

Department of Economic Development, Tourism and the Arts

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Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Sir/Madam

RE: Response to Questions on Notice on behalf of the Tasmanian Department of Economic Development, Tourism and the Arts for money to keep production of ABC shows in Tasmania.

I refer to the Department's evidence given to the Senate Committee at the public hearing on 1 February 2013. Please find below, additional material in response to questions taken on notice.

Question 1. Senator Bilyk

Has the ABC previously asked the Department of Economic Development for money to keep production of ABC shows in Tasmania.

The Tasmanian Government has never been requested to provide direct funding to continue ABC in-house television production in Tasmania.

In the context of the potential closure of the ABC internal production unit, the former Director of Television Mr Kim Dalton in late 2011, broadly discussed possible alternative models for financing new independent television production in Tasmania, which included the partial redirection of funds from the closure of the Tasmanian internal production unit into the commissioning of one independently produced television factual series. This proposal did include the suggestion that the Tasmanian Government provide additional financial commitment beyond Screen Tasmania's allocation, though no formal request or amount was ever proposed.

The Tasmanian Government has consistently rejected any suggestion that television production should be solely carried out by the independent sector in Tasmania, or that it should contribute to the cost of replacing one of the internally produced shows such as *Collectors* or *Auction Room*, with an independent production, seeing this as simply a cost-shifting exercise on the part of the ABC.

The ABC management decided not to proceed with Tasmanian in-house production closures at the time and subsequently they commissioned a television series Auction Room from the ABC's Tasmanian internal production unit.

Screen Tasmania has regularly sought greater financial commitment on the part of the ABC to the Tasmanian independent production sector and has had broad discussions regarding possible matched funding initiatives between Screen Tasmania and the ABC. It is important to note that such proposals were not intended to replace the ABC's internal production unit in Tasmania but rather to augment this activity by increasing the small levels of independent production that the ABC commissioned out of Tasmania (approx. 2.5 hours annually).

Question 2. Senator Milne

Provide details of the arrangement between the ABC and the Tasmanian Government regarding the leasehold of the Goodwood Television Studio. Please provide copy of the original lease agreement for the Goodwood Studio.

A December 2005 Board Paper (for Noting) from Rhys Edwards, the then Deputy Secretary for Economic Development, written to the Tasmanian Development Board, provides details on the background and basis for the decision to build the Goodwood Studio. A copy of this paper is attached.1

To summarise, the Department undertook in collaboration with the ABC, to convert an existing building into a studio when the ABC television series Collectors was moved to a national prime time slot on the national broadcaster in 2006. The cost of this conversion to the Department was just under \$1 million. The department agreed to build the studio on the basis that the ABC would become the main tenant and the space would be hired out to other users when the ABC was not in production. The studio was built without a TV Master Control Room because the ABC wanted to use their Outside Broadcast van (OB van) as the vision switching facility. Unfortunately this decision limited the studio's viability as a TV studio requiring other potential clients to either hire the OB van from the ABC at considerable additional cost – pending its availability. Further the lighting equipment belonged to the ABC, which also meant considerable additional cost and uncertainty with regard to availability of equipment from the ABC for other clients.

The term of the initial lease with the ABC was for one year only with an option to renew for a second year. The original fee payable by the ABC was \$40 000 per year for use of five days per month. It is understood that the ABC renewed the option on the studio for a second year, 2007/08. A subsequent lease was drawn up with an increase of hire fee to \$50 000 per year for 2008/09 and 2009/10. 2

When the Collectors program was cancelled, in 2010, the studio became vacant and unused apart from Sara Cooper's Screen Academy who was provided with the space free of charge by Screen Tasmania.

As the studio was no longer being used for its original purpose, the withdrawal of the ABC's OB facilities together with the general unsuitability of the studio space, meant that it was almost impossible to market to other users. The Department of Economic Development received an offer to lease the space for \$120 000 pa for 12 years, there was no strong argument in favour of retention.

¹ TD Board Paper on Goodwood Studio- prepared by John Nicoll former Director Screen Tasmania 12/2005.

² Copy of Lease, ABC and DEDTA for Goodwood Studio.

Question 3. Senator Cameron

Please elaborate on your submission as to why a review of the ABC Charter may be timely in order to strengthen its cultural and economic commitment to the regions and whether the issue of convergence also puts pressure on the ABC Charter as it stands.

As per our original submission, the question of the ABC's commitment to the regions of Australia, points to a broader philosophical question relating to the way in which the ABC contributes to Australian society both culturally and economically. It is our view that the ABC is a powerful institution that has a significant impact across the country not only in the way it influences public tastes, attitudes and perceptions, but also in how it serves Australia as an employer and cultivator of Australian talent.

Many successful broadcasters, journalists, producers and directors, actors and technicians have emerged from the cadetships and professional opportunities provided through ABC's internal production units. Such venerable industry stalwarts as Posie Graeme-Evans (Creator/Producer of one of the most internationally successful Australian television series of all time *McLeod's Daughters*) had their first opportunities at ABC Tasmania. The ABC has therefore contributed to the cultural life of Australia in ways that go beyond simply 'broadcasting programs that contribute a sense of national identity' and this should be captured in the ABC Charter.

Further it is our contention that the ABC has a significant role as a public service institution that cannot be negated or disregarded. It is tax payer funded and as such it should proactively pursue ways to service all of Australia across all of its platforms including online, television/interactive television and radio, both in terms of the content that is programmed and delivered and how and by whom it is produced, and that this proactive commitment should be more explicitly reflected in the Charter.

The BBC understands its power and influence socially and economically across the UK, which is why they have committed to a mix of internal, independent and regionally based television production. They have as per our original submission, clearly articulated content quotas and perhaps more saliently, production targets to ensure an even spread of production via their in-house production guarantee, regional content targets and external production quotas. In order to ensure the ABC's commitment to the regions and its role as an employer and trainer of talent more equally distributed across the nation, we also strongly argue for the ABC to adopt regional production targets and content quotas along the lines modelled by the BBC which reflects their commitment to a role as a public service organization.

As we are in a rapidly changing and converging media environment, the Charter would benefit from considering the role and importance of computer based and interactive content services which are changing the way in which we view and interact with media and further how the ABC's role and function as a public service organization can be enhanced through multiple platform services delivered across the country.

Question 4. Senator Brown

Please elaborate as to why so much production is centered in Sydney and Melbourne?

There are more production companies in Sydney and Melbourne but also, broadcasters in general are highly risk averse. This is why even though there has been a matched funding initiative between Screen West and the ABC, notably there has as yet been no drama series produced through this initiative.

If you're a production company based in the regions, it's difficult to get access to the commissioners in Sydney and Melbourne where they are based.

Regional producers often have limited experience. It's a catch 22, they can't get broadcast credits without being commissioned. That's why we introduced our requirement that mainland producers seeking funding from Screen Tasmania must form a genuine financial or creative partnership with a Tasmanian producer. In this way locals have the opportunity to benefit from these partnerships, build their skills and gain valuable screen broadcast credits.

And perhaps most significantly there are also production challenges, which means that in order to produce substantial drama series in Tasmania, considerable incentives and funding mechanisms are required to stimulate this activity.

Could you provide more detail regarding a possible Tasmanian Production Quota Initiative and what difference would it make to the local industry?

In the same way that the BBC has committed to supporting production that is generated in the regions via a dedicated production and content quota we would like to see the ABC adopt a similar model. This however may take some time and is we believe not sufficiently targeted to address Tasmania's particular and specific case. In order to compensate properly for the loss of volume and critical mass of the ABC's internal production unit output, and most importantly to halt a drain on talent and skills leaving the state, and to ensure continued production activity in Tasmania, we propose the introduction of a targeted Tasmanian Production Quota Initiative. Our recommendations include:

A commitment on the part of the ABC to commission a minimum of 19 hours of independent production from Tasmania annually for the next five years.

A minimum of 13 episodes (hour or half hour) of series television drama or comedy which qualifies under the Producer Offset. This narrative content is to be wholly produced in Tasmania by either a Tasmanian production company or by a company that is in a genuine creative or financial partnership with a non-Tasmanian company and at least 80% Tasmanian cast and crew.

The ABC licence fee is to be a minimum of 50 per cent of the production budget in order to incentivise production to occur in Tasmania.

Six hours annually of documentary/ factual content to be produced by Tasmanian production companies under the standard ABC terms of trade.

Series Drama in particular is the holy grail of production. It is the largest employer of cast and crew, facilities and equipment and attracts the greatest amount of investment. This has the potential to contribute significantly to the future stability of Tasmania's screen industry and help to grow local business in Tasmania.

By implementing such a model, the ABC has the potential to change the production landscape in Tasmania permanently in the same way that McLeod's Daughters did for South Australia.

Are there Tasmanian projects suitable for the Production Quota?

Screen Tasmania has many projects in development, a number of which are nearing the stage where they are ready to advance into production and arguably would fit the ABC programming agenda. A few examples include:

- Vera Gray – Premium quality Period Drama, - this is Miss Fisher murder mysteries set in Convict era Tasmania. The stories are inspired by incredible true crimes of Van Diemen's Land, and are beautifully written by ABC's Ryk Goddard and local actor Carrie Mclean, with Aquarius Films in Sydney and Ruby Entertainment in Melbourne co-producing.
- The Kettering Incident – Blue Chip, big budget Twin Peaks style mystery thriller set in a sleepy, coastal Tasmanian community. Created by Tasmanian writer Vicki Madden and The Hunter producer Vincent Sheehan, with an offer of \$50,000 development funding from Channel Four in UK. It's at an advanced script stage and will be ready to go into production this calendar year.
- Cradle Mountain Mysteries - children's mystery-adventure series aimed at 10-14 year olds with stunning Cradle Mountain as a backdrop. A hark back to the adventures of Enid Blyton's Famous Five, a motley gang of kids solve a centuries-old mystery and get up to all manner of mischief along the way. ABC3 have invested \$40,000 and Film Vic \$20k in development along with Screen Tasmania. Currently seeking international broadcaster at Kidscreen in New York. Ready to go into production this year.

Explain why the ABC should relocate part or whole of its online unit to Tasmania.

The NBN presents a real opportunity to develop new and innovative industry in Tasmania particularly in the screen industry sector.

The whole of Tasmania will be connected to the NBN by the end of 2015, making it one of the most creatively connected places on the planet". The ABC has a chance to be part of this exciting future in Tasmania.

There are many reasons to locate ABC Innovation/Online to Tasmania – there is a rich pool of Tasmanian talent already engaged in working in this area, including in the creative and the ICT spheres, as programmers and content creators.

Tasmania has traditionally been a test bed for commercial enterprises seeking to test the market with a new product. In cutting edge innovation – areas such as Interactive television – the TV of tomorrow, Tasmania offers a perfect environment for such research, development, prototyping and test-bedding of new innovations in this sector.

Tasmania has already been in discussion with UTAS, NICTA, the Hitlab, other Government agencies both state and federal and there is a genuine enthusiasm for making Tasmania a centre for excellence and innovation in the content creation sector. The ABC could benefit from such a partnership.

Tasmania has relied traditionally on primary industries and is now looking to the future industries and where it can innovate in order to build and grow a vibrant and dynamic economy.

Its cultural and artistic endeavours are epitomized by the bold and grand vision that is MONA. We seek to inject Tasmania's screen industry with a similarly bold vision of the future. The ABC can be part of building this future in Tasmania.

Tasmania is already carrying out some dynamic projects utilizing technology and data gathering. There is opportunity to collaborate with such organisations as UTAS, the Hitlab and the Sense T project into the future – providing a space where technology and creativity converge.

The ABC has withdrawn traditional production from Tasmania, so by making Tasmania the home of their Innovation and Online production centres they would be making a genuine and proactive commitment to Tasmania, and in doing so contributing to Australia's success in innovation into the future.

Yours sincerely

Mark Kelleher
Secretary

/s/ February 2013