

Film Inquiry
Submission No. 27

Current size and scale of Australia's film TV and Games industry.

My comments relate to creating a sustainable services industry. Which entails building a Australian production industry.

The size and quality of the services industries is of course dependant on the demand. We cannot sustain and develop to an international standard unless there are commercial opportunities to create viable businesses. This includes expertise in Visual Effects, Design, 3D, Directors of Photography, game technology, sound design and mixing, motion capture, supply of experienced crews, lighting and grip equipment etc.

A substantial number of companies and individuals are dependant on overseas productions to stay in business.

In a viable Australian film TV and Games industry the overseas work would supplement world class Australian productions. With a mix of local and overseas work we would have the necessary diversity to work across the entertainment spectrum, Film, TV, Games, drama, comedy, effects intensive, animation. We cannot expect to be at world's best practice by merely servicing off shore work.

For example the structure of quoting (or bidding) for Visual Effects for feature films means that it at best is a marginal commercial enterprise. ILM, one of the largest VFX houses in the world is not profitable in its VFX operation and would not exist without the ownership of George Lucas. The academy award winning visual effects of Lord of the Rings would not have been possible to come out of New Zealand if it wasn't for Peter Jackson creating and maintaining a VFX company for his own production.

It is difficult to sustain a VFX company in Australia of a size to attract substantial work from the US. Unfortunately the major offshore productions take virtually all the finishing work, the VFX, sound and editing back to the country of origin. There are financial imperatives for some productions to shoot and finish in Australia, and there are a few directors with enough credibility to insist that all or substantial work is kept in Australia.

A classic example is Queensland. They had virtually no industry until the studios were built, production followed and then the infrastructure, but still the VFX work on the major US features returns to the US. Most recently Scooby Doo. Peter Pan.

The only way to develop these highly technical creative industries is by producing content in Australia, and keeping the finishing work in Australia. By definition this requires a sustainable *Australian* production slate. Consistent content across the genres, Games Features and TV. Then these commercially viable industries will develop and grow and be at the forefront of the world.

Create the environment for the range of production and then the services, the training, the social cultural and economic benefits will automatically, magically, follow.

This is all painfully obvious, but it seems to be overlooked, with companies trying to survive on crumbs of VFX work with the main work returning to the US.

The economic social and cultural benefits

The economic social and cultural benefits of producing Film and TV content far out weigh the cost of the actual industry.

I feel it is difficult to define the cultural and social benefits in pure economic terms. Is our culture a mirror of our society or does it drive it? Both have positive benefits. The small scale (local stage play) and large scale (international feature or soap) have their own impact on our culture. How we are perceived to the world is to a large extent determined by our mass communication. The UK is inundated by our soaps, what impression did Bazza McKenzie, Mad Max, Crocodile Dundee, Babe (the pig) leave on the international audience? The US is the world superpower economically and militarily. It also swamps the world in its culture. One feeds the other.

Opportunities for further growth including the application of advanced digital technologies.

The combination of the cultural/creative and technical innovation must drive the industry. We can produce one without the other but when both creative and technical innovation are produced, then the whole is much much greater than the parts. Star wars, Jurassic park, ET, Lord of the Rings, Harry Potter ad infinitum.

The infrastructure needs of our industry including broadband access

This must be leading edge, the best and the latest. The international connectivity is absolutely essential to overseas productions and Co-Productions, but still invaluable for Australian production. Bandwidth and the technology behind it give us access to international collaboration. The global village. This is crucial to be able to effectively communicate, internationally and nationally. Being second rate is not an option.

The link between culture, the industry, information technology, education and training.

It is important to develop the culture of our creative and technical expertise as being of high standing and desirable in our society.

LA is an incredible place, it seems to centre around the entertainment industry, successful participants are revered. At any time there is a multitude of courses and events related to entertainment.

Korea is struggling to change their culture that places people who work on computers, designers composers etc, at a low level in their society.

We don't want to model our society on LA or Korea but in Multicultural Australia, there may be nothing so important as our national identity, both to ourselves and how we are perceived in the world. Our Aboriginal predecessors have a rich culture dependant on telling stories, of mythology. Our mix of European and Eastern cultures has an amazing range and depth of culture. Unfortunately we have a small population, but it is unique, how is it to be developed without our own unique culture?

Our industry is linked/leveraged to export and investment.

Our industry has the potential for huge direct economic benefit for Australia as well as the indirect benefit of having a major influence on trade and tourism.

The industry is currently (almost) surviving on providing services and locations for overseas work. We must increase this work, a larger slice of the pie, but we must create a commercially viable industry producing our own content and technology.

We cannot afford to fall behind the technology of the industry, it is an essential part of content creation.

This industry will not develop on its own, without a determination from our Government to create a viable and sustainable industry.

It was a tragedy for the Australian Film and Television Industry when the Australian commercial content rules were relaxed. (In reality removed). There are arguments about free trade etc but the bottom line is that it decimated our industry. With a simple change to the *type* of content rather than the amount this could be reversed. And still keep the current percentage figures.

There have been times when we seemed to have a resurgence of production. Notably the 10ba initiative.

Crawfords Productions were a standout company, producing an amazing amount of content, which was probably unequalled in the world. The training and experience generated by that company is still felt throughout the industry. Australia produced the first feature length film. It is possible to have a world class viable Australian production industry, we had it in the past, we just need to create it for the future, and to make it sustainable.

I believe we should divide the production of feature film content into three parts, and treat each differently. Pre production, Production and Postproduction.

Pre production should have access to more funds. This includes script development and development of the look and feel of the finished product.

Post Production. In the US studio system if the project looks promising in the rough cut, then more energy and interest is put into producing a quality product. They rely heavily on audience testing to ensure a commercial film with audience appeal. I contend that we should take a commercial approach to the incredibly expensive and risky business of production. Extra funds should be available for postproduction if required and more resources for marketing and distribution. Audience testing could determine this. After all if a film tests well it is highly likely that money spent on marketing and distribution is eminently recoverable.

A separate funding category could be established for purely commercial films. They could have Australian cultural redeeming attributes, but the primary criteria is commercial. Nobody sets out to make an unsuccessful film, but some are far more commercially based than others. Under this category a series of green lights with a series of funds from script development, production crew, casting, including money available for post and marketing for good results from a series of audience tests and fine-tuning.

This may separate films with ambitions of commercial success to films with equally valuable ambitions for Cultural or Australian themes.

This hopefully may attract more funds to this category for the most expensive bit of filmmaking. Production.

Maybe the 10BA or equivalent could be resurrected for this sector, the aim is to attract private funding, to make Film and Games commercially viable and attractive to investors.

The Federal and State Governments support Austrade and AusFilm, with a office in LA dedicated to facilitating footloose production coming to Australia. Each state has a Film Office to assist these footloose productions. This is money and resources very well spent and focussed. Of perhaps even more benefit would be the matched addition of money and resources to promote local content, to find markets for our product internationally. It is only by accessing the international market can we hope to compete in this high cost high-risk high reward business.

Other ideas could be revisited, a levy on cinema tickets, and a requirement for the TV networks to run subsidized Australian feature film promo's/trailers. This would include the ABC and SBS.

The other aspect, which should be considered for Government assistance and funding, is the scope of the project. Preference should be given to projects which cover a range of disciplines, Film, website, games, and merchandising, and technology.

The crucial thing is that Australia's Film, Animation, Special Effects, (Visual Effects), Electronic Game industries will develop to be world leaders only in conjunction with a prolific and energetic production industry.