



# Gonski's many doors

*David Gonski's **Review of Commonwealth Assistance to the Film Industry**, released by Communications and Arts Minister Richard Alston on 6 February, starts out the way most in the film industry would have wanted.*

It thinks there is currently 'an air of confidence surrounding Australia's film and television industry', and that 'Commonwealth assistance has been critical to the building and development of the industry to this current level of expertise and quality'. If the Commonwealth is 'to achieve its cultural objectives within a commercially driven Australian film and television industry, there will be a continuing need for government assistance and non-commercial rates of return on its investment'. Increasing foreign investment will not reduce the need for Commonwealth support. The current broad range of Commonwealth assistance - the 'funding envelope' - should be maintained 'in the medium term'.

So far, so good. It's a significant outcome that a review which was feared may propose lower levels of Commonwealth assistance has not done so, overall.

The Report also says it supports the maintenance of a 'many doors' policy: since decisions about financing film and TV product are necessarily based on an informed subjective opinion on a number of concepts, there should be many places producers can go for assistance.

Yet the results, if the recommendations are implemented, may be rather different. Some places won't be around any more, and some that will be going to be surprising locations for the functions they are proposed to perform.

## The FLIC man

The Coalition's Arts Policy committed it to exploring ways to increase private sector support for production activity. Gonski's solution is Film Licensed Investment Companies (FLIC's) - the replacement of the Division 10BA and 10B tax concessions, available to all taxpayers, with a concession available only to perhaps three licensed companies with expertise in the development, production and distribution of film and television program productions. They would be able to raise a designated amount of concessional capital, with subscribers getting a tax deduction of 120% on their investments.

In addition, Gonski recommends the re-introduction of the tax advantages for limited liability companies that existed prior to August 1992 and an easing of prospectus requirements to reduce the complexity of private fund raising.

Inevitably, FLIC's will be big companies - doors already in existence, opening to pools of investment

dollars boosted by the more attractive tax concessions. Equally inevitably, the other doors trying to raise private money in competition with the FLIC's will do it a good deal tougher.

Film Australia is to close its door at Lindfield, but open it again next door to the Film Finance Corporation (FFC), with the \$6.4 million National Interest Program its only activity.

The Report does not commit itself on whether the Commercial TV Production Fund should continue to exist. However, if it does, it recommends it should be transferred to the FFC, with the Fund's current 'panel' remaining as an advisory panel to the FFC Board.

The Australian Film Commission (which provides program support to the Communications Law Centre), is to close most of its doors. Policy development and advice, other than on international co-productions, 'is not implied or supported by [the AFC] Act'. Marketing and distribution get outsourced via a strategy developed by the Department of Communications and the Arts, the film agencies and AUSTRADE. Research too gets to develop a ten-year strategy with DOCA. And screen culture gets a cut from \$3 million to \$1 million a year.

Gonski worries that 'the current range of activities undertaken by the AFC is at risk of becoming unfocused and its major priorities being subordinated without a clear direction from the Government on the AFC's objectives and priorities'. It needs to concentrate on its two critical roles - 'to support script development of...productions and professional development of new entrants to the industry' - which is where the monies saved from screen culture and other areas should be redirected.

One end of town is salivating at the prospect of FLIC's - a new and potentially lucrative resource made scarce by government fiat in this age of abundance - and Film Australia's assets.

In other places - especially the production resource organisations like the Film and TV Institute in Perth, the Media Resource Centre in Adelaide, Metro TV in Sydney and Open Channel in Melbourne, who collectively cost the AFC and the taxpayer about as much as one low budget feature film - it's campaign time.

The door on David Gonski's investigations may have shut, but Richard Alston's is getting some very insistent knocking. □

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