

The state of film and television

In a report recently submitted to the Minister for the Arts by the Australian Film Commission and the Australian Film Finance Corporation, it was confirmed that Australia's film and television industry is facing some serious dilemmas. This article is an edited version of the report and its recommendations.

Nurtured by three decades of government support, the local film and television production industry is creatively diverse and technically skilled and it is a measure of the industry's success that the infrastructure developed here is attracting increased foreign production to Australia.

The process of globalisation and the multi-tiered structure of the Australian production industry has produced a mix of local and foreign productions as well as hybrids of both of these. Over the last four years foreign production and international co-production levels have risen, yet Australian production has remained static. This has been accompanied by a recent downturn in television drama production.

Over the last four years total production in Australia increased significantly, however the increase was entirely accounted for by foreign productions and co-productions. The value of Australian feature film production has been relatively static, except for 1997-98, when production was boosted by *Babe: Pig in the City*.

Foreign production has increased and is attracted by favourable exchange rates, relatively low labour costs and the excellent creative and technical infrastructure which exists here. The benefits of foreign production include increased employment opportunities for Australian technical personnel and performers as well as some flow-on benefits for the local economy. However, the perception that this type of production is a substitute for Australian production is inaccurate and represents a risk to the Government's cultural objectives for a local industry.

There has been a recent upswing in international co-produced television drama, most of which originated overseas and do not contribute to the Government's cultural objectives: they are made primarily for the US cable market. Under the current Australian Content Standard such productions qualify as 'Australian'. If they were all shown on Australian commercial television in one year, they would represent about half of a single channel's local adult drama content points.

A polarisation in the size of budgets of Australian feature films has emerged in recent years. The budgets for a tiny number of internationally financed Australian features have reached unprecedented highs, and there has also been a proliferation of privately financed films with budgets well under \$1 million. The latter have limited potential to secure distribution and to reach audiences.

Overall, Australian feature film budgets have remained static. The average budget of features made in the 1990s was \$3.5 million, much the same as the average for the 1980s. By contrast, both the production and marketing budgets of the feature films produced by the major US studios have risen sharply. The FFC remains the single largest investor in Australian feature films.

In the niche market in which independent films operate, the script (or screenplay) is critically important to the quality of the final product. Independent films cannot rely on stars or big-budget effects to attract audiences.

A survey of feature films backed by the FFC over the last three years shows that an average of only 1.4 per cent of the total budget of these films was spent on development. This compares unfavourably with the UK, Canada and the US: all were well in excess of Australian development expenditure.

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The current shortage in development funding means local producers are unable to secure long-term relationships with creative personnel; they are unable to undertake effective script development and lack the money to travel to key international markets.

The critical issues for Australian television drama are the continuing decline in production of flagship adult mini-series, as well as the decline last year in series drama production. Only two adult mini-series were made in 1998-99, reflecting the decline which has occurred throughout the 1990s. In the absence of a higher level of subsidy, there can be no expectation that more will be produced.

In the current environment, producers must secure foreign pre-sales to raise adequate production budgets and so are under pressure to include international elements in their projects

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(such as lead actors and locations). If the adult mini-series format is to recover, any revised quota incentive would need to be complemented by increased funding, to allow the FFC to finance a higher percentage of the production budget.

The decline in number of Australian series drama programs was particularly marked. Due to

static licence fees from domestic broadcasters and rising production costs, producers now must rely on securing deficit finance from the international market place.

While production levels of documentaries are stable, there are no opportunities to explore potential growth areas for Australian documentaries in the current funding

and regulatory environment, particularly in the area of pay TV and in the production of documentary series. However, the majority of documentaries produced by Australians are one-off programs and continue to rate well with Australian audiences. Growth potential in the international market relies on the production of documentary series.

Recommendations

1. Development

- To address the current shortage in development funding for feature films and documentary, the AFC's funding be increased to an internationally benchmarked level.
- That the AFC and FFC work with the Minister and the Department of Communications, Information Technology and the Arts to establish an agreed benchmark and options for funding, by mid 2000.

2. Production initiatives

That the Government increase current FFC appropriation per annum to allow for:

- higher levels of FFC investment in television drama (mini-series and telemovies);
- a limited number of higher budget feature films; and
- modest increases in investment levels for children's drama and documentary series.

3. Local content

i) Free-to-air

a) That the Broadcasting Services Act (BSA) be amended to expressly provide that in developing program standards for children's programs and Australian

content, the ABA must take into account issues which impact on the sustainability of the production sector and its capacity to deliver a diversity of high quality product

b) Further to the above, the AFC and FFC will propose to the ABA that the planned review of the Australian content standard in early 2001 be broad and include:

- measures to ensure a diversity of Australian programming, particularly long running series, mini-series and documentary series;
- the impact of the current minimum \$45,000 licence fee;
- measures to ensure that co-produced television dramas do not displace Australian programming.

ii) Pay television

That the review of Australian content requirement for pay television is brought forward to early 2000 to include:

- extension of the expenditure requirement to documentaries and children's programs, including drama;
- an amendment to the BSA which would explicitly link the Government's industry support to the broader cultural objective of having a guaran-

teed minimum amount of Australian programming on pay services; and

- an amendment to the BSA to provide an obligation for pay services to screen the Australian programs supported.

4. New services

Affirm the Government's commitment to appropriate and reasonable levels of Australian content regulation for new services that emerge in the digital environment.

5. International trade forums

That in international trade forums such as the forthcoming World Trade Organisation round, the Australian Government retains its power to introduce and change cultural support mechanisms.

6. Measures for the future

That the AFC and FFC research the range of measures adopted by our major trading partners to strengthen their local film and television industries and recommend appropriate strategies for Australia. <

The full text of this submission is available on the AFC's website at: <http://www.afc.org.au/news/newsites/index.html>