

Independent Cinemas Association of Australia

Tel + 61 2 9858 1179
Fax + 612 8569 0119
P.O Box 20 EASTWOOD NSW 2122
mark@screenassociates.com.au



Tuesday, September 30, 2008

Background to ICAA

The Independent Cinema Association of Australia (ICAA) is a not for profit organisation. ICAA is Australia's leading independent cinemas representative association with a membership ranging from single screens in rural areas through to metropolitan multiplex circuits and including mini majors such as Palace, Dendy, AMC, ACE, Grand, Wallis and Cineplex. ***ICAA has members in every state and territory in Australia and represents over 340 screens nationally.***

- Independent sector box office is approximately 28% of Australian annual box office and constituted approximately \$240million in 2007.
- ICAA members comprise approximately 80% of Australian independent sector box office.

ICAA actively lobbies and negotiates and provides advice on issues that affect the day-to-day operations of all independent cinemas. The Association's specific aim is to represent and advance the interests of motion picture exhibitors and their industry affiliates by providing a national, unified voice and collective representation for all members.

ICAA represents member's interests, concerns and issues in ongoing discussions and meetings with:

- **Film Exhibition and Distribution Code of Conduct Administrative Committee.** (FEDCAC) Code issues
- **Motion Picture Distributors Association of Australia (MPDAA)** Hollywood Studio distributor issues
- **Australian Independent Distributors Association (AIDA)** Australian Independent distributor issues
- **Intellectual Property Trust and Australian Federation Against Copyright Theft (AFACT)** Film piracy
- **Australian Cinema Exhibitors Coalition (ACEC)** comprising Greater Union, Village, Hoyts, Reading, MPEAQ and ICAA, for bilateral issues involving the cinema industry.

ICAA's Comments on the Draft Statement of Intent

ICAA notes the relevance of the cinema sector to three key propositions in the Ministers Statement Of Expectation, specifically;

- **That Screen Australia “provide strong leadership to the industry whilst maintaining a balance between cultural objectives and encouraging growth of a more competitive screen industry”**
- **That Screen Australia assist in the process of “building sustainable screen businesses across the audiovisual sector to improve engagement with new technologies and audiences ...”**
- **That Screen Australia “support and promote the development of a highly creative, innovative and commercially sustainable Australian screen production industry”**

1) ICAA and Audience

We note that Screen Australia's Draft Statement of Intent embodies these key expectations surrounding sustainability in a several statements including the propositions that;

- **“Without an audience there will be no viable industry”**
- **“Screen Australia recognises the need to instil awareness of the audience and market place from the earliest stages of product development”.**

ICAA notes that theatrical cinema release constitutes one of the key revenue channels for film generally and Australian film specifically.

ICAA notes that theatrical cinema release constitutes one of the key audience awareness channels for ancillary (dvd, pay, free to air and internet) exploitation.

ICAA notes that a successful theatrical cinema release for any film dramatically increases revenue streams in consequent delivery channels.

ICAA proposes that for the purposes of developing commercially sustainable outcomes *the connection between audience and revenue is absolute. ICAA proposes that a sustainable Australian production industry is built on a sustainable Australian cinema industry.*

In the past two decades the activities of film agencies have focussed on the production and distribution elements of the screen economy and have not directly connected with cinemas since the 1980's. At this point of developing new strategies ICAA supports Screen Australia in once again exploring direct connection and deeper understanding between film producers and the cinema industry.

ICAA notes that cinemas remain the primary point of contact between audience and film content and urges Screen Australia to develop programs which remove barriers between content consumer and content creator and assist cinemas to develop audiences for Australian film. ICAA notes that audiences are a known quantity to cinema operators who are in touch with their audience 11 hours a day 364 days a year.

ICAA proposes that an enhanced understanding of audience, audience demand and expectations of Australian film can be created by improving connection between content creators and audiences via engagement with cinemas.

ICAA observes that in a small and rationalised market such as Australia it is possible to foster connections through organisations such as ICAA and the Australian Cinema Exhibitors Coalition that literally reach 100% of Australian first release cinema.

2) ICAA and digital innovation

ICAA notes the concept in the Draft Statement Of Intent that:

- **Screen Australia’s development programs will focus on “embedding digital and new media considerations in all aspects of the Agency’s work”**

ICAA urges Screen Australia to develop programs which take account of the transition of the global cinema environment to a de-facto unified standard of DCI compliant digital screening.

ICAA observes that taking the “film” out of the “film industry” is the most consequential change since the introduction of sound to film and that all activities of Screen Australia relating to commercially exhibited outcomes must take account of the reality of the change to DCI digital.

ICAA notes that this process will take place over a window of the next 2 – 5 years and will bring with it a number of attendant threats and opportunities. ICAA urges Screen Australia to develop programs which assist producers, distributors and exhibitors to understand and strategies around this landscape of threat and opportunity and allow for innovation and market transition.

Sincerely

Mark Sarfaty | C.E.O



Independent Cinemas
Association of Australia

Independent Cinemas Association of Australia

www.independentcinemas.com.au