

FURTHER SOI COMMENTS : 29.09.08 #2

From Greg Ricketson, AustAsian Films

1. **BACKGROUND** : A particular concern is the limited time frame now allowed for this crucial review of industry wide assistance measures. Many key stakeholders anticipated that more advanced proposals and directions would have been available by now, given the merger of the organisations has been known for well over a year. Could the SOI, or an attachment to it, present a timeline for further industry consultation in the development of SA assistance policy and programmes ? It is looking like there will be an extremely narrow window available if the full review is to be delivered in 12 weeks time.

2. UNDERLYING PRINCIPLES

(a) Producer Offset : “Effective administration of the offset” (as required by the Legislation) is entirely different to the effective formulation of appropriate SA co-investment guidelines and arrangements.

SA is currently operating on a hybrid set of guidelines, some of which rest on principles established pre-Offset, some principles cobbled together post-offset announcement but pre-offset legislation, some principles tacked on post-legislation but pre-offset guidelines, some others pretty well on the run. It is a mess, causing much confusion. Could the SOI perhaps suggest / request that a priority be given to publishing a clear set of co-investment guidelines prior to the formulation of agreed policies which would probably not be available till perhaps February or March. The current arrangements are inadequate for production planning and should be addressed immediately outside this longer term review.

(b) Enterprise and Professional Development : Certainly agree with what I think is the intent, but difficult to tell what the rhetoric means at this stage in the absence of assistance programme frameworks.

(c) National Interest Programming : As per previous notes, I completely disagree with this approach. I do not believe that either the “commissioning editor” or the “executive producer” models should be adopted by SA. Assistance to documentary should be reviewed from the ground up from a blank piece of paper. Such a total review is 20 years overdue, and must reflect a completely different reality today from when the current policies were set. The Offset is of negligible benefit to most documentary productions.

(d) Marketing and Distribution : As for (b), certainly agree with what I think is the intent, but difficult to tell what the rhetoric means at this stage in the absence of programme frameworks. There is a very real chance that assistance in this area could become formula, rather than specific project, driven. Development of some private sector P&A financing models should be undertaken in combination with recoupment modelling and taxation aspects. I tend to agree with the comment questioning whether there may not perhaps be too many different initiatives, federal and state, duplicating the intent of fostering a film culture. It is a topic worthy of far far greater discussion and right up in the motherhood statements of just what should SA be doing as its core activity.

(e) Reward Achievement : Totally agree with the intent, but am very very cautious about how this is developed, and the preliminary pointers that have been provided. And just what is regarded

as an appropriate reward for specific types of production activity.

What seems to have been totally avoided in the SOI is that SA is now an amalgam as regards assistance programmes for physical production. SA now has the responsibility for the AFC “creative development model” and the FFC “commercial model”, and they have quite quite different policy imperatives.

This is potentially a highly contentious issue. I would argue that the concept of a “reward” goes to the very heart of what the policy intent is of a specific decision to support a specific production. And indeed to the heart of the very reason for the existence of SA. And why it provides funding assistance ? The answer to this question should be right at the top of the SA SOI (indeed it is in the Minister’s expectation), and is a condition precedent to sub-ordinate discussions such as “reward”.

Before any real dialogue can be opened as regards “rewards”, I would like to know what SA defines as being “small to medium budget feature films”, what constitutes “a measure of success at the box office”, and what is meant by “relevant hurdles be considered that relate to audience reach”. These are highly subjective terms, and are curiously at odds with the intent of extending marketing and distribution assistance into areas quite removed from a notion of “box office”.

It would appear that “high” (where is the line drawn in defining that ?) budget films should be excluded. It is certainly not apparent to me why that would be the case. I can point to many many practical realities of projects I have worked on over the past 20 – 30 years where productions might be classified as “high budget” but were in reality “low budget” in their creative and financial approach and allocation of resources to achieve quite extraordinary production values. I am particularly sensitive to the use of these broad and subjective terms that simply deny the reality of specific project parameters and the production approach adopted.

For the “commercial model” arm in SA, it would seem to me that the best “reward” (and indeed creation of sustainable businesses) that can be given to producers is to allow a high degree of flexibility in recoupment corridors, and drop the formula driven prescriptive guidelines.

I simply do not understand the reference to “short productions” in this area. For a start, a definition for “short” ? Second, a short is almost always, by definition, part of a creative development process and is funded with that intent in mind. The funding should be provided as an accountable grant, and not be bogged down in back end financial constraints. The “reward” is the initial opportunity, and then if things go well, exposure in festivals, in well planned distribution mechanisms for shorts, (sponsored by SA and others - outsource this to the Tropfest magicians and give them the scale and volume to become a sustainable business, let them develop a genuine shorts competition where the top projects get supported entre to the Cannes short film competition and associated prize of professional development), the “reward” is the further opportunity to make another film perhaps further up the budget scale with a larger creative canvas, the “reward” is the establishment of a creative development career path.

Jeremy Bean made a comment that is particularly important in this area about just what policies have, and have not worked over the years. SA should perhaps talk directly with Gillian Armstrong, Phillip Noyce, Stephen Wallace, and James Ricketson about just what the 1975 funding of their 50 minute, \$30,000 grant films meant to their creative and career development. And people such as myself at an incredibly young age who were given the chance to work beside not only these directorial talents but also creative technical talents including Russell Boyd and Bryan Probyn, Brian Bangrove and Micky Morris. And then talk with recipients of similar

assistance in the 30 years following. The SA culture and ethos should be the creative development opportunity, not a somewhat patronising concept of reward.

(f) More Industry and External Involvement

The broad proposals are more than welcomed. The devil may, however, be in the eventual detail. I would have thought there may have been further discussion regarding the SA position on the continuance or otherwise of “peer assessment” that had varied application across the previous 3 individual agencies.

(g) Co-operation with Other Agencies

Can only be an advantage, particularly the erosion of valuable resources through absurd duplication. Agreement of the base level investment contracts would be the best place to start. The situation where sometimes 10 lawyers from federal and state agencies, multiple broadcasters, sales agents and financiers battle out the finer contractual points of a \$500,000 documentary needs to be solved. I will put a range of proposals to the next submissions. It concerns me that under “working with others”, the numerous industry guilds have not been included, only other government agencies.

3. REVISED PROGRAM STRUCTURE

Enterprise and Professional Development

Similar to comments at 2 (b) : Certainly agree with what I think is the intent, but difficult to tell what the rhetoric means at this stage in the absence of assistance programme frameworks. A contextual definition of “enterprise” would be helpful.

the ability for producers to retain equity in productions is yet to be established by SA co-investment guidelines and recoupment positions
 unless changes are made to documentary funding practice, (and to a degree television projects) any retained equity is largely academic
 I am a great supporter of the larger production house concept (having been attached for several years with Roadshow Coote & Carroll in the 90s) but this is not necessarily the panacea. If following this approach, SA needs to look seriously at R&D development models / project development co-funding and management models / development buy-outs and the interplay with offset legislation and great concern regarding how this is treated as copyright acquisition and/or prior expenditure, and just what are considered to be commercially reasonable arrangements for what would almost always be non-arms length transactions. I would argue that until these matters are clarified, the interplay between SA development / private sector development cannot be advanced.
 I am also a great supporter of slate development, provided not at the exclusion of individual project development
 there is once again a reference to possible slates of shorts being undertaken by production companies. This will at times be quite contradictory (see comments above)
 in discussing “enterprise development”, I would expect that the role of the Producer always be acknowledged, and indeed funded. The SOI includes the statement “it could also include a focus on matched funding with interested parties such as producers, investors and distributors”. The harsh reality is that, at least at this time, there are few producers with funds with which to match, let alone development models utilising private

investment (indicated above as a SA priority to explore)
am in total agreement as regards the former AFC and FFC Indigenous branches and initiatives.

I have no idea what phrases such as “relevant new media focus” are intended to mean. Could Don Watson please be commissioned to review all proposed SA guidelines !

Production Financing

I have very real problems with this “one production finance group” approach in practical terms, as discussed earlier under “Rewards”.

SA is dealing with production investments from 3 minute experimental animations through to multi-million \$ commercial based film and television projects.

While I am in some agreement conceptually, it worries me whether SA staffing mix will balance with the SA production funding mix and the appropriate skill sets.

I have strong views that documentary assistance , from development through to production, should be administered by its own stand-alone branch within SA

SA should state a position as regards the “cultural merit” criteria indicated by the Minister for any top up investment

Totally agree about flexibility for feature film financing criteria. It is to be hoped that SA will argue that same flexibility is needed to assist low budget projects by campaigning for a lowering of the Offset feature film thresholds.

While supportive of the intent of enhanced marketing and distribution support for features, once again the devil is in the detail, and just what is included in program frameworks.

I disagree totally with he proposed approach to National interest programs (previously FA)

I disagrrre totally that there is no need to consider changes to existing arrangements for domestic and international documentaries

I find it astonishing that everything to do with both Adult and Children’s TV is working so well that no changes are proposed. That is certainly not what I hear from the street.

4. MARKETING AND DISTRIBUTION : As stated earlier, supportive but cautious as to just how the words work out in practice, and the danger of a formula driven approach

5. REWARDS : As above

6. ADMINISTERING THE PRODUCER OFFSET AND CO-RODUCTION PROGRAMS

It remains quite unclear to many in the industry just where the line is drawn between the PO administrative branch, and the mainstream SA activity. This should be clarified in the SOI. The publicly stated total separation of the two functions is simply not supported by the actuality that the final decisions are taken by the same board, and it would appear informed by a committee comprised of senior SA management.

Of all the areas where the requested statement of Governance issues is required, this is it.

There is a strongly held view in the industry, whether fair or unfair, that the two areas are not satisfactorily separated, that information may become shared, and that producer’s positions may become compromised. This perceived Governance problem needs to be addressed by SA.

The actual administration of the offset has had an understandably rocky path, and detailed information about interpretation and administrative aspects have been very slow. It is hoped that the recently released “AAG” document will assist producers in planning.

There are other administrative aspects of the offset that need urgent attention, as they go to

the very heart of just how producers. It is surprising to me that the SOI does not include : progress or any proposed policy intent as regards major legislative shortcomings and difficulties (the most critical being the payment time frames of the offset, and the consequent bunching of production)

any proposed policy intent to accumulate, and publish statistical data to either the Minister or the industry that indicates the actual % levels of the offset against budget, rather than the theoretical before adjustments 40% and 20%.

the seemingly over long period of 8 weeks minimum to process applications for final certification. Given the extensive range of audited material and financial reports that are required in the application, this appears to be an inordinate period of time caused by either overcomplicated process, staff shortages, or difficulties linking in with limited Board meeting approval possibilities.

Comments as per previous submission re Co-productions.

7. WORKING WITH OTHERS : Comments as above and as per previous submission

8. COSTS OF ADMINISTRATION : Comments as above and as per previous submission

Thank you for the further opportunity to comment, and look forward to contributing to the next stage of this process.

Greg Ricketson

austasian

Austasian Films Pty Ltd

Greg Ricketson

P : 61-(0)2-9565 4990

M : 61-(0)417-268136