



Film, Video and TV Production: the Outlook

There is suddenly a lot of talking about Good Times.

The Australian economy was one of the first western economies to emerge from the international recession of the late 1980s and early 1990s. A few weeks ago, the federal government revised upwards its growth forecast for 1993/94. The *Sydney Morning Herald* is running a regular series of articles under the heading 'The Good Times are Back'.

Trends in the audiovisual industry bear many different relationships to those in the overall economy. Cinema admissions boomed during the recession, while home video rentals tumbled - hardly a sign that skint audiences were rationally choosing cheaper forms of entertainment. Television advertising confirmed its reputation for 'overshooting' the economy - growing more quickly than the economy in periods of economic growth, but declining more quickly than the economy in downturns.¹ The healthy response to the Seven Network float in 1993, with shares trading in mid-February at more than double their initial price, reflected the sharemarket's optimism about the economy, television advertising and the network's ability to convert growth in both into profits. Retail turnover in video games grew from nothing a decade ago to an estimated \$320 million in 1993.

Clearly, the economy is not the only influence on the audiovisual industry. Cinema exhibitors have replaced or overhauled much of their infrastructure in the last decade; home video is no longer a novelty; the number of home and school computers, and the subject matter and accessibility of video games and other computer applications, have diversified enormously in recent years.

Further, production expenditure does not necessarily follow trends in retail spending on audiovisual products. Advertising production perhaps comes closest. By contrast, feature film expenditure, in Australia, is very volatile. It is particularly affected by the amount of government funds available. Total production values can also fluctuate widely because of a handful of high budget, usually foreign-financed, films.

Solid Prospects

The next twelve months look like being solid ones for the production industry. Like any industry trend, this does not mean that every individual independent production company is in for a solid time - the nature of Australia's roughly 500 independent film and TV production companies means that, for most, one decision by a television network or a

funding agency will be the difference between a year to remember and one to forget.

Strong forecast growth in television advertising revenue is good news for producers, since television funds nearly 75 per cent of audiovisual production in Australia. However, television executives and the banks and shareholders who finance their networks are probably still too close to the financial catastrophes of the late 1980s to allow the optimistic revenue outlook to translate into substantially higher program prices or lavish new programs. Like the economy, forever confronting inflation and balance of payments constraints as soon as activity accelerates, the television industry has often celebrated good times with a program price war which sows the seeds of the next slump.

1994's new program line-up is thick with program genres, program concepts, personalities and even whole programs with proven track records in commercial television or other media:

- Seven's one-hour-a-week rural police drama *Blue Heelers*, reality series *I Witness Video* to be presented by Jennifer Keyte and new comedy shows from Andrew Denton, the women from *Fast Forward* (*Fast Women*) and former *Tonight Live* regular Jimeoin;
- Nine's series of telemovies *The Feds* following last year's single telemovie of the same name, a second series of *Law of the Land*, a new 13 x 1 hour drama *Banjo*



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Paterson's *Man from Snowy River*, a hidden camera comedy show, and two documentary series on Australia's dangerous animals and plants and the relationship between humans and nature.

- Ten's *Heartbreak High*, a television series spin-off from the movie *The Heartbreak Kid*, one-hour-a-week each of *Beyond 2000* and *A Country Practice* (from the Seven Network's 1993 line-up) and *Alan Jones Live* and a music program *Take 40*.
- The ABC has two reality dramas *Michael - Recollections of a Good Cop* and *Neddy - Confessions of a Sydney Crim* from the makers of *Police State* and *Joh's Jury*, a comedy/variety spin-off from the stage show *Three Men and a Baby Grand* and a Saturday morning business program.

Nine has a new infotainment program about relationships, *Love Rules* from the Executive Producer of *Sex and Money*; and a new sitcom *The Bob Morrison Show* from the producers of *All Together Now*. The ABC is planning four new drama series and the SBS is screening an anthology of half-hour dramas exploring Australia's cultural diversity *Under the Skin*. Both the ABC (*IT*) and SBS (*The Big Byte*) are introducing prime-time programs on computers and information technology and will both screen a substantial slate of new independent Australian documentaries. The ABC is commissioning a new information program on social change *Living in the 90s*. The SBS will now be screening Australian-made programs every night at 7.30 and 8.30pm.

Pay TV Still Unknown Quantity

A major source of uncertainty for the production industry is the introduction of pay TV. Although the two satellite licences have finally been allocated, it is still far from clear what the channels will look like and who will be making the decisions about programming and scheduling. Further, the Packer/Murdoch/Telecom consortium's plans for pay TV - still reliant on Telecom cables as a delivery system, at least until the next round of MDS licence tenders - mean the satellite services will not be the only players out hunting for programs.

In theory, such a competitive environment should be producer's heaven. In reality, the failure of many new television services overseas has left many hells - bills not paid for programs that could otherwise have been sold elsewhere, programs cancelled, resources wasted in building relationships with people whose phones stop answering. Selling to the right new player at the right time is sometimes harder than selling for the right price.

Producers will have to continue to make decisions about the sale of Australian pay TV rights in their programs without any certainty about who will end up in a position

to exploit those rights and what they will be worth. In this uncertainty, the ABC's two-channel 'C' licence service might be the most predictable player.

New technologies, particularly CD-ROM and CD-I are providing opportunities for different kinds of programming, although few producers are yet making real money.

Govt Funding Down - and Up

In an industry, parts of which are heavily dependent on government support, changes in government policy can significantly affect the industry's fortunes. The Film Finance Corporation's appropriation is declining by \$4.9 million to \$57 million in 1993/94 and by a further \$3 million in 1994/95, with the government's 1995/96 review of the organisation to be brought forward to 1994/95. The AFC is receiving an additional \$500,000 in 1993/94 and \$1m for the following three years for script development and producer support.

The GATT services agreement to be ratified in April will require no immediate changes to Australia's system of assistance to the film and television industry. However, the Australian Broadcasting Authority is re-examining aspects of the Australian content standard, including the treatment of New Zealand programs. This may reduce the amount of wholly Australian programming used by the networks to meet the existing quotas.

A Copyright Convergence Group has been established to examine copyright law reform and the government has committed itself to introducing moral rights for artists. Both of these initiatives may change typical contractual relationships and levels of remuneration in the production industry.

New features in the government landscape will be the amalgamated Department of Communications and the Arts and its Minister, Michael Lee. The neat conceptual fit between these two areas of media and cultural policy disguises differing approaches to key audiovisual policy reform issues in recent years. The Government's National Cultural Policy, intended to be released mid-year, and the issue of Australian content on commercial television, are likely to provide important tests of the culture of the new department. □

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¹ Bob Peters and Peter Leigh *Broadcasting Bounces Back - A Financial Evaluation of Australian Commercial Metropolitan Television: Part 1 Industry Overview* ANZ McCaughan Corporate and Financial Services, June 1993.