews. The interactive elements were relatively inexpensive to produce because existing ABC archives were exploited and backstage interviews were commissioned early in the project.

This provides an example of cost-efficient cross media production since the interactive content was also available on ABC narrowband and broadband sites. The ABC's innovation in producing this interactive program was recognised with a key industry award, the inaugural Australian Interactive Multimedia Industry Association Award (AIMIA) for Best New Digital Content.

Audiences also responded very positively to the interactive experience. An audience survey following the broadcast showed that 81% were positive about the interactive options and 97% were interested in seeing more interactive documentaries. 89% also said that the interactive options were easy to use.

Building on the success of *Long Way to the Top*, the ABC is now planning a five part television series based on Australian pop music with an interactive version and accompanying web site. *Love is in the Air* will be an important historical documentary of Australia's social and cultural development.

The interactive version will include parallel video channels, similar in style to the successful template used in *Long Way to the Top*, and will provide audiences with additional information on artists, background material and engaging program enhancements. *Love is in the Air* will be broadcast on the ABC and Astar in late 2003.

### **Interactive Research**

ABC New Media and Children's Television are participating in a large-scale research project on interactive preschool children's television. This is a collaborative industry project with the Interactive TV Research Institute (Murdoch University), the Nine Network and Nickelodeon. This research project has been predominantly funded by the Australia Research Council, with contributions from each broadcaster.

The aim of the project is to investigate preschool children's interactive television to discover which interactive techniques are effective in engaging and stimulating this age group, and enhancing existing linear television programs. This research will be invaluable in understanding how children respond to interactive television and the lessons will be used to inform future interactive television production at the ABC.

### **Term of Reference**

#### **(c) - Future opportunities for further growth of these industries, including through the application of advanced digital technologies, online interactivity and broadband -**

ABC New Media and Digital Services plays a critical strategic role in securing the future position of the ABC on new media platforms and, in particular, via the emerging digital broadcasting environment.

The ABC's new media content offerings, via online is attracting an increasing number of individual users to ABC Online and can easily translate directly to additional digital interactive services provided through digital set top boxes, SMS and Wireless.

The ABC encourages collaboration across the industry to develop the future of platforms and content delivery. This must also be supported via government agencies, including an adoption of a cross media approach to assistance programs.

ABC New Media & Digital Services Division (the Division) is currently engaged in a number of projects that push the boundaries of technology and test audience acceptance of these new media services and content offerings. For example:

- New digital, interactive and cross media projects have included the broadcast and distribution of two new interactive television programs (*Walking with*

*Beasts and Long Way to the Top Interactive Concert*) which received positive audience feedback.

- The ABC, through the Division, has also developed an interactive television research capability with research projects on interactive preschool, youth and news services as well as navigation issues.
- The ABC, through the Division, has initiated development of a cross media production model for content production and distribution within the ABC. New Media has coordinated the Corporation's digital strategy including government submissions, retransmission arrangements, datacasting trials, industry collaboration and technical and research initiatives with the consumer electronics manufacturers.
- The ABC, through the Division, is about to collaborate with the mNet Corporation to trial content delivery via Adelaide's recently installed 3G network.
- The ABC, through the Division, is also seeking to collaborate with the Tasmanian Electronic Commerce Centre on projects that aim to stimulate Tasmanian production by generating new media industry clusters. One of the initiatives will aim at establishing a fund to support creative projects produced by independent Tasmania producers for interactive children's television content to be broadcast on ABC and distributed via pay interactive platforms.

### **Term of Reference**

#### **(h) - Whether any changes should be made to existing government support programs to ensure they are aligned with future opportunities and trends in these industries.**

The ABC encourages a cross-media and a cross industry approach to support programs in order to maximise future opportunities locally as well as abroad. The ABC believes additional and more effective support is required from government and industry via a range of related and support programs. These programs should be aimed at stimulating back-end development of new media and digital technologies; as well as content and service creation that most effectively utilise digital technologies for the benefit of all Australians.

The ABC believes it would be beneficial to examine the degree of duplication of funding programs available to digital and traditional media practitioners on a state and federal level. Spreading available funding into a multitude of development programs can have the effect of diluting the actual support required to create and present substantial projects and program offerings in the market place.

Although the ABC is not advocating a centralisation of the current support, or rationalisation of agencies, it does support an approach that would facilitate the creation and production of large-scale projects that could benefit local audiences as well as be sold overseas.

Currently, independent practitioners are often forced to apply for small levels of funding and develop their ideas incrementally. At each stage of an individual project development, independent producers are also faced with the prospect of entering into complex contractual negotiations that can sometimes limit further enhancement.

When brokering production deals across state and federal funding agencies, as well as with broadcasters etc, producers are faced with having to accommodate the competing interests of these groups. Consequently, incentive levels in thinking and producing cross-media offering may easily diminish.

Currently, there is no content development program in Australia that commissions or funds cross-media projects. Evidence from Canada and Britain indicates that broadcasters, producers and funding agencies have recognised new media platforms to be an important and viable adjunct to traditional film and television properties.

For example, the BBC has established a cross media approach in order to position itself for the move to new media and interactive television. All producers commissioning television content at the BBC now have to state what the interactive component of the project will be, if any, to show that they have considered the implications for online and interactive television.

In Canada, the *Bell Broadcast and New Media Fund* has a definite cross-media funding agenda and specifically supports productions that adopt a multi-platform approach from the outset. Eligible projects must have both a broadcast element with a guaranteed broadcast licence from a Canadian broadcaster, as well as a new media component. There must also be an association between the two components. Recipients of Bell's cross-media funding program have commenced selling their content bundles in Australia. These bundles include linear television programs together with their associated website and other ancillary properties.

The ABC encourages funding programs that combine advances in digital technologies with content services in order to demonstrate their viability to audiences as well as business potential.

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