

PACIFIC FILM
AND TELEVISION
COMMISSION

film inquiry
Submission No. 47.1

30 June 2003

The Secretary
House of Representatives
Standing Committee on Communications,
Information Technology and the Arts
Parliament House
Canberra, ACT, 2600

By email cita.Reps@aph.gov.au

Dear Sir

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

The Pacific Film and Television Commission (PFTC) welcomes the opportunity to make a submission to the Committee's Inquiry into Opportunities for Australia's Film, Animation, Special Effects and Electronic Games Industries.

The PFTC is the Queensland Government's agency responsible for the film, television and related industries. Since the PFTC was established in 1991, production expenditure in Queensland has increased from some \$10m-\$20m per annum to over \$220m in 2002/03.

The PFTC's submission concentrates on the film, television, visual effects and animation sectors. The Commission understands that other Queensland agencies with direct responsibility for electronic games and broader creative industries will be making their own submissions focussing on those sectors.

The PFTC's submission is in two parts. Part A focuses on the central issue raised in the Committee's Information Paper and underpinning several of the terms of reference, namely, the need to extend our distinctive voice in global film production. However, to have a distinctive voice means that the voice must be willingly heard both at home and overseas. This in turn requires more efficient and competitive processes and outcomes.

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Part A also addresses the key issue of establishing a climate to encourage greater investment in the industry by taking measures to identify, manage and reduce investment risks.

Part B of the submission considers the other terms of reference and responds by referring to key parts of the PFTC Discussion Paper *The Ideas Business 2002* which provides an overview of the direction and status of the Queensland film and related industries including industry size and composition, infrastructure, education and training, screen culture and digital convergence. The experience of the Queensland industry in facing strong competitive pressures may have relevance elsewhere.

The PFTC submits that current Federal arrangements are based on processes, programs and priorities that do not reflect future imperatives and do not sufficiently facilitate that distinctive voice being heard by enough Australians, nor the potential global audience. The PFTC's submission focuses on the efficiency issues implied in several of the terms of reference particularly the means by which Commonwealth agencies and programs need to be better aligned to meet future opportunities and trends and thus produce better production outcomes.

The issues raised by the PFTC are not driven by the relative importance of cultural or economic factors but by the need to address systemic issues in order to grow the industry on a sustainable basis. The PFTC is concerned that there is a risk that scarce resources may be spread too thinly so as to reduce the quality and attractiveness of Australian films.

Australia has much to be proud of in terms of its film and related industries. However, if we set out as a nation to achieve an average of less than 5% local product penetration of Australian feature films shown to Australian audiences, low rates of return on public investment in film production, declining overseas penetration of Australian produced television drama and very low industry progression of first time directors, would we be satisfied with our objectives, processes and performance?

Australia has inadvertently drifted into a situation where the objectives of government film agencies are not entirely clear, where responsibilities for outcomes are blurred and rigorous performance indicator tests of success are not used to review and refine funding programs. This Inquiry and the Government's response provides the opportunity to clarify the objectives, ensure clear and accountable responsibilities and apply rigorous tests to fine tune programs that lead to more successful production outcomes.

This is by way of saying that a better business model is needed, one that focuses more on integrating and aligning processes that lead to production outcomes that will be seen and appreciated by Australian and overseas audiences.

When the industry speaks well and distinctively, audiences respond. Examples include *Muriel's Wedding*, *Strictly Ballroom*, *Crocodile Dundee*, *Pricilla Queen of the Desert*, *Lantana*, *Wog Boy*, *The Dish*, *The Castle* and *Shine*.

Merely having a distinctive Australian voice is not enough. It must be Australian, distinctive but also meet an audience need. It is a misconception to assume that when films reflect our cultural values, they cannot be successful and profitable as the above examples demonstrate. The high ratings for *Blue Heelers*, *All Saints* and *The Secret Life of Us* demonstrate that the same holds for Australian television drama as well.

Australia needs to ensure that every step in the supply chain, in government, in industry and in education and training is operating accountably at world's best practice standards. There may be lessons from the more commercially oriented electronic games sectors that the more culturally based film industry can and should learn. Similarly, there are programs that apply to the film industry that may be broadly applicable to the electronic games and related new media industries.

Priorities for the Federal government and its agencies should include the following, which are explained in more detail in the attached submission:

Leadership

- Develop a clear industry development plan, including a vision, measurable objectives, strategies for achieving the objectives and accountable outcomes.

Competitive positioning

- Ensure those parts of the supply chain which are Federal responsibilities such as taxation, broadband infrastructure and some aspects of education and training are internationally competitive.

A new business model

- Introduce an industry development business model that will -
 - Ensure that development processes are more clearly linked to production outcomes.
 - Establish key performance indicator tests of success for development, funding, production and audience outcomes, with accountability to perform.

- Focus more on audiences and their needs rather than the supply-oriented model that exists at present.
- Provide more extensive and effective marketing of Australian products at home and overseas.
- Improve the linkages between the Australian Film Commission (AFC) and Film Finance Corporation Australia (FFC) to facilitate a greater proportion and more direct flow of projects from development into production.
- Fills gaps in the supply chain (eg AFC services for television drama series, producer and investor accountability etc).
- Revise Commonwealth programs that directly and indirectly encourage an industry structure that increases inherent risks and reduces investment.

Encourage more focussed Education and Training

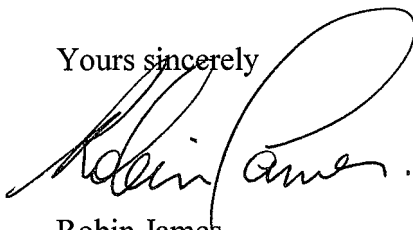
- Ensure more effective vertical links between education and training bodies and industry, improve horizontal links between education and training providers and encourage more on-the-job training.

Encourage Convergence

- Encourage technological, program and business culture convergence between traditional film production and digitally created image production.

The Commission would be pleased to make an oral submission to the Committee to expand on the matters covered in our submission.

Yours sincerely



Robin James
Chief Executive

Attachment Pacific Film and Television Commission Submission