

FUNDING AUSTRALIAN CONTENT ON SMALL SCREENS

A FACTUAL TV/DOCUMENTARY PRODUCER'S RESPONSE TO THE DRAFT PROPOSALS.

Introduction.

I am a writer, director, producer, and exec producer and have produced over 40 TV series and specials numbering hundreds of episodes. These have been in the traditionally 'high quality' production genres of 'specialist factual' programming. This covers areas such as science, history, natural history and the arts. All of this work has been funded by screen agencies, national broadcasters and/or informational subscription channels such as Discovery Channel and National Geographic.

Among the well known and popular programs I have helped produce are TIMETEAM, INSIDE THE FIRESTORM, WHO DO YOU THINK YOU ARE? CONSTRUCTING AUSTRALIA AND IMMIGRATION NATION, a three part series for SBS, funded by the NDP which is winning very strong ratings and critical acclaim across several platforms. I believe passionately in public support for public service broadcasting and its capacity to educate and engage audiences. My comments are based on the goal of a healthy and growing public service screen content sector, ultimately because it reflects and helps build a healthy national culture in all its diverse forms.

These are my own personal views rather than the corporate views of Renegade Films.

The Proposals.

In the review paper Screen Australia lists among its major goals, '*supporting the Television Production Industry in an optimum way*', '*supporting the ongoing creation of quality, innovative, original small screen storytelling*' and '*helping to ensure the Australia production sector is robust and sustainable*'.

As a screen practitioner and employer who makes their livelihood in the industry my comments are framed according to how well I see the proposals will advance those entirely laudable goals. I confine my comments to those sections of the proposals dealing with documentary and factual TV production.

With funding from the commonwealth to Screen Australia falling, these are challenging times. Overall the greatest concern for me, is that while talking the language of increased industry robustness and sustainability, aspects of these proposals may have the opposite impact and because of this question how well the is delivering on its core charter.

License Fees and holdbacks.

The proposal to increase license fee minimums is to be welcomed for both the general doc strand and NDP.

Holdbacks remain long compared to some other territories, where 6 months is more usual. However given the relative market weakness of the Australian national broadcasters and the limited opportunities to exploit factual TV content overseas I believe the current proposal of 12 months should stand.

Project Assessment.

This is an unwelcome return to the idea of direct editorial involvement in projects given the removal of agency EP function was one of the major arguments for the disbanding of FAL and the creation of Screen Australia.

The best way to assess proposals is for the National Broadcaster who will be the end consumer of a proposal and for whom audience engagement is a measurable aim. This relates to the issue of documentary funding allocations (see below)

Repeat Series.

The review proposes Screen Australia will no longer fund repeat series after the second run. This will have a negative impact on producers and penalize the very success they are trying to achieve. The Australian system in contrast to the UK and US is unusual in its extensive support for one offs and short runs. This is one of biggest factors preventing growth in the production sector. There is a simple lack of volume in production to increase cash flow, enable training and skills development, grow potential margins by preventing economies of scale.

The reasoning behind this proposal seems to misunderstand the nature of television broadcasting. The national TV broadcasters are the primary recipient of TV programs funded through Screen Australia and their audiences are the primary consumer of such programs. However the national broadcasters (like any broadcaster) are in a very competitive environment and need to build and sustain audiences. Just because programs are 'public service' does not remove the requirement for them to reach and connect to audiences through strong program brands and repeat series. To penalize a program for its success in finding and growing such an audience short changes, producer, broadcaster and audience. Where equity investment has come from SA, it also penalizes the tax payer for whom a return is much less likely to result.

It runs counter to most international TV practice and makes Australia an anomaly, where success is much harder to achieve. Ironically the consequence is that dependency on government funds remains and true market growth is limited by the very system designed to enable it.

More broadly this has significantly negative impact on factual producers. It removes a key pillar to business models and makes growth, and sustainability even more difficult to achieve. Very importantly lack of volume in production is a major impediment to overseas sales and licensing, lessening local producers' competitiveness and removing the full potential for significant revenue returns for stakeholders.

I would argue strongly that this proposal is not adopted.

Overseas Formats.

Clearly it is harder to argue that tax dollars are spent on foreign IP. However there is a larger picture that this analysis fails to explore. Leveraging successful foreign IP is advantageous to producers and National Broadcasters because it actually provides production commissions, employment, and positive outcomes for audiences. To restrict this is onerous on producers. One solution might be to encourage access to formats that are definably in the national interest (such as *Who Do You Think You Are?*).

It is a sad fact that formats and original Australian IP (A goal of SA to promote) are in short supply because of the very limited definition of what constitutes documentary and the lack of will to fund repeat series and brands. So while producers are not encouraged to create home grown formats, they are now to be prevented from buying them from overseas markets which are properly organized to create them. Once again Australia is out of step, and agency policy designed to create a robust production sector actually hinders this.

I would not support a blanket ban on foreign formats, but would encourage domestic funding streams to specifically target the creation of home grown formats in the high quality end of factual broadcasting in consultation with professional local producers and the national broadcasters.

Documentary Funding Strands.

The proposals to roll together international and domestic door are sensible. Of greater concern is the NDP and proposed signature documentary strand.

Assessment of NDP. I have successfully engaged with the NDP as a producer and feel it is a valuable scheme. However none of the principles it enshrines would be lost if this funding were editorially controlled by the national broadcasters according to some equitable split.

The sort of landmark TV that the NDP funds would still get commissioned because it is so highly impactful for the broadcasters themselves.

Ultimately the existence of the NDP is a political question which pre-supposes the nation needs some form of legacy programming created independently of public service TV. I would question this in general terms, but recognize that the curation of an NDP type slate has been used to position Screen Australia's unique contribution with government.

The products it has created in partnership with producers and the national broadcasters have fulfilled the aims of the program. Discussion of how it is assessed is not a priority given the other proposals in the review.

Signature Documentary Strand

The proposed signature documentary strand needs to be discussed in greater detail.

Anecdotally I have heard the proposal is to place a million dollars into such a fund. The amount of the proposed allocation needs to be made clear. I am not sure that such a large figure can be justified in terms of accountability to tax payers.

It is very important for films made by auteur, emerging, indigenous, and avant guard filmmakers to get funded and have an outlet. Better perhaps this is better achieved if National Broadcasters to agree to commission strands of 'signature documentaries'.

Wouldn't developing young talent be better achieved in a mature public service broadcasting environment? Our own work on the SBS SECRETS AND LIVES strand, has employed observational documentary makers and I would argue our work on provocative and serious NDP projects such as IMMIGRATION NATION absolutely fulfills the goals of a proposed signature documentary genre, while being professionally produced and highly successful with audiences. There are many other examples of projects made by other producers that do this. Recent examples include FIRST AUSTRALIANS.

I can see little justification for tax payers money to be spent on intentionally niche projects where there is little or no hope they will garner an audience beyond the niche festival and art house screening circuit. Dollar for Dollar in terms of audience who actually see such works it is hard to justify.

Documentary Funding Allocations.

I can see issues with the proposal to change the 40:40:20 allocation split between networks to a single network being able to access 60% of any round.

As resources are always finite, I can see the broadcasters and producers pitching under developed projects via an editorial process focused on an ambit claim on funds driven by a 'use it or lose it' mentality.

I fear this adds a new uncertainty into an already fragile market.

I would urge a rethink of this proposal. The current split might be addressed perhaps based on audience share for high quality programmes but a fixed allocation is the better option.

Conclusions.

I welcome the engagement Screen Australia are asking for in this process.

It is very important to acknowledge the truth that the current Australia factual production sector by international standards is weak, poorly funded, and inhabits a market environment where demand for content is low, ability to be profitable highly restricted, and creation of local IP with international appeal very hard to achieve.

Despite being a very successful producer, and despite receiving large amounts of public funds to make work that is critically acclaimed and rates very well, I feel neither robust nor sustainable in my business. In fact making a living presents constant challenges and pressures which I have never felt in the apparently much more volatile and market driven markets of the US and UK.

Outside the specific proposals and given the restrictions on funding now being felt (and which drive this review), one important point needs to be made. The producer offset is proving an effective device to grow production.

I would urge that the current 20% level in documentary be increased to at least 30% to make this sector more competitive.

Overall this review fails to address the underlying structures that are responsible for the poor performance of the sector when judged internationally. This is regrettable because with relatively minor changes to policy success could be achieved freeing tax funds be better directed to non broadcast projects such as those aimed at in the proposed signature documentary fund. A healthy mixed economy can be achieved.

Australian screen culture, public service broadcasting and above all Australian audiences deserve nothing less.

Alex West
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PART TWO. Alex West

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Introduction.

My first submission to the review dealt with the specific questions being asked of respondents in regard to the proposed evolution of funding arrangements for TV funding.

However the issues relating to small screen funding reveal deeper challenges. The following comments address the core structure of the Australian model of funding and compares how arrangements here are made here compared to successful markets for television production overseas. My goal in doing so is to suggest a new structure and approach to TV funding in general and in the factual/documentary genres in particular.

I propose the following major changes in how the entire architecture of funding is organised. I will make a more detailed case for them below.

I hope the reader will take these suggestions in the spirit of constructive engagement they are intended. There is much to be celebrated about our industry and the skills of those who work in it. As Australian content makers I believe we can turn our TV market from an importing one to an exporting one, and in trying to do so, become much more competitive, and creatively innovative both at home and overseas.

The proposals:

- Remove all funding invested by Screen Australia into TV factual and documentary projects through the NDP, and the General Doc Fund.
- End the current accord system and instead allocate all the available Screen Australia funds directly to the tax funded national broadcasters. At this years levels of funding this would mean roughly \$12m.
- Discontinue the Screen Australia enterprise scheme and add all saved agency overheads into the funding pool made available to the National Broadcasters.
- No longer enable tax dollars to fund programming to FTA 'for profit' networks and subscription/pay TV. Ending all public subsidy for non public service programming.
- National Broadcasters must allocate the entire funds available to independent factual/doc production. Proposed split between ABC/SBS 40:60 in SBS's favour. This reflects the fact they do not produce factual programming in house currently, the

greater the financial pressures they are under, plus their more risky and innovative creative tradition.

- Make it illegal for the National Broadcasters to absorb these funds into overhead or in-house spending by creating a binding independent commissioning quota which will see a proportion (say 30%) of all ABC/SBS programming created out of house across an agreed range of genres but excluding news, light ent, comedy, and sport. The aim here is to promote even greater levels of independent production beyond that currently leveraged through Screen Australia investment. Providing a future growth stream for independent producers.
- Enable producers to retain as full as possible equity share in IP created through these arrangements, especially in international sales and distribution. Create holdback periods which make this possible while respecting broadcasters needs to develop and exploit program brands. The default equity share proposed should match the amount the producer invests – usually the same amount the producer offset allows.
- The producer offset to be extended to a greater percentage than currently allowed for documentary - rising to 30%. Budget thresholds and what counts as QAPEable expenditure to be reviewed.
- Screen Australia to retain control over the proposed 'signature documentary' funds, which is specifically set aside for non market attachments, and to allow auteur, art house, , experimental, culturally significant, emerging and indigenous work to be created freed from the demands of TV programming.
- I would argue that the removal of the management of TV funds from the auspices of Screen Australia will also enable to agency to cut running and staff costs, while remaining more efficiently focused on its core responsibilities for feature films and other genres.

Many will disagree with these proposals (and I expect robust criticism from the agency who fear a shrinking in its role, and from producers who do not work with national TV networks), so I will now outline more deeply why their adoption is advantageous to all.

The suggested changes require a major cultural shift away from agency based accord funding. I accept the advantages of this can be hard to see because the current generation of program makers have known no other system. Suggestions to entirely cut funding streams cause fear because people think the funding will disappear altogether.

In reality I am proposing the transfer of existing funds to a different overseer, and one better able to use the funds to encourage local factual screen production in this area.

Why are the National Broadcasters better placed to spend these funds directly on independent production?

Firstly they connect better with audiences.

Overwhelmingly on a global scale, factual/documentary films are made for, and funded by, Television networks. The terms 'TV program' and 'documentary' are synonymous the world over. Of the thousands of hours of factual programs annually, less than 5 percent are made specifically for cinema. And still fewer find widespread international distribution. In Australia approximately 3-5 doc titles a year enjoy widespread cinema release. The truth is that the combined audience for these cinema release films is tiny compared to the aggregate audience for a TV documentary.

Indeed it is rarely argued (nor celebrated) that the genre of documentary in reality owes its growth and development in the last 40 years overwhelmingly to television, especially public service television without which many familiar cultural icons and genres such as David Attenborough (natural history & environment), Ken Burns (history), or John Pilger (politics and social issues) would never have existed.

Australian factual and documentary production is held back because there is deep confusion about this fact. On one side increasingly (and with justification), Australian auteur screen creatives in documentary are confused and irritated by the lack of engagement by television commissioning which has become less and less a shopwindow for their films, and much more editorially proscriptive (because the demands of seeking an audience in a fractured media environment demand it).

Rightly they see the future of documentary under threat in this broadcasting environment. The result in Australia is great antagonism between TV and the 'pure' or traditional documentary community, with filmmakers feeling marginalised and networks struggling to engage with producers who can help solve their programming challenges. I also believe the agency are drawn into this.

Standing between the two groups, the screen agency has the unenviable task of allocating scarce funds between general TV production and cultural documentary programming 'in the national interest'. This is enormously hard to do and ultimately impossible to make everyone happy.

For their part screen professionals who are involved with creating high quality TV factual/doc have to try to do this in very tight market with the added pressures of overly onerous bureaucratic compliance, including rules preventing normal business practices to be carried out such as charging producer fees which limit business success. As a market for factual/doc tv production, Australia is alone in these restrictive practices. Ironic indeed when the agency speaks the language of business sustainability so frequently.

This tension is obviously created when a screen agency whose core ideology and traditional function is a cultural one, is asked by government to make a tax dollar dependent sector more economically viable and independent. The truth is these two goals run counter to each other in a situation where a profound lack of resources exists.

Won't giving these funds to TV networks see a drop in quality?

This fear stems in part from the antagonisms outlined above. There is a creed within the Australian industry that TV per se is somehow a debased 'art form'. It peddles 'novelty formats' and 'reality TV' instead of 'pure' documentary. Its sole function is to chase ratings to satisfy the demands of advertisers. This results in networks looking for the cheapest possible programming with the lowest common denominator in mind. However this confuses and oversimplifies somewhat.

In many ways the history of Australian broadcasting has created this very polarised picture. TV began here in 1956 with commercial broadcasting based on an American model. In the UK by contrast, the BBC lead the way and has maintained a strong position largely founded on the retention of a license fee for TV users. This has ensured their financial independence from government. In contrast here the ABC came second to TV broadcasting and in the 1970s had its ability to generate funds though a license fee removed. This has restricted its independent funding potential.

As the commercial FTA networks have become among the most profitable on earth and supplied generations of Australian audiences with highly popular commercial product. The result is that TV in Australia can be seen as lacking quality, importing too much material from overseas.

This, and the low level of funding for the National Broadcasters historically has partly driven the creation of programs that fund and protect higher quality non- market dependent public service TV programming. This has been managed through the agencies with the development of the accord system.

However, abandoning this methodology does not mean that the national broadcasters will abandon their commitment towards high quality home grown programming. It is core to their charter and operating ideology. Indeed the fact their programming budgets are so low by international standards is precisely what forces them to import programming.

This means that providing the National Broadcasters with funds to commission programs directly will enhance the level, volume and popularity of serious Australian public service programming, made to modern international standards.

How can this Create Industrial Sustainability and growth?

The proposals I make are better able to encourage business growth and sustainability, while protecting the core cultural function of the agency and the

creative work of the film-makers who depend on it. And which the Australian tax payer supports through subsidy.

The problem with the current model is simply that all production in documentary has been lumped into the same system, with the antagonisms that result as discussed above.

These proposals mean production businesses would now enter a whole new market where factual TV commissioning through the national broadcasters would increase, where real funds available would rise, and where the equity rights and investment producers invest through the producer offset would increase.

Just as importantly I believe that the programming produced locally for Australian National Broadcasters would not only deliver an increasing number of Australian stories to our screens, these stories in themselves would compete better internationally, not least because multiple episode series and 'brands' would become more of the norm in this TV driven production market.

The result would be a reinvigorated production industry, a leaner Screen Agency better able to engage with and support an innovative energised 'pure' documentary screen culture, now freed from the pressures of finding market attachments.

This road has been travelled in the UK from the 1980s when the publisher broadcaster channel 4 was set up. Channel Four is a public service channel with an editorial brief to be 'alternative'. This has created some of the most memorable serious TV ever made across all genres. It is funded through advertising and direct funding, Channel Four has managed to champion independent documentary, and auteur work too, as well as the British Feature film industry.

Its emergence created a whole new independent production sector overnight, which proved so successful, by the 1990s the BBC opened up its in house production and enabled 25% of its productions to be made out of house.

Finally in the early 2000s the government legislated to enable producers to retain their IP rights in TV projects. In return the National Broadcasters introduced a series of standard program tariffs and licensing agreements.

While these developments have not all been successful, the growth of the UK factual and doc sector has been meteoric over the last 20 years.

Taking some of the best features of how these achievements were organised, while avoiding the worst, is a way forward for the Australian factual/doc sector that can change our industry for the better. Providing great content for a full range of Australian audiences, while supercharging a struggling sector of the industry into its rightful place on the global stage

The fact remains that regardless of agency support, today Australian factual TV production for the national broadcasters remains a small sector within a small industry when measured by international standards. This is sad given that the international factual industry is a huge and vibrant one, the creative output of which we see daily on our screens. Wouldn't it be great if the reverse was true?

Ultimately my passion is to grow the local industry so it can benefit from the economic and creative development that results. I want to see an industry young people are keen to enter, where opportunities to do so are widespread, where people do not have to choose between struggling to earn a livelihood or leaving the industry. Where a demanding culture of creative innovation is what makes programs successful, and where the possibility to produce non market focused work such as auteur documentaries, art house cinema, avant guard and indigenous work are protected and nurtured by an agency freed from having to please all of the people all of the time.

The proposals outlined above are designed to make these goals realisable if we are prepared to embrace much deeper change than what is being offered in the current review, and which ultimately requires a new vision and leadership for the industry.

Alex West.