SUBMISSION TO THE ENQUIRY INTO THE FUTURE OPPORTUNITIES FOR AUSTRALIA'S FILM, ANIMATION, SPECIAL EFFECTS AND ELECTRONIC GAMES INDUSTRIES

Submission to:

The Clerk Assistant (Committees)
House of Representatives
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Introduction

In response to Parliamentary Inquiry into the future opportunities for Australia's film, animation, special effects and electronic games industries, CREATE Australia is pleased to submit this paper.

CREATE Australia, [i] as the national industry training advisory body for the cultural industries, develops work standards for music, visual art, craft and design, entertainment, film, television, radio and multimedia, zoos and botanical gardens, performing arts, museums and libraries, community cultural development and writing, publishing and journalism. In this role, CREATE represents the vocational educational and cultural interests of approximately 50,000 enrolled vocational students and a wide range of practising creators, performers and copyright owners.

CREATE Australia's objectives are to achieve vocational education and training and work standards for the cultural industries which:

- are recognised for quality and relevance throughout the industry and in the global community
- encourage innovation, flexibility and diversity in a rapidly changing work and training environment
- enable individuals, across all cultural groups, to achieve their creative potential in a global context with national character
- ensure that the nation can capitalise on the creative and innovative skills of its cultural practitioners.

CREATE Australia believes that the opportunities for Australia to maximise the development of a thriving audiovisual industry, further economic benefit to Australia and a strong cultural impact in an internationally-competitive arena, are extensive. The time to do this is now.

> *"We are at the beginning of a revolution where change is not always knowable. The changes occurring in information and communication technologies can be compared to the advent of print and its impact. Digital technology is democratising authorship and creativity, with everyone a potential participant in the creative process. The impact on education, entertainment and e-commerce is enormous, with these previously separate spheres of activity converging."*[ii]

These opportunities must be harnessed in conjunction with a secure platform of training and education of the relevant bodies responsible for development of these industries. A whole of government approach is also required to develop the industry and achieve maximum benefits for Australia. Specific initiatives to achieve this are outlined below.

Background

Despite great success stories, Australia's cultural industries have some way to go before they can claim real success in international trade – and there are many constraints that must first be overcome. For example, Australia earned a total of $156 million in 1995-6 in royalties for the use of cultural property overseas. But royalties paid by Australia to the rest of the world for the right to use their cultural property was four times greater – $655 million.

Equally unbalanced are exports of cultural goods, which earned Australia $750 million in 1994-5, in stark contrast to cultural imports in the same period, which were five times higher, totalling $3,364 million. These figures suggest a need for initiatives that support more globally competitive cultural production and exports, for both economic and artistic identity reasons. Initiatives and funding to benchmark the Australian cultural industries internationally were recommended in the Nugent report on the performing arts and a report on the film and television industry published jointly by the Australian Film Commissions and the Australian Film Finance Corporation.[iii]

Australia is therefore currently faced with either consuming the products of new technologies (produced by other countries) or creating them. To avoid being relegated to second class status, Australia must ensure that it is not simply the consumption base for products developed by other nations, but the source of creative products which generate wealth and exports.

This argument is central to the current Free Trade Agreement discussions between Australia and the United States of America. CREATE Australia has participated in the process urging the Australian Government to insist upon comprehensive rights for Australian governments at all levels to assist to sustain and develop Australian culture. The Commonwealth Government, is well aware that Australian cultural life cannot be sustained without interventionist support for the creative sectors.

We would argue in the context of trying to establish a sustainable audiovisual industry, that industry development support must be both educationally and industrially-based as outlined in this paper.

We therefore include a number of attachments which support this argument. These are:

- Attachment 1, which has further information on CREATE Australia
- Attachment 2, which has further information on General cultural industry statistics
- Attachment 3, which has Specific film television radio and multimedia statistics and training needs.

Characteristics of work in the film, animation, special effects and electronic games industries

The sectors covered by CREATE Australia are very varied and diverse. Key challenges facing all cultural practitioners are the characteristics of work in the industries. Typically, people working in the industry only ever experience short periods of employment; work within fields with rapidly changing technology and expensive equipment; have no funded training assistance; and work in an internationally-competitive market. These features have major implications for skills development and opportunities, and hence for the development and sustainability of the industries themselves.

Growth and training in these industries

It is vitally important for Australia to capitalise on the economic and creative benefits of these sectors because of their centrality to our national cultural character and their permeability to global audiences. In addition to the rapid growth of the cultural sectors in the past couple of years, now one of the fastest growing of all industries, the

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cultural/recreation services has **further** forecasted projected industry employment growth to 2007-08 of 2.5%. This is the third highest of all industries [i].

In particular, the audiovisual and media sectors of the cultural industries are expected to grow significantly in the next ten years. Job prospects for the future in the media are described as good and as average for arts positions generally[ii]. However, this growth has an international dimension and as noted above, Australia is not necessarily well-placed to ensure that the skills and production capabilities of home-grown talent can remain internationally competitive. Media jobs over the 5 years to 2002 have seen an increase of 9.8% and 6.4% for arts-related positions[iii].

All areas of the cultural industries require highly trained, job ready practitioners. This applies particularly to the film, television, multimedia, entertainment and audiovisual sectors. The major challenge for these sectors is how to train and then access a ready supply of highly-skilled practitioners who, as mentioned previously, only work for short periods at a time in sectors with rapidly changing technology.

The uptake of the Film Television Radio and Multimedia Training Package has been very successful, largely due to its widespread adoption by the Australian Broadcasting Corporation. This Training Package covers multimedia, animation, special effects and games industry standards. It does not however cover the creative writing skills required for these sectors.

In order to capitalise on the national and international opportunities afforded by growth in multimedia, animation, special effects and games industries, a number of base skillsets are required by most, if not all practitioners.

In particular, they need training to manage and develop their own careers, including skills and knowledge in finance and business, copyright, intellectual property and moral rights, new technology applications, electronic publishing, cross media skills, and cultural awareness to assist in working with youth and equity groups.

More specifically, shortages of skilled workers have been identified for specific areas relevant to these sectors as follows:

- in the multimedia area, for advanced web designers
- in the entertainment sector, content producers to appeal to international and national audiences, skills in handling/using digital technologies, from CAD design to lighting boards
- in the film/television/radio and multimedia sector, for technologists; technical directors, audio assistants, vision switchers, video character generator operators, content producers, cross media operators (e.g. broadcast and multimedia), scriptwriters for screen, multiskilled actors (film/TV trained). [iv]

Strategic initiatives

The film, animation, special effects and electronic games industries require an industry development plan supported by training and employment infrastructure. This should harness the application of individual creative talent in the knowledge, information and creative economies. For example, the industry needs to consider how producers can work more effectively across media platforms in a digital environment.

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[i] DEWR Job Outlook 2002, DEWR.
[ii] DEWR Job Outlook 2002, DEWR.
[iii] DEWR Job Outlook 2002, DEWR.

The cultural sectors must also engage with the new relationships between traditional industry roles and those requiring new technology applications. Cultural practitioners must pursue better ways to capture, promote and protect their intellectual property.

The significance of design skills in the new economy must also be recognised. Design and artistic skills bases are central to value adding in product design and product differentiation.

The sectors must capitalise on the role of innovation and creativity as these skills place the cultural industries in a strong position to build the infrastructure for a successful, forward-looking economy in Australia.

Industry policies and whole of government approaches

The dynamic environment of film, animation, special effects and electronic games industries requires responses that **integrate** cultural, industry, trade, education, employment and business policies. Options include:

Industry policies that:

- support value-adding through design and the creation of new content and products
- bring together the range of arts practices with new technologies
- foster the development of talent and new products
- support the development of networks by which individual practitioners and micro businesses can share resources and market their products
- promote partnerships to foster innovation across all industries

Trade policies that:

- actively promote and support the export of cultural products
- support the establishment of international partnerships and networks
- support overseas marketing, the development of distribution networks and international benchmarking to progressively raise Australia standards
- research and development policies which extend joint industry/education research programs and provide more scope for cross-industry collaboration
- education and training policies that foster creativity at all levels from primary school onwards and provide skills development in the application of new technologies
- business policies that support entrepreneurship and integrate vocational education with the establishment of small and micro-businesses across all arts sectors

Employment policies that:

- link employment, training, business and industry development
- support regional employment and arts industry development

In addition to the above, artists and content producers will increasingly need to take a global perspective and become more involved in the future directions of the industry.

Education and training systems will need to develop practical strategies to:

- fund education and training in a world of rapid and expensive technological renewal and increasing market competition
- juggle the balance between the specific and generic skill needs of arts workers
- foster lifelong learning

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- deliver responsive and innovative education
- respond effectively to technological change

CREATE Australia is happy for this submission to be made public and would be pleased to contribute further information to this Parliamentary Inquiry.

Marie Manidis
CEO CREATE Australia

Tuesday, July 01, 2003

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Attachment 1

CREATE Australia

Culture Research Education and Training Enterprise Australia

CREATE Australia is the national industry training body (ITAB) for the cultural industries. Its primary task is to help the cultural industries develop and run high quality, relevant vocational education and training programs.

CREATE supports the cultural industries by:

κ   working with industry to develop quality training products including industry training packages (national qualifications, competency standards and assessment guidelines) and learning resources

κ   working with enterprises and training organisations to establish innovative, flexible, and accessible training and assessment

κ   giving advice to government on policy and training priorities

κ   coordinating training development and implementation

κ   providing a forum for discussion and debate about education, training and the cultural industries, including a biennial national conference.

CREATE Australia pursues a number of additional roles including:

- playing an active role in promoting creativity across industries and in vocational and secondary education
- fostering interdisciplinarity across the cultural and other industries
- providing research and market intelligence on the cultural industries to a wide audience
- promoting communication and other technologies in work and training
- promoting partnerships and supporting lifelong learning
- fostering innovation and flexibility in the delivery of training, with innovative alternatives to traditional apprenticeship models
- defining and promoting career opportunities and pathways
- promoting diversity in education
- promoting the Australian cultural industries internationally

CREATE's industry coverage includes:

- community cultural development
- design
- entertainment and live theatre
- film, television, video and radio
- libraries
- performing arts
- music
- museums and galleries

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- visual arts and crafts
- multimedia
- writing, publishing and journalism
- zoos and botanic gardens

CREATE products

K the national entertainment industry training package

K the national library and information services industry training package

K the national museums industry training package

K the national music industry training package

K the national industry training package for film, television, radio and multimedia

K language, literacy and numeracy resources to support training in the entertainment industry

K the first national careers guide for the Australian entertainment industry

K the national multimedia education and training strategy

K the community cultural development training directory, available on-line

K a research study on the visual arts, craft and design industries

K resources to support traineeships and apprenticeships in the entertainment industry

K a research study on the community cultural development sector

K *Creating a position [200]1:* a report on national and international trends in the cultural industries, education and training

Forthcoming publications

K case studies of industry training packages in practice

K CD ROM learning resources to support the film, television, radio, multimedia industry training package

K music industry training package support materials

K visual arts, craft and design industry training package

CREATE welcomes participation in all projects and activities.

The CREATE board

CREATE is overseen by a national board of directors from employers, peak industry bodies and national unions. The board meets four times a year.

Membership

Members of CREATE receive:

K discounts on all CREATE products

K discounts on conferences and seminars

K invitations to participate in CREATE consultation workshops and seminars and the AGM

K the CREATE Australia newsletter, annual report and research or other reports

Become a member for as little as $33 — contact CREATE for an application form.

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Attachment 2 - General cultural industry statistics [v]

Involvement and participation

- More than 80 per cent of Australians attend a cultural activity each year.

- Each year more than 7 million Australians attend cultural performances and 3 million visit galleries.

- In April 2001, an Australian Bureau of Statistics (ABS) survey collected information about the involvement of people aged 15 and over who worked in selected culture and leisure activities during the previous 12 months. The survey showed that 2.5 million people (16.8 per cent of the Australian population aged 15 and over) were involved in culture and leisure activities (excluding involvement solely for the respondent's own use).[vi].

- Of the 900 000 who received some payment for their work 53,700 (6.0%) received only payment in-kind such as the provision of goods and services or waiving of subscription or membership fees.

Cultural industries contribution to the Australian economy

- The arts and cultural industries contribute around 2.5% of Australia's domestic production of goods and services, valued at some $20 billion annually. [vii]

Employment

Overall, the cultural sector is one of the fastest-growing sectors of the economy as demonstrated by employment growth: in a recent five-year period, the increase was 20 per cent, whereas the increase in total employment in the same period was 7.4 per cent.[viii] See figures below for each sector.

Involvement

The most recent survey of work in selected cultural and leisure activities from the ABS (April 2001) [ix] identifies that during the 12 months prior to interview in April 2001, an estimated 2.5 million persons (16.8% of the Australian population aged 15 years and over) were involved in some form of paid or unpaid work relating to selected culture and leisure activities. [x] This represents 19.5% of all employed people. A total of 35.8% of those received payment for their work, which reflects an increase of 1.8% on the previous survey in 1998. Those undertaking hobby activities only or who only attended culture and leisure events are not included in these figures. Category breakdowns show:

- 1,351,900 females (17.8% of all females) and 1,159,600 males (15.7% of all males) were involved;

- Of the 900,000 persons who received some payment for their involvement in culture and leisure activities, 554,700 people (61.6% stated their involvement was part of their main job. Over 70% of people involved in libraries and archives, design, or art and craft show organising indicated that their involvement was part of their main job.

- 28.8% of persons in the Australian Capital Territory (67,800 persons) had some involvement, which was noticeably higher than other States and Territories;

- 542,400 persons in the 15 to 24 year age group (20.6% of persons aged 15 to 24 years) had some involvement and 198,600 persons in the 65 years and over age group (9.1% of persons aged 65 years and over) were involved; and

- 536,900 persons (3.6% of persons) were involved in writing, 503,200 (3.4%) in visual art activities, 364,600 (2.4%) in performing arts, 349,800 (2.3%) in design, 317,500

(2.1%) in organising fetes and 281,900 (1.9%) in music

- Many people in this sector have only short term or part time involvement, with many activities being less than 10 hours a week and less than 13 weeks in the year. Design is one activity where involvement is of longer duration.

Household expenditure

- In 1998-99, Australian households spent on average, $27.19 per week on culture, which was 3.9% of their average weekly expenditure on all goods and services and 3.1% of their average weekly income. [xi]

- In 1998-99, households in Australia spent $10,098m on cultural goods and services. Of this expenditure, $2,804 was on literature, $1,534m on broadcasting, electronic media and film, and $765m on music. A further $3,305m was spent on goods which were needed to display or produce creative work, which included $973m on televisions, $472m on photographic film and chemicals (including developing) and $446m on video cassette recorders.

- After adjusting for inflation, the increase in average weekly household expenditure on culture in the period from 1984 to 1998-99 was 11.3%, which was 6.6% above the increase for all goods and services (4.7%).

Attachment 3 - Specific film television radio and multimedia statistics and training needs [xii]

Film, TV, radio, multimedia

Involvement and participation

- Around 90,700 people were involved in **radio** work in the 12 months ending in April 2001, with 21.6% receiving some payment. [xiii]

- Around 83,600 people were involved in **television** work in the 12 months ending in April 2001, with 64.6% receiving some payment.[xiv]

- Around 44,400 people were involved in **film production work** in the 12 months ending in April 2001, with 46% receiving some payment. [xv]

- Around 233,800 people were involved in **interactive content creation** work in the 12 months ending in April 2001, with 53.2% receiving some payment. [xvi]

Employment [xvii]

Industry	People employed
Film and video production	7702
Film and video distribution	1057
Motion picture exhibition	10079
Motion picture, radio and television	180
Television services	17388
Radio and Television Services, undefined	768

- Film and video production businesses earn an aggregate annual income of $1,100 million. Approximately 55 per cent of the total value of their production activity is the making of productions specifically for television. Making feature films accounts for 20 per cent of their activity and another 20 per cent is the production of commercials and advertisements.

- There are about 260 private **radio** broadcasters in Australia. Together they employ 5,000 people and generate about $600 million in income.

- There are about 50 commercial **television** broadcasters in Australia. Together these television stations employ 9,000 people and generate about $3,700 million in income. [xviii]

- Australians spend a third of their leisure time watching TV or videos. [xix] About 7 per cent of their leisure time is spent reading. About 1 per cent is spent at the movies and at concerts etc.

- In November 2000, more than half (56 per cent) of Australian households had access to a computer at home, [xx] and more than a third (37 per cent) had access to the Internet at home.

- There are about 2000 businesses in the **film and video** [xxi] production industry. The industry has been growing rapidly in recent years: the increase recorded in the three years 1997 to 2000 was 58 per cent, and in the previous three years to 1997 the number

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of production businesses increased by 70 per cent (possibly due to the arrival of pay TV in 1995).

Household expenditure

- From 1984 to 1998-99, total annual household expenditure on broadcasting, electronic media and film increased by 145.7% to $1,533.8m [xxii]

Trends and Drivers

- Australian content and production must remain competitive as Australia's cinema screens and television screens are dominated by products from overseas
- New regulatory and legislative frameworks
- Emerging technologies and content and new ways of delivering them
- Multimedia - current issues are accessibility to hardware, broadband costs, datacasting/interactive television, lack of investment in digital content
- Emerging skill shortages/needs are technologists; (updating skills for general new technology (i.e. digital etc), industry and equipment currency, technical directors, audio assistants, vision switchers, video character generator operators, content producers (to appeal to international and national audiences), cross-media skills (e.g. broadcast and multimedia), scriptwriters for screen

Current VET provision and or needs

- Training infrastructure for local television and film production must be increased
- Requirement for more infrastructure to support training in the audiovisual industry including internships and apprenticeships
- Support for training needed in regional areas is required for film, television, radio and multimedia
- Film/TV/Radio and Multimedia Training Package endorsed and being implemented. Support materials to implement this Training Package are due in May 2003.
- Ways to constantly update the units(relating to the use of technology in the industry which changes rapidly) must be found and the Training Package must be more flexible
- Because of the skills level required across the industry, traineeships are required at the higher qualification levels, i.e. Diploma
- Training partnerships between major media organizations and the small businesses (of which there are very many), e.g. sponsored mentoring programs and practitioners
- Regional delivery
- Community TV (to support and foster development)

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[i] The current board members of CREATE Australia are:

Mr Tom Jeffrey AM, Chair, CREATE Australia, Director, representing Screen Producers Association of Australia

Ms Michel Hryce, Deputy Chair, CREATE Australia, NSW Branch Secretary, Media Entertainment and Arts Alliance

Mr Ian Hewitt, Manager [Organisation Development], Powerhouse Museum

Ms Jennefer Nicholson, Executive Director, Australian Library and Information Association

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Ms Lynne Spender, Executive Director, Australia Interactive Multimedia Industry Association

Ms Tamara Winikoff, Executive Officer, National Association for the Visual Arts

Ms Jenny Ferber, Head of Training and Development, Australian Broadcasting Commission

Ms Jan Stoneham, Chief Executive Officer, Australian Entertainment Industry Association

Ms Megan Elliott, Executive Officer, Australian Writer's Guild

Mr Greg McLean, Assistant National Secretary, Australian Services Union

Mr Terry Noone, Federal Secretary, Musician's Union of Australia

[ii] Lynne Spender, Address to arts and education forum, 2000

[iii] Australian Film Commission & Australian Film Finance Corporation Limited, 1999

[iv] National VET Plan for Industry, CREATE Australia 2003

[v] National VET Plan for Industry, CREATE Australia 2003

[vi] Statistics Working Group, Department of Communications, Information Technology and Arts Year 2001. DCITA.

[vii] Australian Bureau of Statistics/Department of Communications and the Arts 1997, Cultural Trends in Australia: A Statistical Overview, Cat. No. 4172.0, ABS/DCITA, Canberra, p 34.

[viii] Australian Bureau of Statistics/Department of Communications and the Arts 1997, Cultural Trends in Australia: A Statistical Overview, Cat. No. 4172.0, ABS/DCITA, Canberra,

[ix] Work in selected cultural and leisure activities, April 2001, ABS.

[x] The Monash Centre of Policy Studies Economic Forecasts for December 2001 figures for the cultural industries which indicate that in 2000-1 in Australia, 267,400 people were employed in the cultural industries.

[xi] Cultural Ministers Council, Statistics Working Group, Australians' Expenditure on Culture '1998-99, May 2002. DCITA.

[xii] National VET Plan for Industry, CREATE Australia 2003

[xiii] Statistics Working Group, Department of Communications, Information Technology and Arts 2001.

[xiv] Statistics Working Group, Department of Communications, Information Technology and Arts 2001.

[xv] Statistics Working Group, Department of Communications, Information Technology and Arts 2001.

[xvi] Statistics Working Group, Department of Communications, Information Technology and Arts 2001.

[xvii] ABS Census of Population and Housing 2001

[xviii] Australian Bureau of Statistics 1998e, Radio and Television Services 1996-97, Cat. No. 8680.0, ABS, Canberra

[xix] Australian Bureau of Statistics 1994, Time Use on Culture/ Leisure Activities 1992, Cat. No. 4173.0, ABS, Canberra.

[xx] Australian Bureau of Statistics 2001b, Use of Internet by Householders November 2000, Australia, Cat. No.8147.0, ABS, Canberra.

[xxi] Australian Bureau of Statistics 1998b, Film and Video Production and Distribution 1996-97, Cat. No.8679.0, ABS, Canberra.

[xxii] Cultural Ministers Council, Statistics Working Group, Australians' Expenditure on Culture 1998-99, May 2002