COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Reference: Future opportunities for Australia's film, animation, special effects and electronic games industries

WEDNESDAY, 8 OCTOBER 2003

CANBERRA

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Wednesday, 8 October 2003

Members: Mr Pyne *(Chair)*, Mr Hatton *(Deputy Chair)*, Mr Baldwin, Mr Ciobo, Ms Grierson, Mr Johnson, Mr Pearce, Mr Sercombe, Mr Tanner and Mr Ticehurst.

Members in attendance: Mr Baldwin, Mr Ciobo, Mr Hatton, Mr Pearce, Mr Sercombe and Mr Ticehurst

Terms of reference for the inquiry:

Briefing from Department of Communications, Information Technology and the Arts on Australia's film and electronic games industry.

WITNESSES

Committee met at 9.20 a.m.

DOWNEY, Mr Lloyd Alexander, Global Team Leader, Service Exports, Austrade

ACTING CHAIR (Mr Pearce)—Good morning, I am filling in as chair to start off this morning. I declare open this public hearing of 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. This is the 10th public hearing for this inquiry, and the first in a series of public hearings in which we will hear from agencies of the Commonwealth that have the responsibility of implementing the executive government's film, animation, special effects and electronic games policies.

I now welcome Mr Downey, a representative of Austrade. Thank you for coming this morning and welcome to this public hearing. Although the committee does not require you to give evidence under oath, I should advise you that the hearing is a formal proceeding of the parliament. I would like to remind you, as I remind all witnesses, that the giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament.

I also remind you that the committee prefers all evidence to be given in public. At any stage, however, you may request that your evidence be given in camera, and the committee will then consider your request. Mr Downey, can I first ask if you would like to make some introductory remarks based on your submission and then we could open the inquiry up to questions.

Mr Downey—Yes, I would like to make some introductory remarks. First of all, just a little bit about Austrade: Austrade is the federal government's primary trade promotion organisation. We have a network of international offices—96 offices in about 60 different countries around the world. Our primary objectives are: to assist Australian exporters; to develop new exporters; to focus in particular on a couple of industry sectors in various geographic settings—they are of particular interest to this group here because that includes the information, communications and technology sector as well as the wider services sector—and the final objective of Austrade is public awareness.

These are the sorts of things that we do: we give advice to companies and individuals; we manage a web site, which is a source of information; we locate opportunities overseas that Australian companies might be able to exploit in a commercial sense; and we work with various allies in Australia to help us with targeting and staging events. As far as events go, we run a very large number of promotional events throughout the world, including such things as: trade displays; inwards missions, bringing buyers from overseas to Australia; and outwards missions, taking sellers, if you like, from Australia overseas into various markets where we have established contacts and so forth for them.

Other things that we do at Austrade: we do market research; we identify partners; we have the export market development grants scheme, and I think you have already had some evidence on that; and we also manage a new exporter program, in conjunction with a number of allies, through the TradeStart program. The major objective that we have at the moment is to double the number of exporters over a five- or six-year period, and a lot of our activity is pointed in that direction.

We tend to work with companies who are export ready rather than trying to establish companies. There are many other agencies, federal and state, that have a responsibility for assisting industry development and assisting companies to get to the stage where we would classify them as export ready. Generally, it is Austrade's role to take them from that point and assist them to market internationally.

At this point it is probably worth clarifying what an export is. It is not widely understood in the community that an export happens when a foreigner pays you for something; it is not hinging on where the service or the product is actually delivered. For example, the World Trade Organisation and the General Agreement on Trade in Services recognise four modes of service delivery. These are all relevant in the film industry, for example.

The first mode is that you send your film overseas. You make a film in Australia and you send it overseas and sell it overseas. The second mode is that the customer comes here. So somebody comes here and consumes. In the film industry, it is often the case where a production company comes and produces a film in Australia and consumes a lot of Australian services in the process. The third mode is where an Australian company has an offshore production facility. That could be a film company producing offshore or a company such as Village Roadshow running screens offshore. So you are taking your service enterprise offshore and delivering the service there, usually because you need to be close to your customers. The fourth mode, which is also quite interesting, is temporary work for Australians overseas; that is Australians going and working in, say, Hollywood for a short time and hopefully bringing some of their earnings back to Australia. Those are the four different modes in which services can be delivered.

With film, animation, electronic games, special effects and so forth, Austrade has worked right across the board with most of those industries at some stage or other. For example, in the early 1990s, we actually established AusFILM. This was set up in conjunction with the state film offices and was a reaction to activity at that time where we found that we had a series of state film offices coming to Los Angeles and, in a sense, imposing on producers and so forth there in continuous succession. It was felt that it was a much more sensible arrangement to form a group, such as AusFILM, which could coordinate and bring producers out to visit the various locations and settings in Australia. We have had quite a long association with AusFILM. AusFILM has recently had some assistance from the government and is in quite a strong position now. We still work with them very closely through our Los Angeles office and elsewhere in the world.

We have given a number of grants to the industry. In the last year for which I have statistics, the 2001-02 grant year, some 11 grants were given to animation and special effects film production companies totalling about half a million dollars in grants; 77 other film companies received grants from Austrade, totalling about $3.5 million; and in the electronic games industry two companies received grants totalling $150,000. There has been quite considerable use of the grants system by the industries you are interested in.

As far as markets are concerned, the major existing markets are the developed world really: USA, Japan, France, UK and, to some extent, Germany. Other markets that Austrade thinks have potential include such places as China, Korea, India, Vietnam and Singapore, but they tend to pale in comparison with the size of the United States market. I am sure the evidence that has been given to you to date would reflect that. I think that is probably enough from me in terms of opening remarks.

ACTING CHAIR—Thank you very much for that. I will now open up for questions.

Mr SERCOMBE—This may be outside Austrade's brief, I guess, but do you have a view on the impacts of a possible free trade agreement between the US and Australia on Australian cultural products including film? Do you have some sort of concept as to what impacts on your work and access to the US market such an agreement would have and, in terms of the reverse side, the impacts on the Australian industry of such an agreement?

Mr Downey—With respect, Mr Acting Chair, I think that question would be better directed to the Department of Foreign Affairs and Trade because it falls within their area of competence rather than Austrade's.

Mr SERCOMBE—One viewpoint that has been put to this committee from the Game Developers Association is that they believe the location by their industry of a representative on the west coast of the US in a way similar to what I understand exists for the film industry would result in substantially improved potential access to the US and, by extension, to global markets of their product. Can you give us any background as to Austrade's thinking on such a proposal? Have you received a proposal from them for that? If one were to be forthcoming, how would that be evaluated?

Mr Downey—I am not aware that we have actually received any such proposal. We already offer facilitation services to the games industry through our trade offices in San Francisco and Los Angeles and through our specialists in Australia. However, if you have a special representative looking after a particular industry interest, you are always going to be able to do more than you can without that sort of concentration of resources.

You asked me how it would be evaluated—the typical way in which we would evaluate a proposal such as that. First, I would point out that Austrade has to provide a service across all industries. So that includes people exporting locomotives, people exporting fresh and frozen meat and people exporting electronic games. We have a limited set of resources in any of our offices overseas, and often they have to spread themselves across a range of industries. We would really be looking to the number of potential exporters that could make successful export sales as a result of that sort of activity compared with having a generalist there. That would be the way in which it would be evaluated if it was coming direct from Austrade resources. If there was special funding from some other source, I think we would look very favourably on it.

Mr SERCOMBE—The representative office in LA of the film industry: is that something where the costs are contributed to by the industry in proportion to some sort of matching Austrade component? What is the typical sort of model for such an approach? Presumably it would be jointly funded by several organisations.

Mr Downey—In the particular case of the film office in Los Angeles, the major costs are actually paid by AusFILM directly, although the employee is an employee of Austrade, and as such we provide office space and overhead kind of support, including also some degree of secretarial support, I understand. Basically it is an in-kind level of support. We have management within the Austrade office there by the senior trade commissioner. There is also access to all the Austrade systems—email and those sorts of systems. Basically, the direct funding comes from AusFILM and the indirect funding from Austrade.

Mr SERCOMBE—So in principle you could not see any difficulty with a comparable arrangement for the games industry?

Mr Downey—In principle, I think we would consider it very closely. The decision would lie above my head with the executive and with the manager of the Americas area.

Mr BALDWIN—It was a very good submission, and I think Austrade has answered a lot of questions I would normally have had.

Mr CIOBO—Mr Sercombe touched on the issue of incorporation of the gaming industry into AusFILM. I am wondering if you could talk to the committee about the experiences you have had in the development of AusFILM, about some of the conflicts that arose as a consequence of the various state agencies being over there together. Is that now occurring in the game industry at all? If you could talk about whether there might be an opportunity to achieve some of the coordination that you spoke about through combining them into a single desk, for lack of a better term.

Mr Downey—It is an interesting question. I think that we do have a number of tensions because of competition between the different states, and that is not something that is going to go away. You can consider the tensions—or competition, I suppose—that I referred to in the early days between the different states a healthy thing because the competition brings out the best in people. But it is also quite exhausting to deal with that competition and, from the buyers' perception, it can also be rather difficult to manage.

As far as the games industry is concerned, there is a similar level of competition arising, I suppose, particularly when state governments become involved in the process through various assistance schemes to their own industry. The games industry by its very nature can be pretty mobile. People can be working from home and that sort of thing quite effectively. They also do not necessarily have to work in a particular city and deliver within that city; they can deliver and work quite effectively over the Internet. As far as putting together an association or something like that, did I understand your question correctly that it was about putting the games industry within something like AusFILM or within AusFILM itself?

Mr CIOBO—Well, both. I would be interested in your discussion on the merits of both. I mean, obviously, AusFILM would need to change its name.

Mr Downey—Yes. One of the difficulties of that may be the character of the main parties within AusFILM. The various state film offices are major parties within AusFILM and the membership tends to be focused on the film industry at the moment. So they would need to expand their charter and range of interests to accommodate that. It may actually be easier to set up a special games industry, but I suppose over the last 10 years we have seen massive convergence of the industry and a film and games industry starting to merge and overlap each other.

At the moment within the film industry, I suspect a lot of the membership becomes involved in aspects of gaming, particularly 3D animation and that sort of thing.

Mr CIOBO—You sit in a position where you can uniquely view Australia as a whole market and alternatively the United States as another market. Given that you facilitate trade, do you think that, if we were to look at a 'nationalising' of the industry, as a consequence of there being a presence by several state agencies each competing with each other, nationally we do ourselves in a little bit—that is, because what effectively needs to be brokered to do the deal is often surpassed by states competing with each other to do the deal?

Mr Downey—I suppose if you were designing a perfect world, you would have a strong unified front. However, we operate within the federal system. What we do nationally at the Austrade level is try to bring the various parties together and present a united national front wherever it is possible. It is not always possible. But I must say I am very impressed with the degree of cooperation that I see in AusFILM. I also see it in other areas where we work with state governments having a national view—an Australia first sort of thing. We are not unique in having this kind of issue. Canada faces it with its provincial system. Other countries understand when they see the competition between states or state representatives that we operate in a federal system. They are not all surprised by it. Even the USA has the same kind of issue.

Mr CIOBO—How does Austrade's role tie in with the state based trade offices? I know, for example, in California, Bob Gibbs—the name that we dubbed him was 'Bollinger Bob'—is the Queensland trade commissioner in California. How do those state based trade commissioners interact with Austrade? Do they largely operate separate from you or is it in a coordinated way?

Mr Downey—They operate independently; there are no direct reporting roles at all. Typically, however, on an informal basis there are reasonably good links between those parties. For example, I had in my office yesterday one of the state people from Queensland talking about cooperation and how we could work better together. So, in a sense, they are independent and working for companies in Queensland; however, we try to work together wherever it is possible. For example, in trade displays or something like that, we would often have an umbrella Australian presentation and within that something from Queensland.

Mr CIOBO—You are confident though that it is not creating confusion in the marketplace.

Mr Downey—It would probably be clearer from the marketplace's perception if we had just one united front, I suppose. But I think if there is confusion it is fairly minimal confusion. It is fairly clear that these people are promoting a particular part of Australia.

Mr CIOBO—Just with regard to the relationship that you helped to form, is it more intensive with the publishers, for example? That is something we hear about in the gaming industry. Do you just provide them with contact information and maybe convene a meeting and those less intensive forms of assistance; or do you actually have an ongoing relationship with these people, one that you know you can draw upon when it comes to facilitating trade from someone who might be seeking to publish something from Australia?

Mr Downey—Are you talking about the games industry specifically?

Mr CIOBO—Correct. But I guess it has cross application to others, too.

Mr Downey—Where we have representatives who have had a long-term relationship with the company, inevitably they build up pretty good contacts and knowledge and they know the sorts of things that the companies are looking for. So we do have ongoing relationships with publishers, distributors and people like that. But America is a big place, and new publishers are coming along all the time. We need to keep abreast of that sort of thing. To answer your question, yes, we certainly try to maintain those close relationships so that we are in a position to deliver the kind of thing that they want. The problem for us is that, if we have material that is not of the quality they want, we still have to try to help the Australian company find appropriate outlets for it—not always easy.

ACTING CHAIR (Mr Hatton)—Over to you, Mr Pearce.

Mr PEARCE—In regard to the terms of reference, the inquiry is really looking at the future—what sort of future opportunities there are, et cetera. Firstly, can you give us your view on what you see as the outlook for the Australian film industry and the electronic games industry? What does the future look like? Without crystal ball gazing, what do you think are the trends; what are the key things that are likely to develop, do you think?

Mr Downey—I am probably not as well qualified to speak on this as other people within the industry, and I am sure you have already listened to them, but there are a few things I can say from the trade perspective that are probably relevant. One is that I think it is rather dangerous for the industry to rely on being a low-cost area of production, because that can be changed very rapidly by an appreciation of the exchange rate.

I have already heard people in the industry say that, once the exchange rate hits US70 cents to the Australian dollar, they will start to face some difficulties. Relying on being a low-cost centre of production is not the ideal situation to be in. It is certainly an advantage, and we should take advantage of it when the exchange rate is that way, but basically we have to be better creatively and probably technically because we certainly cannot compete on finance. Throughout all your submissions I am sure you heard the constant refrain that these activities require a lot of finance and that it is not readily available in Australia.

Some years back during the multimedia era there was a cry about content being king, and I think that is probably true today and in the future. We need very good storytellers. If you have a good story, if you have a very creative story, then you have an angle. I think that is the area we should be focusing on.

Band width is another issue, and I am sure you have heard that coming up time and time again. Within my own contacts with the industry, I hear this a lot: 'If we had more bandwidth, we would be able to do more creative sorts of things.' I believe that to be true. Perhaps it is an issue for government because it is not the sort of thing that individual companies can necessarily fix by themselves. But it is a bit outside our brief.

One of the areas that we should be starting to think more actively about is Australia being a centre for film industry in this region. For example, when films such as *The Lord of the Rings* was made in New Zealand, there was a big drawdown on services from Australia. That actually is those modes one and four that I referred to in terms of exports from Australia. We can be a source of expertise and services directly from Australia for film industries in the surrounding

area. In the future perhaps, we could look to places such as Indonesia, Singapore, Malaysia and other areas as the film industry expands. I think we will have to diversify into Asia. We have already seen strong interest from China. We are working with Vietnam, for example, at the moment. They are interested in training their television technologists in Australia. We are working with them to see if we can achieve that. Those sorts of contacts for the future will be invaluable, because you build the personal relationships that later grow into business.

In terms of growth—and you asked me some questions that really relate to the technology—we have already seen huge growth in the games industry to the extent where it is already equalling or exceeding the receipts from box office mainstream films in the USA. Some other studies that have come out have suggested that online multimedia interactive kinds of activities are going to be a huge growth area in the future, and Australia is really well set up to take advantage of those sorts of things with creative people. It is the sort of thing that does not have to be done in mainstream studios.

I think the real issue is that we have to keep our creative edge. We have to be open, and creativity is not necessarily about throwing money at things. If you have a look at some creative spurts that have come elsewhere in the world, from the Bauhaus movement in the twenties and thirties in Germany where they put together a whole different bunch of architects and artists and so forth, to Carnaby Street in London where there was a burst of creativity, I do not know quite what generates these bursts of creative activity but it is that sort of thing that is likely to be the key to ongoing success within Australia. It is that creativity more than anything else.

Mr PEARCE—You mentioned earlier that Austrade has 96 offices throughout the world and you also talked about the series of exhibitions and trade shows that Austrade presents itself at. What do the key players in these industries overseas—film and electronic games—say about Australia in relation to this?

Mr Downey—Sorry, this is the foreign companies or Australian companies?

Mr PEARCE—No, foreigners. When Austrade talks to them about coming to Australia and looking at opportunities, what is the typical feedback that Austrade gets?

Mr Downey—Australia has a very positive image internationally. It is an image very familiar to you all of openness, friendly people, beaches, cuddly animals and that sort of thing. People tend to have that kind of image of Australia.

In the film industry, we are regarded as creative. A number of films have had international prominence—*Crocodile Dundee*, *Babe* and so on—so we are well known as creative players. I think basically we punch above our weight and we are seen in that light. We are seen as a medium level player, somewhat behind the US and some of the other major players. But in terms of being a place to make films, we are seen as a creative centre and an attractive place to make films. But usually the other comment is, 'You're a long way from us,' and that tends to be a negative.

Mr PEARCE—It drives up the cost.

Mr Downey—It drives up the cost but it is a psychological issue as well. You are a long way from home et cetera.

Mr PEARCE—Given all of that and given the fact that you talked about there having been $4 million or $5 million worth of grants all up in 2001-02, what does Austrade believe are the two or three most significant things that this committee could recommend to the government to support these industries?

Mr Downey—I am a bit reluctant to get into policy areas but can I say that the evidence that I have seen indicates that the grants scheme has been very useful to Australian companies in the industry that you are interested in, so some continuation of the grants scheme would be useful to the industry. The hands-on assistance that we offer is also valued very greatly. This is the coaching assistance and also the introductions that we offer overseas.

The close relationship that we have with AusFILM is something that could be continued. Some questions were raised about the possibility of a similar relationship being set up for the games industry, and I think that is something that could be looked at very closely by Austrade and the government. That is probably the two or three things that you asked for.

Mr TICEHURST—On the issue of broadening, you talked about how game developers in particular could work from anywhere and could work from home using the Internet. What do you think the Commonwealth could do to overcome this perception of high cost and generally lower availability of broadband in regional areas more particularly? Has this come across as a problem in the negotiations or involvement that Austrade has had?

Mr Downey—We tend to get involved a little bit further downstream with products that are either already available or on the way, so Austrade is probably not the right organisation to comment on the technicalities of broadband. The only area where I have actually heard somebody saying that it was a bit of a problem for them in terms of perhaps not getting a job was in the editing of film, not being able to download film directly on broadband. But the indication was there that you would need huge pipe widths to do that sort of thing. They still found it easier to deliver the stuff in hard form by courier and then process it on the spot. That was an international kind of issue.

We tend to get involved with companies who have actually used their own systems or have systems in place to do things. If the broadband was more available and the perception of it was more widely understood, I suppose the creative people could get to work, take advantage of it and then come to us with their products to market. I think your questions are probably better directed to NOIE, DOCITA and organisations like that.

Mr TICEHURST—Have you done any comparative studies between, say, broadband availability in Australia compared with the US or—

Mr Downey—No. Austrade is not a research organisation. We are an organisation that basically is there as a facilitation organisation. We do very little research in reality. Hand-holding of exporters is the primary function.

Mr TICEHURST—On to education: have you done any comparative studies with education, particularly vocational education at school, TAFE or university for film animators or game developers? Does that come into any brief where you would look at comparing the skills availability?

Mr Downey—As I mentioned in my opening remarks, we tend to work with companies at the export ready stage, and the areas that you are referring to would come somewhat before that. I would think that would fall more within state government education departments or the federal education department—that sort of area. We can see the results of the education system and we know that it is tremendously important. It goes back to that creativity stuff I was talking about earlier. I think we have a pretty good system because we have other countries like Vietnam coming to us and saying, 'We want to train people in Australia.' We should not be sitting on our laurels, but our education system is regarded by others as pretty good, I think.

ACTING CHAIR—Seemingly from the evidence we took in Queensland, with one of the broadband problems that seemed to plague the industry, in part, the major users seem to have covered that problem by collecting and aggregating their demand and assisting them. As a comparative, do you know what the situation is in the United States in terms of major users and so on?

Mr Downey—Sorry, you are asking me?

ACTING CHAIR—There is aggregated demand for broadband from some of our major games users and film users here. In the United States, are you aware of any comparative advantage they have in terms of access to broadband meaning effectively lower prices?

Mr Downey—I do not know the answer to that; I do not have any information on that.

ACTING CHAIR—And comparatively, given you have experience with both the film industry and the electronic games industry—I note your comment about creativity and so on—can you give us a picture of whether there are any different approaches taken to a very mature industry in pushing that and assisting people in that hand-holding exercise there and the relatively nascent industry we have in electronic games in Australia?

Mr Downey—So you are regarding the film industry as the mature industry in this sense?

ACTING CHAIR—Yes.

Mr Downey—There are certainly different approaches used. With AusFILM, the main activity that we have been involved in, the main activity that the industry has wanted, has been assistance in getting American producers to come to Australia and produce their films in Australia. It has been pretty much as simple as that.

Where we have identified other opportunities or what we think are opportunities for them in India, Korea, Japan and Germany, the industry has tended to be fairly reluctant to take these up, largely because they were considered to be more difficult and the pay-off was lower. So they have wanted to put nearly all their focus on the American market. There are good statistics to

back up the reasons for that. It is hard to argue with it. So there has been more or less one major technique used with the film industry.

With the electronic games industry, there are a number of issues. One is the access to finance, and essentially this really means access to publishers, I understand. Game developers have said to me, 'If we can't get our game in mainstream USA being bought by grandmas and granddads for their kids, we can't do it. You have to hit that market.' So everything has to be directed at that market. The Australian market is not big enough to support the level of investment.

The activities that we have tended to become involved with in the electronic games industry have been identification and locating publishers. We have been working at the E3 show in the United States where we bring a number of Australian game developers to display their goods there and get the publishers to come and appraise them, and so forth. There are different techniques being used for the different industries and to suit the needs of different industries.

Also I suspect that the scale of the companies can be quite different. In the film industry, there are production companies, film processing companies, animation companies and so forth, each of which contributes to the whole but they can exist in their own right as a separate company. The games industry often seem to do a lot of their stuff in-house. Sometimes they commission it out, but a lot of it is done with one game being produced by the one company. The creative control is all under the one—roof is probably going a bit too far.

ACTING CHAIR—We have had some evidence from a number of people, particularly in Queensland—for example, Mr John Lee from Cutting Edge Post, which is a very successful company—from successful companies saying that, if they looked comparatively at the film industry with the incentive programs and the taxation regimes that are operating there, the particular problems within the games industry in terms of the cost of taking the initial proposal and then building that to the next stage are great, involving significant amounts of money, and for the industry as a whole, for us to look into that area would possibly be beneficial or for some specific project assistance.

Mr Downey—I am sorry; I am not sure I understood the question.

ACTING CHAIR—Do you think it would be helpful if there was a similar regime of assistance for the electronic games industry as there is available for the film industry? I know you probably will not want to comment on that.

Mr Downey—I do not want to get into any taxation angles or anything like that, because it is not appropriate for me to comment on that. I will say the obvious truth: any money put into an industry or any sorts of subsidisation or diversion of funds from other industries is going to help that industry. It is as simple as that, I suppose.

Mr CIOBO—There are two schools of thought about the Australian film and TV industry. The first is that we flog Australian stories by Australian voices overseas. The second is that we develop an industry producing the kinds of shows that people want to watch on a worldwide level and then with some of the proceeds from that we can develop an Australian iconic film and TV industry. Based on your market knowledge about the world's biggest market in this

industry—that is, the USA—which of those two schools of thought do you think are they more after? What do you see as the relative merits of the two?

Mr Downey—Unless you have a commercially viable industry, it is not going to be self-sustaining; it is going to require investment from elsewhere in the community. I think you can take the example that was given to me in the electronic games industry: unless you are actually producing for the US market, you need to supply what your buyer wants in commercial terms. If you do not do that, you are not going to be successful commercially. There is always going to be a tension about the cultural aspects of promoting Australia internationally, but I think that needs to be kept separate and thought of as separate from the commercial aspects of production in the film, games, animation and special effects industries. If you try to mix the two, you confuse your thinking terribly.

Mr CIOBO—Thank you.

ACTING CHAIR—I would like to thank you, Mr Downey, for appearing before the committee today. If the committee has any further questions for you, the secretariat will contact you.

Resolved (on motion by **Mr Ciobo**, seconded by **Mr Ticehurst**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 10.06 a.m.