

Film Inquiry
Submission No. 73.....



Tasmania

***Inquiry into the future opportunities for
Australia's film, animation, special effects
and electronic games industries***

Tasmanian Government Submission

July 2003

Executive Summary

1. **The screen industries in Australia are heavily dependent on Federal Government subsidy, yet there is no coherent, truly national policy to provide a framework for the delivery of those funds, which has led to substantial anomalies in the distribution of these funds.**
2. **Tasmania has shared few of the economic, social and cultural benefits that have been seen in other states from the screen industries identified in this Inquiry. Tasmania has received very little of the funds allocated by many of the national funding bodies in the last decade.**
3. **The experience of Screen Tasmania, established by the Tasmanian Government in 1999, shows that a locally directed fund can have very good results.**
4. **The traditional rationale for the Australian screen industries being centralised in Melbourne and Sydney is crumbling.**
5. **In the UK the problem of a lack of regional film-making was addressed in a paper by the lead national film organisation the UK Film Council, leading to subsequent funding and policy decisions.**
6. **The Tasmanian Government believes that it is vital to allow more voices to be heard from Tasmania and the regions.**
7. **The Tasmanian Government recommends**
 - **That the Federal Government undertakes and implements a National Development Strategy for the screen industries in Australia that encompasses Tasmania and the regions, and acknowledges the special contribution that the regions can make.**
 - **That the Federal Government establishes a Regional Investment Screen Fund to counter the present imbalance of funds into the major Australian capitals.**
 - **That the Federal Government directs its Federal film bodies to become much more active in funding the regions and in providing appropriate other means of support in negotiation with Tasmania and the regions.**

Submission

Introduction

The following submission provides a brief overview of the Tasmanian Government's perspective on the Australia Screen Industries. This submission addresses in particular the Committee's Terms of Reference:

- (a) – size and scale of the industries
- (b) – the economic, social and cultural benefits of these industries and
- (h) – whether any changes should be made to existing government support programs.

Throughout this submission the phrase "screen industries" is used to refer to the industries that are the subject of this Inquiry with the exception of Electronic Games.

1. Supporting Australia's Culture at the National Level

The screen industries in Australia are heavily dependent on Federal Government funds, with such funds leveraging up to a quarter of a billion dollars a year in production.¹

More than \$80 million per year is allocated by Government to organisations that directly support the industry including the Special Broadcasting Service Independent (SBSi), the Australian Film Commission (AFC), the Film Finance Corporation of Australia (FFC), Film Australia, the Australian Children's Television Foundation (ACTF) and ABC Television.²

The industry is supported for the attainment of cultural goals. Smaller countries like Australia do not have the population mass to support cultural film and television production, and therefore provide subsidies. Many of the film and television shows that have come to define us and fuel our self-understanding and self-confidence simply would not have happened without such support. Direct and indirect support (the latter through tax breaks and Australian content quotas on commercial television) has given us *Strictly Ballroom*, *Shine*, *Crocodile Dundee*, *The Castle*, *Wog Boy*,

¹ In 2001/02, the FFC's investment of \$55.5 million created a production slate worth \$108.3 million (FFC Annual Report 2001/2002). The introduction of the 12.5% Refundable Tax Offset to Feature films shooting in Australia has leveraged foreign dollars into the country. For example, Queensland Minister for the Arts Matt Foley said that the "Offset has helped the Pacific Film and Television Commission to attract three big budget foreign feature films to Queensland over the last year, with the largest, *Peter Pan* currently in production on the Gold Coast. As a result, film production expenditure in the State is forecast to exceed \$170M." (Source PFTC Web-site http://www.pftc.com.au/news/view_news.asp?news_id=259). Additionally substantial leverage is obtained through investment from ABC Television, SBS Independent, Film Australia, the Australian Film Commission and the Australian Children's Television Foundation.

² In 2001/02, the FFC committed \$55.51 million to projects (Source: FFC Annual Report 2001/2002); in the same year the AFC committed \$14.96 million (Source AFC Annual Report 2001/02); Film Australia received \$6.85 million from the Federal Government for its National Interest Program (Source Film Australia Annual Report 2000/2001) although the Report does not specify how much of these monies were directed towards the industry; SBS Independent's Special Production Fund has been confirmed at \$33.4 million over the four years 2002-06, or an average of \$8.5 million per year (Source SBS Annual Report 2001/02).

Lantana, Picnic at Hanging Rock, Mad Max, Brides of Christ, The Leaving of Liverpool, Day of the Roses, The Dismissal, Kath and Kim, Bananas in Pyjamas, Blue Heelers and many others. Naturally there are economic and employment benefits that flow from the government's support, but culture is at the core.

Given this cultural prerogative to tell Australian stories, it is surprising that there is no policy that encompasses a coherent and truly national approach to the industry, other than the individual policies of each of the national organisations involved in funds' distribution. Such a lack of policy has led to substantial anomalies in the way those funds are distributed.

2. Federal support for the screen industries in Tasmania

Tasmania has shared few of the economic, social and cultural benefits that have been seen in other states from the screen industries identified in this Inquiry. Tasmania has received little or none of the funds allocated by many of the national funding bodies in the last decade. For example, the Film Finance Corporation of Australia (FFC) is financially the largest government player in the industry, yet of the \$55.5 million invested by the FFC in 2001/02 across ten feature films, five telemovies, one mini-series, five children's mini-series and 33 documentaries, not one cent came to Tasmania. Of \$16.79 million of program expenditure by the Australian Film Commission in 2001/02, \$34,200 came to Tasmania (or around 0.2 %).³ Apart from some one-off funding amounts –eg the FFC invested in the film *The Sound of One Hand Clapping*, which was filmed in Tasmania, and released in 1998 - this has generally been the pattern over the last ten years.⁴

It is clearly not the intention of these organisations to disadvantage a state like Tasmania. Their doors are, after all, open to all comers and many of the individuals in the organisations are well disposed to the notion of assisting with a Tasmanian industry. Tasmania is only a small state, comprising 2.39% of Australia's population at December 2002. There is also evidence of increased support by Federal bodies in the current financial year.

3. The Tasmanian Screen Industry since 1999

The industry in Tasmania collapsed in the seventeen years following the demise of the government-owned Tasmanian Film Corporation in 1982. In 1999, however, the Tasmanian Government recognised that without a vibrant screen industry, many of the rich stories of the island State were being lost or remained untold. To this end, the Government established Screen Tasmania to focus on fostering industries in this area.

The Tasmania Government contributes \$750,000 per annum to Screen Tasmania. This investment has generate some remarkable results with, for example, the independent film industry growing from a worth of around \$26,000 in 1998/1999 to over \$5 million this financial year. This is, however, only a small proportion of what the Government confidently believes is the full potential of this industry.

³ Based on analysis of FFC and AFC Annual Reports 2001/02

⁴ Based on preliminary analysis of various Federal Agency Annual Reports and the Australian Film Commission's "Get the Picture" Report 6th edition 2002.

The Tasmanian experience suggests that if Federal organisations were more active in Tasmania they might achieve much more. Once there are funds "on the ground", there is clearly a dramatic lift in production. A regional fund would be one way to address the problem.

One Federal organisation that has been very pro-active in coming to Tasmania and supporting local film-makers has been SBS Independent, who have initiated a considerable number of projects here including documentaries (De Witt Island, Love Bites, South Hobart 7004) as well as a major 50 minute drama to be shot in 2004, Cable. Their involvement has been marked by close co-operation with the state agency, frequent visits to the state by various personnel, a willingness to support emerging Tasmanian film-makers, and the commissioning of programming that reflects the nature of the Tasmanian industry.

4. Future Directions for Australian screen industries

The traditional need for centralised screen industries is crumbling. Although very large feature film productions shooting in Australia require large studio space and a multiplicity of specialised crew and service providers, for many other productions life has never been more mobile. Half billion-dollar projects such as the Lord of the Rings trilogy can be made in New Zealand, a country with a population of less than 4 million. The willingness of foreign feature films and television shows to travel is apparent in that they now comprise a large proportion of all the production in Australia. In areas such as animation it is increasingly possible for companies to be based anywhere in the world and still provide full service contract and creative work to financial centres. For example, Blue Rocket Productions in Hobart has produced two series of high quality 3D animation work principally funded by European investment in the last 12 months, using broadband to work every step of the way with foreign investors.

This has been a mark of much of the work occurring in Tasmania. Rather than feature films and TV drama, it is principally animation, content for broadband, CD-ROM, and social documentary. These are the kinds of industry areas that have no need to be linked to the traditional infrastructure of the screen industries, and give a clue to how a Tasmanian industry might develop and expand in the future.

5. A National Framework

The peak government film body in the UK, the UK Film Council has set about to revitalise their industry in the past few years. Part of that process involved the development of a national strategy including a plan to co-ordinate and encourage film in the regions. The challenge presented by the regions to the Film Council was:

"To put funding directly from the Film Council to the regions.
To increase the level of Government-backed investment in film in the English regions.
To establish a coherent approach to planning"

In the Executive Summary of its 2000 Report "Film in England –A Development Strategy for Film and the Moving Image in the English Regions" the Film Council

found that there was a wealth of talent and ambition in the regions, a massive potential for growth in each sector and an enthusiasm from other funders and partners to work with the UK Film Council.

Top of the UK Film Council's recommendations was the establishment of a Regional Investment Fund. This fund not only allocated money to the regions, but also devolved the decision-making for the fund to the regions.

In his Foreword to the Report, Chair Alan Parker said:

*"To some of you [the report's] recommendations will seem to be a long way from the glamour of a West End premiere, but the truth is that if we don't invest in developing a robust infrastructure right across the supply chain, it will be difficult to see a sustained development of film which really benefits film-makers, audiences, learners and business."*⁵

The Tasmanian Government strongly believes that there are clear parallels between the findings of the UK Film Council and the current situation in Australia. Due to the absence of a national development strategy, the industry as a whole is being held back from its full potential. Without a national development framework and a specific focus on increasing capacity within the regions, the Australian screen industries will unnecessarily suffer from a restricted breadth and depth in cultural and experiential diversity.

6. Tasmanian and regional culture

Tasmania, like many of Australia's regions, is a state of stories. It does not have a huge capital city but is highly decentralised, with more people living outside of the capital than in it. Tasmania is a place where most people have a connection to the land. It is a place of great physical beauty, but also of dreadful and bloody history. These features create a place that is rich in stories, a place that is truly culturally different.

Two of Australia's top selling literary authors – Richard Flanagan and Tim Winton – come from the absolute fringes of our country. When one reads these authors, one does so in the knowledge that one is hearing a voice from outside. Many Australians living in the large capital cities yearn for such stories.

The Commonwealth Government has recently reinforced the importance of promoting and protecting Australian culture through statements to the effect that Australia's film and television industries should continue to be protected in the international marketplace as they form a vital cultural voice, and that to reduce such protection might lead to even more American product reaching our big and small screens.

In a similar way, the Tasmanian Government believes that the Federal Government should support a rich diversity of voices from regional areas, such as Tasmania, to counter the dominance of those from more populated, 'central' areas of Australia.

⁵ All quotes from "Film in England – A Development Strategy for Film and the Moving Image in the English Regions" November 2000 available from the UK Film Council web-site at <http://www.filmcouncil.org.uk/aboutus/?p=filmengland>

Conclusion

It is the strong assertion of the Tasmanian Government that, as found in the United Kingdom, the absence of a national development strategy and limited understanding of what the regions have to offer is a limiting factor on the breadth, depth and growth of the Australian screen industries.

In addressing these concerns, therefore, the Tasmanian Government recommends:

- That the Federal Government undertakes and implements a National Development Strategy for the screen industries in Australia that encompasses Tasmania and the regions, and acknowledges the special contribution that the regions can make.
- That the Federal Government establishes a Regional Investment Screen Fund to counter the present imbalance of funds into the major Australian capitals.
- That the Federal Government directs its Federal film bodies to become much more active in funding in the regions and in providing appropriate other means of support in negotiation with Tasmania and the regions.