

Monday, 29 September 2008

Screen Australia  
GPO Box 3984  
Sydney NSW 2001

### **Goalpost Pictures Response to Screen Australia Statement of Intent**

We are writing in response to Screen Australia's Draft of Statement of Intent ("SOI").

This submission is from Rosemary Blight, Ben Grant, Kylie du Fresne and Cass O'Connor of Goalpost Pictures. As a committed team, we have been working together since 1991 and re-established ourselves as Goalpost Pictures in May 2008 when we formed an alliance with Goalpost Film in the UK. Goalpost Film is the successful international sales company run by well-known sales agent and EP, Tristan Whalley, and legal and corporate executive and EP, Nicki Parfitt.

We are strongly supportive of the direction outlined by Screen Australia in its Draft SOI, and acknowledge that now is the time to show leadership to the industry, in particular when considering how best to achieve sustainable generational change.

At Goalpost Pictures, we believe our key to success has been our strong, enduring relationships with distinct, creative voices. We are dedicated to producing the highest quality product that will engage with audiences worldwide and are committed to providing an environment where powerful and unique producing, writing and directing voices can blossom and be supported.

Our point of view is from a company that has successfully produced both feature films and television programming. Goalpost Pictures believes that the three key issues currently facing the industry are:

- The Producer Offset;
- Enterprise and Professional Development; and
- Devolving decision making to the industry.

#### **Producer Offset**

Goalpost believes that there are three critical challenges for Screen Australia to address:

- The limit of choice of lenders for production companies to cash flow the producer offset is a massive challenge. With the downturn of the North American market cash has either dried up or become prohibitively expensive. Screen Australia finds itself administering this material shift in the way the industry is financed in a climate where the market is newly risk averse. There will be no effective offset if solutions to viable alternatives of lending are not found;

- The cost of cash flowing the producer offset is excessive in terms of production companies making the transition from the old system to the new. Production companies are already absorbing the natural increase in production costs against a 15-20% cost of borrowing against the QAPE. This would be burdensome at any time but is acute in the current transitional stage. Screen Australia must attempt to reduce any and all costs in its power, that are born by funded screen productions and, as principal investor, negotiate and insist that other contracting parties do the same. Let's start with the lawyers; and
- Screen Australia must devise and revise producer offset guidelines to reduce exclusions from the QAPE. Rebates of 40% for film that become 30% or less and 20% for television that become 15% or less will only mean more direct funding in the form of production investment 'top ups'. This is against the intent of the offset, which was to encourage producers to retain as much equity as possible in their product, in order to build sustainable businesses. Screen Australia should inform the Minister of any unintended issues arising from the legislation that impact negatively on the producer offset. If it takes the ATO one, two or three years to adjust to the screen industries' needs, that may be too late. Screen Australia needs to find a way to help the ATO to be proactive on key challenges.

### **Enterprise and Professional Development**

Goalpost sees enterprise and professional development as a key to creating a mature and sustainable industry. Currently a number of good Australian production companies actively support talent, mentor and create clear development paths for their projects. The issue these companies grapple with is having the time and resources to enable the rigorous development paths for scripts and talent and to provide mentorship to new talent and hence new ideas.

Goalpost believe that if production companies are to take over roles that formerly sat with agencies then enterprise and professional development schemes will need to be both effective and sustainable. Many schemes in the past have seen good money follow bad ...

The challenge for Screen Australia will be in assessing which production companies are best suited to deliver screen projects of cultural merit and sustain growth in the ultra competitive economic environment. It should be acknowledged also that the Minister and Screen Australia are asking the industry to accept responsibility for the success or otherwise of generational change. Goalpost believes the industry is 'up for it'.

In developing criteria for enterprise and professional development programmes Goalpost asks that Screen Australia consider that:

- Larger is not necessarily better and by no means stronger. One only has to look at many recent examples of corporate entities that have failed despite their 'large' size. Whilst the industries and markets of North America and Europe may withstand the commercial

evolution of company take over and company bust, in Australia sustainability is the key when assessing 'size';

- Rigorous assessment of production companies' track records, their principals, the producers, the slate, the business plan etc should be considered. It is vital that there is diversity of companies who secure these industries. Production companies need to make a multi-generational commitment to assure that the system should be set up to support bold talent in all its forms;
- Over time the enterprise and professional development programs themselves should evolve and there for in the future support may only be needed for smaller, younger production companies and producers;
- Screen Australia should actively support production companies who plan for development. Without well developed intellectual properties we will be doomed to the cycles of the past;
- Development is about taking risks. Again it is vital that Screen Australia has realistic expectations of what the production companies can achieve over specified time cycles. Whilst we applaud Screen Australia's vision of three years cycles, many existing production companies have pre-existing slates, and enterprise programmes will enable them to get those projects into gear, package the project and head into production. Other projects will start from a seed of an idea and can take many years to develop. Screen Australia should look at the overall slate of all the companies to assure there is a balance of product, minimising gluts and droughts in various genres;
- The screen industry needs to look at what development is; it is not just screenplays but identifying talent. It is not just single development, nor individual stories, nor films and television programmes. It is development of filmmakers over time therefore creating a sustainable mature screen industry. We need to assure it's not a one –shot industry, it is about valuing the progressive works of our filmmakers, we learn from their failures as much as from their successes;
- Production companies need to ensure that their development paths are rigorous and that they provide a safe environment for writers to create and directors to find their voices; and
- There is not a tradition for Development Executives within production companies in Australia. Screen Australia has an important role in working with the industry to provide resources to assure that there are Development Executives trained up and accredited.

### **Devolving decision making to the industry**

Goalpost believes that, in the short time before the Screen Australia Board adopts these matters as guidelines, Screen Australia must be rigorous and transparent in devising what is to be 'devolved' and what is to be assessed by whom. Within a relatively small industry these notions are fraught with difficulties, in particular devising guidelines for film, television and documentary, each which have similarities and differences. Goalpost believes there are a number of 'agency' functions that the screen industry, and perhaps the broader community could participate in:

- devising a cultural test to be used in assessing funding;
- assessing applications for development and production finance based not only on project criteria and merit but also on diversity of screen product and of production companies;
- selecting programs to provide opportunities for short filmmakers, whether they be film school graduates or not ; and
- devising market access points for two generations of screen writers and filmmakers, who have often submitted thousands of treatments and scripts that have no contact with the market or any defined audience.

Goalpost envisages a partnership between public and private sectors with experienced, talented producers, writers and directors participating alongside Screen Australia, State agencies and possibly relevant outsiders.

### **Indigenous Programmes**

Goalpost is proud supporter of the (former) Indigenous Unit, having collaborated with several of Australia's finest emerging talent, all whom have been supported, in one way or another, by the Indigenous Unit. Goalpost believes that it is inevitable that the indigenous screen industry continues to grow and the writers, directors and actors find more and more experience. We have identified one key area for particular attention; the lack of emerging indigenous film and television producers. Goalpost would support an indigenous film and television producer internship programme.

### **State Agencies**

Goalpost supports Screen Australia working more closely with the state agencies to jointly establish uniform screen industry practice where that is appropriate. A medium term goal of Screen Australia should be to work towards industry programs and protocols that work for the industry as a whole and not on a post code basis.

### **Cross Platform and New Media**

Goalpost believes it is absolutely vital to see cross platform/new media as a stand-alone sector. Working alongside LAMP at AFTRS is invaluable, as is looking at how other sectors are using cross platforms to access different audiences and to direct eyes from one platform to another. We ask that Screen Australia consider assuring that cross platform is embedded into production budgets and is not seen as an 'add on' marketing exercise.

### **Cultural Merit**

Goalpost believes that the definition of cultural merit should include Australians filmmakers working on Australian stories AND Australians creating and telling stories about the broader world. A good film is a universal film, a great television program is great TV.

### **Marketing and Distribution**

Goalpost believes that marketing and understanding a film or television programme's audience - and audience in general - is so pivotal to success that it should be integrated into development path. Limiting support for marketing to finished films or television programmes would be a mistake of the past.

In Summary, Goalpost Pictures believes the Screen Australia's statement of intent to be a bold blueprint for generational change. Goalpost is very supportive of Screen Australia providing strong leadership to the industry by devolving responsibility for the industry's own development and growth to the industry as long as that process is rigorous and transparent.

We urge Screen Australia to consider the importance of determining how to make the producer offset effective in the current market environment.

Thank you for inviting our input.

Kind regards,

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