

Box office bondage

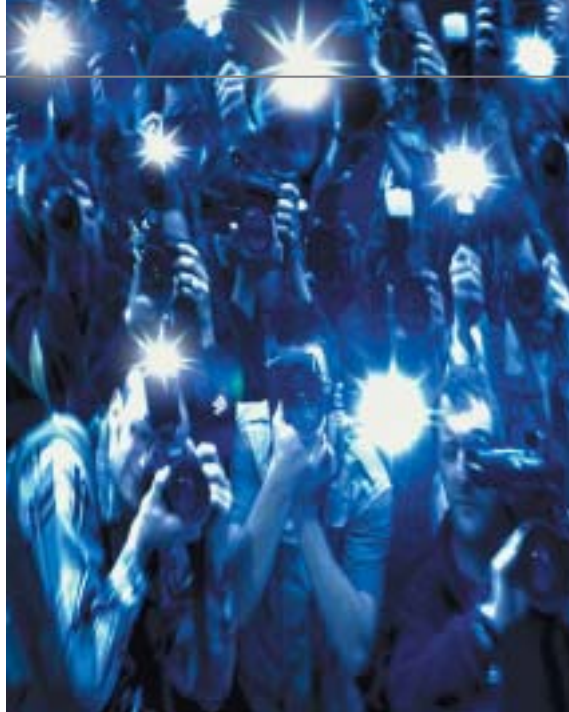


Photo: Getty Images

Success at the box office is both a motivator and task master for Australians working in the film, animation, special effects and electronic games industries.

Sandy George gives her views on recent proposals from a House of Representatives committee to boost the success rate of our homegrown talent.

About 10 times as many American films as locally-made films are released into Australian cinemas annually. Each of those made by the Hollywood studios, on average, costs more than \$50 million, has a worldwide print and advertising budget of more than \$25 million, and is often star laden. All of the 19 Australian features made in 2002/2003 together cost only \$49 million, would have been lucky to have \$3 million between them to spend on marketing, and only *Japanese Story* had an international star, the homegrown Toni Collette.

Just this stark reality hints at how Hollywood pockets the vast bulk of the \$866 million that Australians spend on movie tickets annually. That dominance flows into other screen-based media through television sets and DVD players in homes, computer screens and playstations.

Having lots of money doesn't automatically bring success, but it helps. *Spider-Man 2* carried generous advertisements in the news sections of daily newspapers as part of its media blitz. In contrast, the Australian-made *Somersault*, despite the stamp of approval from the Cannes Film Festival, will be depending on good word of mouth when it releases in September.

Hollywood-sizes resources are not generally available in other countries and no-one would have local film, television or new media without government regulation or subsidies. Arguably, the bipartisan

support that the Australian film industry has had from government for three decades is showing signs of cracking, the clearest example being the lost battle over the film and television conditions in the proposed Free Trade Agreement with the United States.

Just the fact that the House of Representatives Standing Committee on Communications, Information Technology and the Arts has been giving the film, animation, special effects and games industries serious thought is welcome news. So too is the opening recommendation in its report *Reel to unreal*: that the Australian government articulates its commitment with a policy statement.

The committee considered more than 104 submissions, a multitude of existing reports and other items, and held 13 days of public hearings. One of the most pleasing outcomes is the report's support for homegrown production. Retaining intellectual copyright (IP) within Australia means Australia reaps any profits that flow from its exploitation. And the entertainment industry returns can reach the stratosphere.

The opposite of IP in film and media terms is fee-for-service work, which might include hosting the shoot of a big-budget Hollywood picture. This type of work guarantees that export dollars will be earned but is more at risk from outside forces. Exchange rate fluctuations or the introduction of incentives somewhere like Canada can diminish Australia's attractiveness overnight. Consider how September 11 caused airline travel to plummet.

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The report refers to IP as a “non-exhaustible resource”. It is very unlike the staples of Australia’s economic past such as coal or sheep or wheat. IP doesn’t come out of or grow from the land. It springs from ideas that grow in the mind and is most dependent on people.

The most compelling example given of the importance of IP relates to the sector that almost entirely develops electronic games for overseas publishers: “It earns \$100 million annually through this work, which the publishers convert to \$750 million in sales in international markets.”

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The sector is almost certainly capable of originating product that audiences will want, but the high costs of testing and developing original ideas are usually met by distribution outlets, most of which are in the US. The committee’s recommendations (35 and 36) to extend tax breaks and help source more private investment are very welcome. The suggestion this sector utilises marketing body AusFILM, which has the central focus of enticing US producers to shoot runaway film and television in Australia, is worth consideration but predominantly supports the service end of this sector.

Traditional film and television players were always a bit uncomfortable by the inquiry’s terms of reference because they seemed to reflect some confusion about the importance of IP. To mention post production and special effects in the same breath as film, animation and games is, in crude terms, to call the group of manufacturers that make the bolts for a car chassis an industry. The boltmakers of film and television are needed to support the making of quality projects owned in Australia—and the machinery they use is often upgraded by money earned on offshore work. Every now and then too, highly skilled boltmakers or their bosses will rise to the challenge of making their own shows.

The report offers practical suggestions in many cases to core problems. A population of only 20 million people limits sales, as with many Australian industries, and in this one overseas markets are often closed to foreign content through cultural reluctance. Geographical barriers add to the difficulties. Better use could be made of the network of Austrade offices (recommendation 42) to penetrate markets and more co-production

treaties (34) could open access to overseas finance and additional audiences.

Without statistics there is no proper basis for formulating effective policy. Making the provision of data to the Australian Film Commission a condition of receiving public money (recommendation 6), and including games (7) and documentaries (8) within their research, are commendable.

While a discussion on training is beyond the scope of this article, too many people for the size of the industry are pouring out of training institutions. There are many recommendations that will require consideration of this situation, which is long overdue. Links between institutions and between the various sectors are promoted, for example, and the importance of getting input from employers is sensibly recognised. The outcomes that could flow from the marriage of profit-oriented entrepreneurial business operators and skilled emerging talent, hooked into local culture and full of ideas, is the kind of partnership that breeds break-out entertainment.

New digital technologies have shaken up this industry on many levels. Products are developed and used across many media platforms. Expensive traditional production methods are no longer the only way. Materials are easily transferred electronically to the other side of the world. These shifts are reflected in a number of the committee’s recommendations, including the establishment of a digital media incubator (recommendation 9) and those concerning broadband (13, 14). It would be very wise to make use of current structures where possible, including Xmedialab and the Australian, Film, Television & Radio School in the case of digital development, and FIBRE (the Film Industry Broadband Resources Enterprise) on broadband affordability and accessibility.

Some recommendations are a little wishy washy, however. The establishment of a “creative industries think tank” (recommendation 32) could be seen as the too hard basket. Both the inevitably limiting predominance of small to medium enterprises and the inevitable volatility of the sector have been thrown in here.

While the Australian media that flows overseas does affect tourism, developing a national brand is fraught with danger (recommendation 40). It might work in the good times and the best recent example is the New Zealand government’s promotion of everything from food to fashion off the back of *The Lord of the Rings* trilogy. But it

would not be a successful strategy right now here with the worldwide film industry well aware of Australian films being in a trough. Also, developing a mindset where media is a promotion for a nation could lead to censorship. Part of its cultural significance is the way it can challenge, prompt debate and so on. Examples include the features *Chopper* and *The Boys* and, more recently, the documentary *The President vs David Hicks*.

The discussion contained in the report is probably more often insightful than many of the recommendations. But in fairness, it is not easy for the cleverest of those who have worked in the industry for decades to come up with visionary, new and effective suggestions for going forward, given the industry’s complexities and contradictions, and the rapid shifts in tastes and technology.

The two agencies that are most important to traditional filmmakers are the investment body the Film Finance Corporation—it is pleasing to see that the committee fully supports the now adopted, very significant change in how it chooses beneficiaries—and the development agency, the Australian Film Commission. These organisations ponder the challenges on a daily basis and have for many years.

If the author of this article was considering which recommendations to adopt they would be tested against whether there would be a positive flow-on effect for the triumvirate of the writer, director and producer. If this test was inappropriate or inconclusive another two-pronged question could be asked: Will this new piece of policy or this initiative help intellectual property be retained in Australia or earn export dollars on the international stage now or in the near future?

It cannot be emphasised enough just how fiercely talented, skilled and dedicated key creators have to be to produce compelling media, and how little financial reward there often is for them. It should also not be forgotten that success at this end can make the twin challenges of lack of capital and attracting audiences melt away. Adding additional bureaucracy to an industry that already has a lot of it is not advisable. ■

Sandy George is a journalist specialising in film and television. She particularly writes about the Australian scene for overseas trade magazines and websites, including C21media and Screen International.

The Reel to unreal report is available at www.aph.gov.au/house/committee/cita or for more information email cita.reps@aph.gov.au or phone (02) 6277 4601.