

Australian Production: the Outlook

The Sun Herald recently proclaimed that Australia's film industry had 'achieved another dramatic comeback'.

With *Strictly Ballroom* the number one box office hit for the year, five local films taking more than \$1 million, and one week when *Strictly Ballroom* and *Romper Stomper* were the top grossing two films in the country, 1992 was what *Variety* would call a 'boffo' twelve months for Australian films.

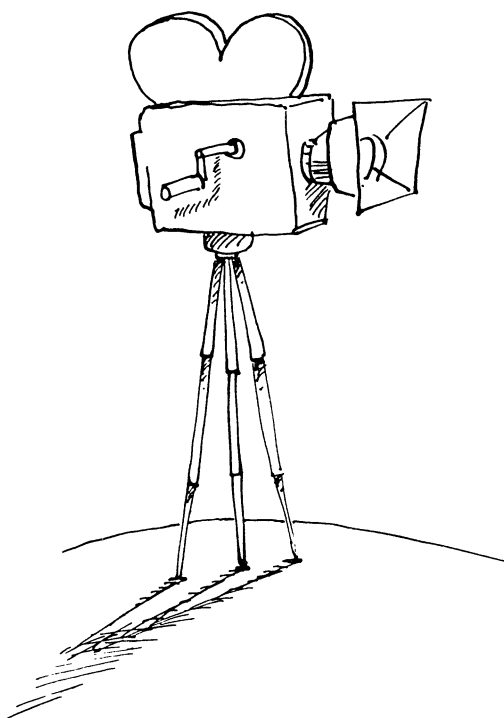
On the small screen, the Film Finance Corporation's first newsletter for 1993 talks of a 'revival' of local adult drama. The Nine Network, which had not committed to a new Australian adult mini-series since 1989-90, has pre-purchased three 13 x 1 hour projects - *Snowy*, *Law of the Land* and *The Man from Snowy River*. Seven has purchased a four-hour mini-series, *The Battlers*, and Ten has committed to a telemovie *Seventh Floor*.

Already in 1992-93, the FFC's adult drama slate exceeds the three mini-series and one TV pre-sold feature in which it invested in 1991-92. And that whole 1991-92 slate was purchased by the ABC - not one new local mini-series or telemovie was bought by a commercial network. Add to this the continuing strength of series and serial drama made without FFC assistance (25 projects with budgets totaling \$140 million made in 1991-92, up from 16 projects worth \$101 million in 1990-91) and documentaries (98 projects worth \$38.6 million, up from 90 projects worth \$27.5 million).

It's a long way short of the 29 Australian mini-series (1985-86), 20 telemovies (1984-85) and 104 documentaries (1983-84) made during the boom years of tax concessions to film and TV production. But a revival of sorts is underway.

Still, audiences, markets, owners and economies can change quickly. No-one riding the recovery should expect that the wave will not break.

Indeed, in a production industry which, according to Garry Maddox's 1992 report, has suffered a 42 per cent decline since 1988 in the number of consistent producers, many program-makers will find talk of a 'recovery' more than a little hollow.



Oz Programs Still Tops

Audiences have continued to watch Australian programs more than any others. Nine of the national top ten programs in 1992 were Australian (four football matches and five news or current affairs programs). The only non-Australian programs to make the top

15 in Sydney was *Madonna Exposed*. The Seven network delivered its only ratings period victories over Nine during its two week coverage of Australia's best Olympic medal performance since Melbourne in 1956.

Some of the few local mini-series have continued to rate impressively. The ABC delivered the best results in 1992 (*The Leaving of Liverpool*, rating 23-25 in Melbourne and Sydney) and 1991 (*Brides of Christ* rating a peak of 32-33 in the two largest cities, although Nine's *Golden Fiddles* reached 37 in Adelaide and Brisbane). *The Big Steal* rated 29 in Melbourne and 25 in Sydney. The soapy realities of *Sylvania Waters* brought audiences - along with some heavy criticism - for the ABC. The SBS screened an anthology of one-hour dramas, *Six Pack*, in 1992 - a format not seen on Australian TV for many years. The commercial networks have substantial slates of new Australian programs scheduled for 1993.

Seven Network programming head, Des Monaghan, told the annual conference of screen producers last November that the best weapons a broadcaster can have in reaching its audience are programs specifically targeted at that local audience. The problem, in Australia as elsewhere, is financing them.

Meanwhile, a central issue is what levels of costs the home market is prepared to wear. *BRW* recently reported that commercial networks are seeking 12-15 per cent increases in prime-time advertising rates for 1993. Their determination is driven partly by the reduction in the amount of advertising time permitted under the revised standard introduced last year by the then ABT, and which the Minister for Transport and Communications has said must be reflected in the networks' new self-regulatory 'codes of practice'. The advertisers, predict-

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ably, are resisting increases of this magnitude.

On the cost side, the networks are hoping to renegotiate output deals with US suppliers. They want no increases in prices, contracts written in Australian rather than US dollars, and less reliance on deals which require broadcasters to buy programs they don't want along with those they do. In theory, success for the Australian networks might help their local program budgets.

The proposed tightening of rules about violence and sexual content in TV programs is complex and unpredictable in its implications for advertising revenue. The current government also has been reviewing the licence fee scheme for all radiocommunications services. This may affect the licence fees paid by commercial TV broadcasters in Australia, which totalled \$98.6 million in 1991-92, after rebates of \$14.1 million were provided for regional licensees affected by aggregation. The fees paid in 1992-93 are in any case expected to be substantially lower than the 1991-92 figure - a one-off but, for the broadcasters, highly favourable, result of changes in accounting practice by some stations.

New markets are opening up, such as the ABC's Australian Television International (launching 17 February) and STAR TV, but neither are yet in a position to pay substantial licence fees for Australian programs. Some of the gloss of other plans for satellite TV in the region, such as Japan's WOWOW, has dimmed following a disappointing initial response from potential viewers. In the foreseeable future, the strategic importance of the Asia-Pacific region for Australia's future is unlikely to outweigh the simple sums of greater commercial returns for program producers from traditional markets in Europe and the US.

Wherever they are, export markets will continue to be critical to the capacity of Australian producers to make programs for a national market-place, like most others, generally too small to return production costs.



The precise nature of the pay TV services we are likely to see and the ways in which we will get to see them, remain highly uncertain. Whatever form it takes, it is likely that pay TV will provide the most significant influence on audiovisual production, distribution and exhibition in Australia since the VCR. The requirement for drama channels to spend 10 per cent of their program budgets on new Australian drama guarantees small, though potentially important, opportunities for Australian program-makers.

Threat for NZ

New Zealand's enthusiasm to see its programs qualify as Australian for the purpose of Australian content quotas is forcing a careful look at the cultural and industrial relationship between the Closer Economic Relations partners. Automatic eligibility for New Zealand programs would represent a significant reinterpretation of the cultural rationale which underpins all forms of assistance to the film and TV industry. It may also reduce substantially the level of wholly Australian programs necessary to meet current quotas, especially if 'off-shore' (US) production occurring in New Zealand is able to qualify.

The markets' gyrations may change with the beats of the particular media owners who are doing the drumming. Ten's new part-ownership by Canadian broadcaster CanWest, which also runs New Zealand's commercial channel TV3, raises questions about program strategies, particularly the possibility of closer co-operation between

TV broadcasters in these three English language territories. The Seven Network is currently owned by banks but is expected to be floated in the near future. The first face on Australian TV, Bruce Gyngell, is about to become the newest face at the Nine Network. And a change of government on 13 March will see the ABC's and the SBS's 'shareholder' cutting their annual appropriations by 10 per cent.

The economy ebbs ahead, growing, but at too slow a rate to affect the high levels of unemployment. The US economy now appears stronger and Australia's inflation rate is the lowest in the developed world. But the German and Japanese economies have turned into recession, continued pressure on commodity prices is likely and neither major party in the current election is predicting or even promising a rapid return to strong growth in Australia's economy through 1993.

Consumers, producers, advertisers and investors in audiovisual industries will not necessarily behave like the economy as a whole. They may even defy its most persistent trends - audiences have taken up the suburban cinema-going habit in recent recession years just as the counter-cyclical builders of multi-screen complexes planned.

For TV program-makers, these, generally, will be cautious times. The riches will be less than some remember them being and they will go, for the most part, to the thoughtful, the careful and the professional. No bad thing perhaps, although the odd bold shot will be all the more memorable for it. □

Jock Given