

Film Inquiry
Submission No. 89

HOUSE OF REPRESENTATIVES

**STANDING COMMITTEE ON COMMUNICATIONS,
INFORMATION TECHNOLOGY AND THE ARTS**

**INQUIRY INTO OPPORTUNITIES FOR AUSTRALIA'S
FILM, ANIMATION, SPECIAL EFFECTS AND
ELECTRONIC GAMES INDUSTRIES**

SUPPLEMENTARY SUBMISSION BY

PACIFIC FILM AND TELEVISION COMMISSION

4 AUGUST 2003

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1 PURPOSE

The Pacific Film and Television Commission's (PFTC) initial submission and evidence to the Inquiry argued, in part, that a better business model was required to ensure that the Australian film and television industry was operating at world's best practice standard.

This supplementary submission responds to the invitation by the Committee Secretariat to provide additional explanation and clarification of the matters that were raised in the initial submission. In particular, to provide examples of the way such a business model could be constructed and the benefits it would deliver.

Part A of this submission describes the business planning methodology used by the PFTC and is meant only as a generic example. Part B illustrates examples of how a similar business model could be applied to the key Commonwealth film agencies so as to achieve more efficient and more accountable production and audience outcomes.

2 EXECUTIVE SUMMARY

• BACKGROUND

Australia is a small market in a very competitive and increasingly global market. To ensure that our voice is successfully projected at home and abroad, every stage of the development and production process must operate at world best practice in terms of effectiveness and efficiency to ensure that Australian film and television products reach a wide domestic audience and are internationally competitive.

Key Federal film agencies have a critical role in ensuring Australia's competitiveness, but the present business models that are used do not provide a clear, integrated, forward looking vision for the industry.

In 2002 the total Australian box office was \$844.8M with Australian films taking only \$41.8M or barely 4.9%. The 20 July 2003 television rating figures had only one Australian drama in the top 25 programs.

Australian audiences – with some notable exceptions - still prefer to watch American entertainment product; consequently, the industry is not internationally competitive and operates at a loss each year.

• A NEW VISION

The PFTC's submission contends that the Australian Government's vision for the industry has been driven by a *reaction* to the dominating influence of American film and television product, rather than driven by an *active* and *inspirational* impulse.

The Australian Government's vision as implemented through its two key agencies, the Australian Film Commission (AFC) and the Film Finance Corporation Australia (FFC) is by its nature *defensive* and driven by the *fear* of being overtaken by American values rather than being driven by *proactive* and *inspirational* strategies.

The defensive nature of the vision has also been a way of justifying the fact that the product created by the industry does not reach a wide Australian audience and runs at an annual loss (the FFC's investments lose, on average, 79% each year).

The Government's VISION and MISSION statements are *the creation and maintenance of Australian cultural identity* (AFC Corporate Plan) and *to strengthen cultural identity* (FFC Online Action Plan).

The very wording of the vision is defensive and negative. The Australian cultural identity does not need to be created, maintained or strengthened. It already exists. It is strong. It is innovative and Australians excel in almost every endeavor they undertake.

What Australia needs is for its film and television industry to *express* that fact. When it does, with films like *Wog Boy*, *Lantana* and *Shine*, Australian audiences flock to the theaters.

This point cannot be stressed too strongly because the starting point of strategic planning is the vision statement itself. If the vision is defensive, so too will be the strategies.

The industry needs a stronger, more inspirational vision. For example:

To be a world leader in the creation of film and television product and to be the dominant entertainment and audio-visual medium for Australian audiences.

- **KEY OBJECTIVES**

The key objectives for any organisation flow from its Vision. Consequently, because the notion of *cultural identity* is abstract, the Federal agencies' objectives can often not be quantified and measured, and hence the progress towards achieving the objectives is uncertain.

To be effective, a corporate plan has to be more than rhetoric and a collection of motherhood statements. All parties concerned must deliver the plan and its strategies on the ground, every day.

One imagines it would be difficult for the hard-working employees of these agencies to arrive at work each day with the abstract goal of *strengthening cultural identity*.

It would be far more effective if the goal was to create film and television programs that audiences want to see.

- **ELEMENTS OF THE BUSINESS MODEL**

A more business-like model would provide the means to increase effectiveness and efficiency in projecting Australia's voice by containing:

1. A clear, coherent and inspirational Vision for the whole of the industry.
2. Quantifiable and Measurable Objectives that are driven by the Vision.

3. Key Strategies and Action Lines for how to achieve the Objectives.
4. Key Performance Indicators and Outcomes that provide a crucial Feedback Loop as to whether the strategies are working or not.
5. Feedback Loops that inform agencies whether the Objectives are being met, and if not, provide the basis for the reformulation of the Strategies so that schemes and programs are reshaped, refined or even abandoned so as to achieve the Objectives.

- **CASE STUDY**

One example of how the business model works is PFTC's program for developing new screenwriters. Like most film agencies around the country the PFTC ran a New Writer's Scheme until it was confronted by the fact that after expending a considerable portion of its budget developing a considerable number of screenplays, not a single project was ever produced.

A study of the strategy that had been used to select projects quickly discerned that one of the problems was that the panel of peer assessors responsible for selecting the projects had no stake whatsoever in whether the project was produced or not. The scheme was perceived as simply a professional development exercise and no production outcome was expected.

The strategy was immediately reformulated so that the assessment panel consisted of producers with a track record in financing feature films. Only those projects that producers were willing to expend their own funds to purchase an option received development finance from the PFTC.

The results were outstanding. Four feature films by new writers have been produced in the past two years with total budgets of almost \$20M.

This outcome would not have been possible without the rigorous implementation of a business model that demanded absolute accountability in the form of quantifiable performance indicators for the funds expended on each and every program.

- **CONCLUSION**

The PFTC acknowledges the extraordinary contribution the AFC and FFC have made to the development of the Australian film and television industry. Both these agencies have worked tirelessly over many years to establish a highly creative film and television industry and have played a significant role in securing an enviable international profile for Australian filmmakers.

Both agencies have also been diligent in reviewing and refining their respective programs. They have done this consistently, with the very best intentions and with the widest possible consultation with industry.

However, the changes that have been implemented do not appear to be based on strategies that aim to make the industry commercially successful by generating product that has appeal for Australian audiences.

The main beneficiaries of the Australian industry have been a select group of very talented actors, directors and other filmmakers who now work in Hollywood and the technical crew who service runaway American productions.

Part A

3 BACKGROUND

Prior to the merger between the PFTC (which was responsible only for the attraction of international production to Queensland) and Film Queensland (which was responsible for the development of domestic production) in the early 1990s, there was not an integrated approach to the development of the film industry in Queensland.

Since the merger, Business Plans have focussed on production outcomes, and the means of achieving those outcomes. The prime drivers for the rigorous business planning based approach were the fierce competition to attract international production and the need to build a domestic production industry in Queensland from a negligible base and with very limited resources.

4 PFTC BUSINESS PLANNING MODEL

4.1 PRODUCTION FOCUS

The core that underlies the PFTC approach is the focus on production outcomes and the need to ensure that all strategies and actions are aligned and driven to achieve these outcomes.

4.2 BUSINESS PLAN MODEL

4.2.1 CORE ELEMENTS

There are many types of Business Plan Models, but the PFTC has found the following model to be particularly useful with the key features being:

- An explicit, inspirational, forward-looking Vision.
- Clear Objectives with measurable and quantified Key Performance Indicators (KPIs) for each Objective
- Explicit links between each Objective, the Strategies to be implemented to achieve the Objective, the Actions required to operationalise the Strategy, and accountable outcomes to achieve the KPIs to show whether the Objective has in fact been met, or not.

- Information based Feedback Loops that provide the basis for Strategies and Actions (including programs) that need to be changed if the existing set of strategies is not achieving the Objectives.
- An interlocking, reinforcing and hierarchical structure designed to achieve production outcomes.
- Accountability to the PFTC Board to achieve KPIs.

4.2.2 MAJOR COMPONENTS

The major components of the Business Plan are outlined below:

Vision

The Vision challenges and stretches the PFTC to achieve its aspirations. The Vision provides a description of the preferred state for the industry and the PFTC, from which Objectives are derived. The Vision becomes part of every staff member's daily activity and is a check against future actions.

Mission

The Mission states the business the PFTC is in, the reasons for its existence and how it will achieve its Vision.

Environmental Scan

Identifies internal and external factors likely to impact on the PFTC including technical, market and policy issues.

SWOT Analysis

The Strengths and Weaknesses, Opportunities and Threats examine the PFTC's external and internal environment, and provide a framework within which Strategic Priorities can be set, and Objectives and Strategies developed.

Strategic Priorities

Identifies the strategic priorities for the PFTC. The priorities are derived from the Vision, the Environmental Scan and the Commission's strengths, weaknesses, opportunities and threats. The Strategic Priorities form the basis for setting Objectives, Strategies and Action plans.

Generic Strategies

The matching of various elements of the SWOT matrix generates Generic Strategies. The combination of Strengths and Opportunities creates those strategies that the PFTC will need to do more of, and do better. New Focus Strategies reflect the combination of the PFTC's Strengths and perceived Opportunities.

Objectives

The achievement of the Objectives is essential for reaching the Vision and Mission.

Key Performance Indicators

The Key Performance Indicators (KPIs) provide a quantified target for each Objective and are the standards by which the PFTC will be judged.

Strategies and Action Plans

For each Objective, there are associated Strategies and supporting Action Plans and expected Outcomes.

Feedback Loops

Through Management and Board review, staff are accountable for achievement of the KPIs for each Objectives. The Feedback Loops provide the information base for Program Refinement if the current Strategies, Actions and Programs are not achieving the Objectives. Through the learning experience, new Strategies, Actions and Programs are developed to better meet the Objectives (refer to case study described in executive summary above).

4.3 PRACTICAL EXAMPLE

The following is one example from the PFTC current Corporate Plan, to illustrate how the business-planning model is applied in practice. Objectives, KPIs, Strategies, Actions and Outcomes are aligned and are reinforced to achieve accountable production outcomes.

Objective

The PFTC will ensure a high level of film and television production to generate substantial economic impact and job opportunities in Queensland.

KPIs for the Objective

The Objective is operationalised in quantifiable and measurable terms by the following KPIs:

- *\$105m per year average production expenditure in Queensland each year over the period 2003/05*
- *The production will generate \$320m output for the economy and create 3885 full-time equivalent (FTE) jobs*
- *70% of on-the-job internships translate to paid employment.*

Strategies to achieve the Objective

- 1.1 Facilitate the development, marketing and financing of feature film and television (including documentary and animation) projects created by Queensland writers, producers and directors.
- 1.2 Attract interstate and international production to Queensland.

Strategy 1.1

Facilitate the development, marketing and financing of feature film and television (including documentary and animation) projects created by Queensland writers, producers and directors

Action Plan to achieve the Strategy 1.1

- 1.1.1 Provide a comprehensive Project Development Program comprising script development (short form drama, television and feature film), documentary development, interstate & international marketing schemes to enable the development and financing of market-oriented projects.
- 1.1.2 Initiate co-development and co-production alliances with broadcasters, distribution companies and off-shore production companies.
- 1.1.3 Ensure regular attendance of key PFTC management at national and international markets and conferences.
- 1.1.4 Provide development finance to leading production houses to develop projects for production in Queensland.
- 1.1.5 Actively support Queensland directors by providing a number of short form drama opportunities to increase the likelihood of securing a first feature film.
- 1.1.6 Provide an incentives program in the form of crew subsidies, payroll tax rebate and locations support to qualifying productions.
- 1.1.7 Provide equity investment in projects that have the majority of finance and market attachments in place.
- 1.1.8 Provide loans to cash-flow productions that have appropriate security.
- 1.1.9 Prepare a submission to Government for a special production fund for Queensland production companies.

Outcomes from Strategy 1.1

- Average annual production over the next three years of:
 - A total of 15 drama and documentary projects (including children's programming and animation projects) with an economic impact of \$45m and generating 555 FTE jobs.
 - 15% strike rate for investment in project development, that is, one in seven projects receiving development funding to proceed into production.

Strategy 1.2

Attract interstate and international production to Queensland.

Action Plan to achieve the strategy

- 1.2.1 *Actively promote Queensland locations, incentives and services to interstate and international production companies.*
- 1.2.2 *Actively promote the Federal Tax Rebate scheme to qualifying international productions.*
- 1.2.3 *Actively seek out projects in development.*
- 1.2.4 *Target prolific production companies with a track record of filming abroad, a history of larger budgets and a slate of projects.*
- 1.2.5 *Actively seek out production executives with decision-making power.*
- 1.2.6 *Maintain incentives program in the form of crew subsidies, payroll tax rebate and locations support to qualifying productions.*
- 1.2.7 *Maintain regular contact with traditional clients.*
- 1.2.8 *Target US, UK/Europe and Asia Pacific markets by attendance at trade shows, Locations Expo, Showbiz West, AusFilm Inbounds, selected AusFilm markets, MIP and MIPCOM, QGO – London office, QGO offices in Hong Kong / Southern China, Tokyo.*
- 1.2.9 *Target Australian market by attendance at selected trade shows and national conferences (SPAA), AusFilm meetings, AusFilm Inbounds, Australian AusFilm Office.*
- 1.2.10 *Provide detailed and quality location presentations to prospective production companies and/or their representatives as appropriate.*

Outcomes from Strategy 1.2

- *Attract \$90m in international production and co-productions per year over 2003/05 (consisting of \$65m in feature film production and \$25m in television series/telemovie production).*

PART B

5 APPLICATION TO FEDERAL AGENCIES

5.1 INTRODUCTION

The PFTC initial Submission argued that every stage of the development and production process had to be internationally competitive and operate at world best practice. A better business model provides a basis to achieve these outcomes.

Part B of this Submission explains, by way of example, how this may be achieved in practice by applying a more business like model.

The examples are based on the publicly available business planning documents of the Department of Communications, Information Technology and the Arts (DOCITA) Australian Film Commission (AFC) and Australian Film Finance Corporation (FFC). These documents include:

- Material from the DOCITA web site and its submission to this Inquiry.
- AFC Corporate Plan 2000/01 to 2002/03 (Abridged version) and its submission to this Inquiry.
- FFC Mission, and Objectives provided on the FFC website, the Investment Guidelines 2003/04 and its submission to this Inquiry.

There may be other DOCITA, AFC and FFC documents that do address the issues raised below, but they are not on the public record.

5.2 VISION

5.2.1 DOCITA

The PFTC argued in the initial submission that a key priority for the Federal government and its agencies was to show leadership by developing a clear industry development plan, including a vision, measurable objectives, strategies for achieving the objectives and accountable outcomes. As the first step, what is needed is a forward-looking aspirational statement of the goals for the industry that describes the desired future state.

In contrast the DOCITA web statement for the film and digital content is essentially process-based and not outcomes related and states:

“The Department monitors and evaluates the effectiveness of the Commonwealth's film program and is responsible for the development of policy and programs that foster the development, utilisation and integration of new technologies within and across Australia's cultural sector. Its major functions are:

- *To develop and implement policy proposals requiring central coordination and liaison between the Commonwealth film agencies and government departments and to complement specific policy advice provided by other film agencies, especially the Australian Film Commission.*
- *To provide policy advice on film and television production to the Minister and to the Government.*
- *Improving and developing online access to Australia's cultural heritage through the culture and recreation web portal and coordinating the cultural sector's successful transition to the online economy.”*

In relation to the Commonwealth Film Program, in its submission to this Inquiry, the same process-based role is repeated. DOCITA states:

DCITA monitors and evaluates the effectiveness of the Commonwealth's film program. Its key responsibilities are to develop policy proposals for Government and to implement decisions, including those requiring central coordination and liaison between the Commonwealth film agencies, and to analyse, complement and report on advice provided by other film agencies, especially the AFC.

It would seem difficult to monitor and evaluate the effectiveness of a program, if the objectives are not stated, not clear or not quantified.

The DOCITA submission to the Inquiry includes a wide range of programs and agencies that are in place, but no clear or coherent statement of the objective or end to which these agencies or programs are seeking to achieve. Such a vision may exist, but it is not known to the PFTC, or probably to the industry generally.

5.2.2 AFC AND FFC

The AFC Vision is that it will assist the industry to contribute to the creation and maintenance of Australian cultural identity, deliver programs that are greatly valued by its local and international audiences and be competitive in the market place.

Similarly, the FFC Mission statement is to strengthen cultural identity by supporting a highly professional and creative screen production industry; entertaining and informing Australian audiences with a diversity of screen images and showcasing Australia's screen production industry to the world.

The emphasis on maintaining and strengthening cultural identity is essentially *defensive* and *reactive* and is driven by the *fear* of being overtaken by the American ethos. The Government's vision as expressed through its agencies is a *reaction* to the dominating influence of American culture and its values through the proliferation of American audio-visual and other product.

The defensive nature of the current vision has also been a way of justifying the fact that the product created by the industry does not reach a wide Australian audience (barely 4.9% of domestic box office last year) and runs at an annual loss.

It does not provide a direction for the industry, such as its future size, composition, positioning, level of international competitiveness, etc.

The statements by the DOCITA, AFC and FFC are process or program driven, focus mainly on the government funded parts of the industry, and do not provide an industry wide forward looking statement of what the film industry should look like in the future.

The point the PFTC wishes to make is that in an increasingly competitive environment, the industry needs to have a positive and inspirational Vision and to know how the key agencies will contribute towards the achievement of that Vision. If we do not know where we are going, that is where we might end up.

The industry deserves a more positive and forward-looking vision than *maintaining cultural identity*.

It deserves a vision that is *fearless, confident, proactive, forward looking and inspirational*.

After all, that *is* the Australian identity.

It doesn't need to be created or maintained. It already exists. What Australians need is for its film industry to *express* it a lot more often. And when it does, in films like *Strictly Ballroom, Muriel's Wedding, Wog Boy, Shine, Road Warrior, The Castle* and *Crocodile Dundee*, Australian audiences flock to the cinemas and celebrate the Australian spirit.

We could do no better than follow the lead of the Australian wine and sporting industries and reframe our vision with more confidence. For example:

To be a world leader in the creation of film and television product and to be the dominant entertainment medium for Australian audiences.

5.3 OBJECTIVES

5.3.1 SCOPE

As this submission is intended to provide an illustration of how better business models could contribute to Australia's improved competitiveness at home and abroad, only a limited number of AFC and FFC objectives have been examined to show how more rigorous, quantified and internally consistent business models would contribute to more accountable processes and outcomes.

In relation to the recommended strategies, programs and actions outlined below, it is highly likely that the AFC and FFC do all these things through their various schemes.

However, that is not the point of this submission. The point is that because the objectives are not quantifiable and because there are no KPIs to measure whether the various schemes are successful or not, management is not getting the feedback needed to enable them to modify, enhance, abandon, etc. the schemes so as to achieve the desired outcome.

The feedback loop is vital but appears to be missing in the current strategic planning of these organisations (refer to case study in executive summary).

To be effective, management must live and breathe their objectives on a daily basis and the objectives must flow from the Vision.

Consequently, because the notion of *cultural identity* is abstract, the Federal agencies' objectives are often not capable of being quantified and measured, and hence the progress towards achieving the objectives is uncertain.

One imagines that it would be difficult for the hard-working employees of these agencies to arrive for work each day with the abstract goal of *strengthening cultural identity*. How does one strengthen cultural identity on a daily basis?

Would it not be more effective if the goal was to create film and television programs that audiences want to see and aim to be the best in the world at doing it?

5.3.2 AFC

The AFC has 6 objectives dealing with development of projects, career development, participation of indigenous Australian's in the film industry, participation in the global market place, support for activities and events and collection and dissemination of data.

The first AFC Objective is:

To resource and facilitate the development of outstanding Australian film, television and interactive media projects displaying original ideas, creativity imagination artistry and diversity.

It is not clear that this is in fact an objective. To what end are these activities directed? What are the expected outcomes? Is project development an end in itself or a means to something else such as production or audience attraction? In actual fact, this is not an objective at all because it is not quantified and is difficult to measure.

The Objective needs to be written in a way that can be measured and should be linked to production and audience outcomes. To make the AFC Objective quantifiable, it could read along the following lines:

Illustrative Reformulated Objective

The AFC will ensure a significant number of quality film, television and interactive media projects are developed that secure production finance and reach a wide audience.

Illustrative Quantified KPIs for the Objective

The Objective can then be quantified with KPIs, for example:

1. Projects developed by the AFC and secure production finance achieve at least 10% of the Australian box office (box office, video, educational, film festivals) and recoup an average of 40% of the cost of production.
2. Over a 3-year period, an average of a minimum of 20% of projects receiving development finance are to be produced.
3. To increase the number of projects developed each year by 10%.
4. All television projects to secure co-development finance and 20% of feature film projects to secure co-development finance from the marketplace.

Illustrative Strategy 1 to achieve the Objective

Facilitate the development and marketing of feature film, television projects and interactive media projects.

Illustrative Actions to achieve Strategy 1

- Provide audience focused development programs and marketing schemes.
- Change the processes so that audience oriented professionals provide project assessments.
- Commission production companies whose projects have achieved substantial audience attendance to develop further projects.
- Initiate Co-development alliances nationally and internationally
- Work more closely with distribution companies in the development process.
- Fund and train development executives to work alongside financing producers.
- Increase market participation in financing feature film development.
- Remodel new writers schemes so as to achieve production outcomes.
- Co-finance all television projects with broadcasters and end users.

Illustrative Strategy 2 to achieve the Objective (this is a rewording of AFC's Objective 2)

Facilitate film and television production opportunities for emerging writers, producers and directors

Illustrative Actions to achieve Strategy 2

- Provide short drama production funds
- Remodel new writers schemes
- Re-skill film and television writers to write for the electronic games industry
- Creatively manage those projects where the AFC is a substantial investor
- Conduct more rigorous audience testing on films in which the AFC has an investment
- Establish an enhancement program to address problems arising out of audience testing (eg re-shoots, re-edits, new scenes).

5.3.3 FFC

The FFC has the following Objectives:

- Finance the production of a diverse range of Australian film and television programs.
- Maximise opportunities for audiences to view FFC-financed film and television programs.
- Increase the volume of production generated by co-investing with the marketplace and maximising recoupment.
- Provide a centralised source of market intelligence for the benefit of film and television industry practitioners.
- Efficiently and effectively manage the FFC and its resources for its shareholder, the Commonwealth of Australia

The first Objective is not an objective but a process or a description of what the FFC does, the outcome of which is presumably production, which is at best implied and not explicit. It would therefore be hard to quantify and determine whether or to what degree it has been achieved.

Illustrative Reformulated Objective

The FFC will ensure the production of a significant number of film and television productions that reach a wide and diverse audience.

Illustrative Quantified KPIs for the Objective

1. The FFC will recoup at least 40% of its investments annually (the average recoupment over the past 3 years is 21.09%)
2. FFC funded films will achieve at least 10% of the Australian box office
3. The FFC will increase marketplace investment to at least 60% (average market investment over past 3 years was 48.7%)

The above restatement of the objective is now in measurable terms and capable of having key performance indicators (KPI's) applied. Specific strategies can be developed to achieve the objective and because KPI's have been stipulated the agency can monitor whether the outcomes have been achieved and if not, alter its strategies until the outcomes are secured.

The remainder of the FFC's stated objectives are not objectives. Except for the second one, they are strategies for *ensuring the production of a significant number*

of film and television productions that reach a wide and diverse audience.

The FFC's second "objective", *Maximise opportunities for audiences to view FFC-financed film and television programs* is not an objective but a strategy to entice audiences to see the product that the FFC finances. This kind of strategy would sit better within the corporate plan of a distribution company, sales agent or exhibitor.

Illustrative Strategies and Actions to achieve the Objective

- Commission audience oriented and market driven assessments of projects and facilitate development funding for projects that require further development before they are financed.
- Conduct more rigorous audience testing on films in which the FFC has an investment.
- Establish an enhancement program to address problems arising out of audience testing (eg re-shoots, re-edits, new scenes).
- Limit investment in production companies whose previous projects failed to attract a significant audience.
- Greater attention and finance to promoting and marketing projects.
- Ensure that the distribution companies attached to projects have a substantial track record.
- As distribution company sales estimates are unreliable, the FFC to engage its own market experts, prepare its own internal sales estimates and only invest in projects that demonstrate a strong possibility of returning its cash investment.

6 CONCLUSION

The PFTC acknowledges the extraordinary contribution the AFC and FFC have made to the development of the Australian film and television industry. Both these agencies have worked tirelessly to establish a highly creative industry and played a significant role in securing an enviable international profile for Australian filmmakers.

Both agencies have been diligent over the years in reviewing and refining their respective programs. They have done this consistently, with the very best intentions and with the widest possible consultation with industry.

However, the changes that are implemented do not appear to be based on strategies that aim to make the industry commercially successful by generating product that has appeal for Australian audiences.

Australian audiences – with some notable exceptions - still prefer to watch American entertainment products.

The main beneficiaries of the Australian industry have been a select group of very talented actors, directors and other filmmakers who now work in Hollywood. The other beneficiaries are the technical crew who now form part of the service industry for runaway American productions.

Success in projecting our distinctive voice requires us to have an effective business strategy. It is not about rhetoric; it is about the way to achieve this in practice, on the ground, every day, by everyone. Effectiveness and efficiency of delivery are vital.

Brien, Andrew (REPS)

From: Henry Tefay [htefay@pftc.com.au]
Sent: Monday, 4 August 2003 1:01 PM
To: Brien, Andrew (REPS)
Subject: Federal Inquiry



Submission - Part
2.doc (149 K..

Dear Andrew

RE: Inquiry into Opportunities for Australia's Film, Animation, Special Effects and Electronic Games Industries

Attached please find a supplementary submission that follows the Pacific Film and Television Commission (PFTC) original submission and evidence to the Inquiry and responds to the invitation by the Committee Secretary to provide additional material to expand and clarify matters raised.

The supplementary submission describes the business planning methodology used by the PFTC and how better business models may be applied to Federal agencies so as to achieve better production and audience outcomes.

<<Submission - Part 2.doc>>

Yours sincerely

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