



Australian Government



# TRAVEL REPORT

## Cannes 2011 Film festival and market

Prepared by CEO Ruth Harley, Head of Development Martha Coleman,  
Head of Indigenous Erica Glynn, Head of Marketing Kathleen Drumm  
and Head of Production Investment Ross Matthews



Emily Browning in Julia Leigh's *Sleeping Beauty*

## INTRODUCTION

Australia was very fortunate to have four films in Official Selection at the festival - features *Sleeping Beauty*, *Snowtown* and *Toomelah*, as well as short film *Bear*. Both *Snowtown* and *Sleeping Beauty* got press and sales because of their festival platform which raised these titles above the throng - an A-list festival profile is as potent as ever.

There were more attendees at the festival than in the last couple of years and greater activity at all levels. The market is more competitive than ever and projects have to be conceptually strong, driven by exceptional talent and outstanding scripts with execution to match. It is a highly elite game.

The Australian stand was well-received by the 300 Australian attendees and international guests alike. It featured large blown-up images for our films in Official Selection as well as posters of other Australian films in the market.

Screen Australia ran nine events, most of which took place at the Screen Australia office in Cannes. These business-focused functions were designed to create opportunities for Australian practitioners to engage with key international industry execs across distribution, finance, sales, film festivals, development labs and workshops. Our activities featured matchmaking and networking sessions with producers and film executives from co-production partner countries including Denmark, Canada, Germany, Ireland, NZ, Scotland and the UK.

## TRENDS

### Recovery

The market showed more signs of life than for at least two years. Though it was patchy. The first few days of the market enjoyed a high level of activity, but it was all concentrated on a few large American companies pre-selling big budget, cast-driven tentpole movies. However as the market progressed it became apparent that small titles were also selling, though for much lower prices than pre-crash.

By the end of the market the activity on small titles was such that many sellers stayed an extra couple of days, as sales were so worthwhile. It was notable that the US buyers were back and that there are some new players. Both *Snowtown* and *Sleeping Beauty* secured US sales, resulting in North American exposure.

Investors are returning to the film business. Activity is focused on the high budget end of the market, but there are definitely signs that there is more opportunity for the smaller titles such as those Screen Australia is investing in. This includes private equity, pre-sales and gap finance as well as multiple players interested in the provision of cash flow for the Australian Offset.

### Vertical Integration

There is an increasing trend in our sector of the market for sales agents to act as executive producers and financiers. This is because the facility to assist producers to close their financing, gives the sales agent (or banker) additional fees and the ability to be more competitive in respect of the strong projects. It was notable how many sales agents have a strong commitment to

the development of Australian titles over a significant time period. These tend to be larger scale projects that in turn tend to be more marketable. The US studios continue to have smaller production slates of 11 - 13 titles which focus on tentpole and franchise titles. However, the economics of the studios' distribution businesses requires them to put through larger volumes (20 – 25 titles) than they are now producing. This has led to Paramount and Universal developing active local slates including in Australia. It is now apparent that Fox is also increasing its activity in local territories.

### **The Script - The Script - The Script**

Nothing has changed here, but buyers were clear that the demands on script continue to rise.

### **Changes in the UK**

We spent a lot of time talking with different players in the UK industry: the Minister of Culture, the Chair, CEO and some governors of the BFI, the senior staff of the Film Fund which is transferring from the now defunct UKFC to the BFI, the Chair of BAFTA film, Chair of Film London who now have the British Film Commission responsibilities from the former UKFC, the public broadcasters, sales agents and some producers. It is a radical change and will take quite a bit more time yet to settle. However it is clear that there is more money for film from all players (pubcasters and BFI); a strong international focus (read US) and an ongoing interest in Australian talent and the Offset, if not stories.

### **Indigenous Storytelling**

There is a steadily increasing interest in indigenous story telling. *Toomelah's* selection for Un Certain Regard is an example of this. Both Toronto and Berlin are planning major showcases of Indigenous work in 2012 and 2013 respectively. They will be looking for significant support from Screen Australia.

### **Canada**

Telefilm Canada has a lot of parallels with Screen Australia in terms of structures and issues. For example they are currently developing a "success index". It is not the same as our Beyond the Box Office work, but it has strong similarities and they are very interested and well informed about our work.

### **Denmark, the Netherlands, Ireland**

There is strong interest from these countries in developing co-producing arrangements with Australia. We have a treaty with Ireland. The Danish treaty is close to being concluded and the Netherlands have just put up their hand. It remains to be seen whether or not the difficulties of time and language can be overcome, but there is certainly enthusiasm from these countries.

### **Sales of Screen Australia titles**

*Sleeping Beauty* has achieved good sales, including deals to the US (IFC), Benelux (Wild Bunch), Germany (Capelight) and UK (Revolver). *Snowtown* sold to the UK (Revolver) and US (IFC). *Toomelah* is under offer in both France and Belgium.

## Market Place Investment

This is a requirement for Screen Australia investment in most features (unless they are micro budget). Producers have always found it difficult to secure, however it is clear that the requirement does indicate commitment from parties other than public funders and provides significant discipline. Australia is certainly an attractive filmmaking destination because of the Offset, and films will try to tailor themselves to access it as well as Screen Australia funds. Screen Australia needs to have a strong reason for investing in films which do not meet our cultural remit. Such reasons will include exceptional projects where the opportunity for Australian key creatives to work globally, outweighs the lack of direct cultural resonance.

## Partnerships

There is an opportunity to partner with some solid sales agents to develop medium budget feature films which fulfill our cultural mandate. There is also opportunity to refine our programs especially the critical transition from shorts to first features.

## Script

Screen Australia focus on script development is recognised in the market place.

## Changes in the UK

The UK has historically been a strong partner to Australia and there is a risk that their US focus will see Australia drop off their radar.

## Offset

Just prior to the festival, the Australian Government brought down its budget, which included substantial and positive changes to the Offset regulations. We handed out 300 USB sticks with key information about the Offset, to local and international producers. The USB contents were *Doing Business with Australia*, the SAC Test and Co-production Guidelines.

## Screen Australia Attendance

Nineteen Australians were supported with travel grants to attend the Cannes premiere of their films or the market: Bill Bennett; Rachael Blake; Jessica Brentnall; Jane Campion; Melanie Coombs; Nash Edgerton; Lauren Edwards; Tony Ginnane; Ryan Hodgson; David Jowsey; Craig Kocinski; Justin Kurzel; Anna McLeish; Ray Quint; Anne Robinson; Vincent Sheehan; Liz Watts; Timothy White.

Screen Australia executives attending Cannes were CEO Dr Ruth Harley (CEO); Martha Coleman (Development); Ross Matthews (Production Investment); Erica Glynn (Indigenous); and Kathleen Drumm (Marketing).

## CONCLUSION

Cannes is back, the market is buoyant. Australia is considered a viable and robust co-production partner.

## APPENDIX 1

### Meeting Report - Cannes Marketplace 2011 Kathleen Drumm, Martha Coleman and Ross Matthews



Rachael Blake, Emily Browning (bg) and Peter Carroll in Julia Leigh's *Sleeping Beauty*

## MEETINGS - MARKETPLACE

### **The Little Film Company - Robbie Little**

A boutique sales agent handling six to eight films per year. Selling *Eye of the Storm*. Robbie has a long history of working with Australian film. Approachable but DGs rarely an option.

### **Essential Entertainment - John Frenes**

Hard-working sales agent for *Red Dog*.

### **Magnolia Pictures - Laird Adamson**

Enjoying a very good market – reported good sales on day one which is unusual at Cannes. The company's catalogue splits evenly between drama and theatrical documentaries. Although fundamentally the sales arm of its theatrical distribution company, Magnolia is approachable.

### **Timeless Films - Ralph Kamp and Sarah Arnott**

A UK based international sales and packaging company. Looking for projects with universal appeal, or genre films with an interesting filmmaker attached.

### **Film Sales Corporation - Andrew Herwitz**

Small New York based sales outfit with strong US market connections. Looking for genre and able to place theatrical documentaries.

### **Arclight - Gary Hamilton**

This sales company's catalogue grows more voluminous by the day. Always approachable, particularly for quality genre with marketing hooks.

### **Summit - David Garrett**

This major UK sales company has yet to connect with an Australian film, but we remain forever hopeful. The company was realising massive presales for *Pompeii* and *Tarzan 3D*, selling out both within a few days. Any project approaching Summit needs to be either very British and smaller scale, or big cast-driven films. Having said that, David Garrett says "Never say never", if something really special comes along he will read it even if it doesn't fit those criteria.

### **Memento - Tanja Meissner**

Small but active French sales company with art house sensibilities. Approachable with director-driven material. Looks to represent eight to ten films per year.

### **Paramount - Matt Brodlie**

Meeting took place just prior to the announcement of the demise of Paramount's international operation. No wonder that Matt's demeanour was a little vague.

### **Fortissimo - Michael Werner**

Traditionally an arthouse sales company, but keen to find some quality genre. Approachable now across all genres but as is the norm, script, cast and director need to be marketable.

**E1 - Charlotte Mickie**

Strongly connected to Australia particularly following E1's purchase of Hopscotch. Projects with a strong mix of quality scripts, workable cast and established creative team may apply.

**Bankside - Phil Hunt and Hilary Davis**

UK based sales company with access to finance through associated company Headgear. Hadn't picked anything up at SPAAmart in 2010. Reported a good, robust Cannes market.

**Richard Guardian Entertainment**

Richard has split from his long standing connection to Lightning Entertainment, although he maintains an office there and has a first look deal. Richard is approachable and is particularly interested in quality genre material.

**Protagonist - Ben Roberts and Jeremy Baxter**

Small but vibrant sales company with substantial financial backing (Film4, Vertigo, Ingenious) and an established relationship with Warp Films and Madman in Australia. Approachable with the usual rules of engagement. Protagonist is pro-actively tracking Australian talent and films, particularly first time filmmakers and genre films with interesting filmmakers attached, but also bigger films. Protagonist will have a development fund in September 2011 and would like to co-develop with Australian producers.

**See Saw Films - Iain Canning & Alice Clough**

Celebrating the fantastic success of *The King's Speech*.

**Neon Park - Lex Lutzus**

New to Australia – a UK based sales and production outfit moving into funds and looking for formal co-productions with a budget range from \$3 – 5 million.

**Warp Films - Anna McLeish**

In Cannes with *Snowtown* and a strong development slate of films in the \$3 – 4 million range. Announced the next Justin Kurzel film which is a black comedy. Also developing Australian romantic comedy *The Scorer* with Shaun Grant (*Snowtown*) writing.

**Universal - Clare Wise**

Following their acquisition of UK and US rights for the PJ Hogan directed *Mental* with Toni Collette, Clare is taking a strong interest in the acquisition of several Australian projects. Approachable but projects must have high concept scripts and strong market attachments with potential to take at least \$5 million domestically. Universal has a development fund.

**Shine Pictures/New Regency – Paula Jalfron snr VP Production.**

London based production and sales company. Only looking for films that would also work in the US. Interested in remakes and adaptations. New Regency films go out in the US through big Fox. Interested in late stage development and can fully fund.

**Fandango-Portobello - Janine Gold**

Relatively new co-venture between Domenico Procaccia and sales outfit Portobello headed up by very experienced sales operator Janine Gold. No

genre need apply. Looking for quality director-driven drama and will handle seven to eight films per year.

**TFI - Nicholas Eschback**

This French sales arm of this major free-to-air broadcaster has committed a DG to our surfing film *Drift*, now in production. Large well-designed posters were on display around the Palais and Nicholas reported strong early interest.

**Level K - Tine Klint**

Small boutique sales company, working with several Australian producers and is approachable with thrillers and family films. Director-driven.

**Goalpost - Tristan Whalley**

UK sales company co-venturing with Rosemary Blight's Australian production company Goalpost Pictures. Approachable.

**Lightning Entertainment - Alexandra Coceon and Audrey Delaney**

Active in the genre market. Approachable with well-written genre material – as usual needs marketable cast and strong creative team.

**SCFilms - Simon Crowe**

UK based production and sales company looking for low budget, high concept genre and animation with clearly targeted audience. Only recently moved into above the line producing and won't put up any advances for movies they aren't producing.

**Ealing-Metro – Natalie Brenner, Nichola Martin and Barnaby Thompson**

This is a newly-formed co-venture which gives the company more financial clout as a sales agency and a more extensive slate as a production company, now being able to fully finance films and put up guarantees. Looking for quality drama with the usual marketable attachments. A busy market for them once the studio tentpoles were out of the way. Actively tracking Australian projects.

**Pathe - Mike Runagall, Colleen Woodcock**

Again, genre seems to be the name of the game as Pathe sets up an informal genre division overseen by Mike, who says he would love to find an Australian film to make. Looking for product which can support emerging talent. Pathe doesn't develop so scripts should be sent at late stage. Pathe supports quality drama of any budget and is attracted to biopics of famous people and action movies.

**Filmbox - Cedric Jeanson**

Small company giving maximum attention to two to three films a year. Approachable with quality drama with the usual attachments.

**Voltage Pictures - Nicholas Chartier**

Medium LA based sales company looking to handle seven to eight films per year. They are open to approaches from Australian producers however we are yet to consummate. They are action/ genre specialists and can only consider projects with significant attachments. Pre-sell is the way of the world – very hard to place finished films. Approachable.



**Moviehouse - Gary Phillips**

Small UK based sales company. Moviehouse is looking for genre with the usual provisos.

**Celluloid Dreams/ Celluloid Nightmares - Hengameh Panahi**

Substantial French sales company. This is another company which specialised in arthouse fare but now needs to widen the slate into genre through satellite company Celluloid Nightmares. The company is joining forces with UK sales company Film Nation. They are setting up an equity fund and splitting commissions on certain films.

**Celcius Entertainment - Thierry Wase-Bailey**

Production and sales outfit producing and selling genre. Approachable although no connection has been formed as yet.

**Intandem Film - Billy Hurman**

Mid-range UK sales company handling six to eight films per year. Looking for genre, action and drama if high concept. All the usual requests re script/ cast/ director. Approachable. MGs not an option but they can assist producers to access equity.

**Tiger Aspect – Greg Brenman**

London based production company. No longer focussed on feature films, concentrating on television.

**IFC – Arianna Bocco**

US distributor. Spoke of impression of really interesting films coming out of Australia.

**Revolver – Lucy Taylor**

UK Distributor, not afraid of a challenge, Lucy describes Revolver as “being able to make difficult films work” – but she must be able to see a clearly targeted audience. Lucy is pro-actively tracking Australian films and talent, displaying an impressive knowledge of both. No budget threshold, will look at films from \$25,000 to \$100 million.

**Belladonna – Rene Bastian**

Dynamic New York based independent production company, looking for partnerships with Australian producers.

**BBC Films - James Laurenson, Simon Gillis**

Remain interested in finding suitable UK/ Australia co-production opportunities.

**Highpoint - Carl Simons**

OK for small projects, mostly a TV focused agency.

**Salt – James Norrie**

UK based international sales company dedicated to high concept genre movies which “do what they say on the tin”. Need a clearly targeted audience.

**IFC – Daniel Dale**

UK based Sales Agency and production company with a link to Cinetic Media. Tracking Australian films, will get involved at any stage.

**Film4 – Lila Rawlins**

Film4 develops director-led films for the UK market, with international success being a bonus. Develops most of their films in-house so limited opportunities for Australian producers, however they do track Australian directors to place on the films they develop in-house.

**Optimum Films – Jenny Borgars and Dan Macrae.**

Production arm of the UK distribution company associated with Pathe. Developing a range of projects and keen to co-develop with Australian producers. Looking for commercial projects at an early stage, either lower budget or high, no mid. Talent an important component of the package and will look to attach an interesting filmmaker to a traditional genre pic.

**K5 – Erica Motley**

International Sales Company. Very effective at tracking Australian talent and projects. Shared observation that overall budgets are lower and everything is genre. There were no coming-of-age films selling. All drama had genre elements. Trend is hyphenated genre, with rules being broken in a smart way.

**BFI London Film Festival – Andrea Bigger**

Working on raising the profile of the festival and now has a competition with awards on the closing night.

**Scott Free – Jack Arbuthnott**

Ridley Scott's London based production company. Wants to repeat producer internship placement for September 2011.

**Jonathan Cavendish**

Entrepreneurial producer setting up the world's biggest motion capture studio in London with business partner actor Andy Serkis ("Gollum"). Has a development fund, interested in co-developing motion capture films.

**Arsam – Ilann Girard**

Executive producer of *March of the Penguins* and produced the Venice Lion winner, *Lebanon*. Has expertise in pulling together international finance.

**Toronto International Film Festival – Jesse Wente, Noah Cowan, Jane Schoettle**

Plan to select a series of international indigenous works, with a view to screening them June - August 2012. The selections will cover the evolution and representation on screen of indigenous cultures. The Festival has reduced its program to around 300 films and remains focused on securing world premieres wherever possible.

**Tribeca Film Festival – Geoff Gilmore**

The former head of Sundance is now running Tribeca. He is pursuing a new model combining the festival and distribution, allowing for day and date US release of films with a Tribeca premiere.

**Venice Film Festival – Paolo Bertolin**

We have been developing a closer relationship with this Festival over the last year

**MEETINGS - FINANCE/ AGENCY****Canada - Myriam Brocka**

Film and Video Policy and Programs, Culture Heritage, Canadian Government. Involved in the Canadian/Australian treaty re-negotiations.

**Telefilm Canada – Carolle Brabant, Brigitte Monneau**

Have signed 53 international co-production treaties. Has a new Innovation Fund.

**Malaysia - Adam Ham, Mohd Mahyidin Mustakim**

To discuss the impending treaty with Malaysia.

**Singapore - MDA: Kenneth Tan, Kristin Saw, Emily Ong, Tan Chee Wee**

To discuss the business of film and co-production opportunities in Singapore. 15-20 Singapore films are made yearly and approximately 800 films are imported. Want to form closer ties with Australian producers.

**Ingenious - Nick Bower**

Ingenious have recently restructured into three separate divisions: Media, Clean Energy, and Sports & Leisure. They are relying less on tax-driven investments and using more general commercial fundraising, although for film sole trader, EIS and LLP schemes are still in use. Nick has been promoted and runs the media division. They will cashflow offset and discount pre-sales. As yet, no gap loans available, however they are considering moving into the area.

**Prescience – Paul Brett**

An integrated media company focusing on film production, financing and international sales. Can provide gap and equity, \$15million budgets are a good area for them. Financed *The Kings Speech* and looking for more Australian films.

**National Bank of California - Adrian Ward**

NBCal remain approachable for cashflow loans and discounting of pre-sales.

**Cinema NX – Marc Samuelson, Steve Christian.**

\$100million fund backed by the Isle of Man government to encourage filming on the Isle of Man. 50% of shoot must take place on IOM regardless of % of IOM investment. They make 4 – 6 films per year, occasionally fully funding. IOM not being part of UK would make this difficult to work for Australians as co-pro given shoot requirements. IOM has good diversity of location/terrain, good studio facilities but no post production facilities. "Perfect for period films".

**Quickfire - James Atherden**

Interested in working with Australian projects.

**Skill Set – Dan Simmons**

UK's government funded training and professional development organisation. Provides training in five key areas of the film industry: New Entrants, New Technologies, Creative Talent, Business Skills and Health and Safety.

**Casarotto Ramsay – Rachel Holroyd**

Major UK talent agency. Swapped notes on emerging and established Australian talent based in the UK and Australia.

**Berlinale Co-production Market – Sonja Heinen**

Strategic meetings for producers with 70% finance raised. Must have done one international co-production in the past. Projects must have budgets between \$2 – 20 million. 700 applications received worldwide, 35 selected. Sonja match-makes the meetings for participants so they are strategic. Has 40% outcome rate.

**International Film Festival Rotterdam/Cinemart – Marit van den Elshout and Jacobine van der Vloed**

An established project development lab in the Netherlands which puts together advanced projects and possible investors. Keen to develop closer ties with Australia.

**Ontario Media Development Corporation – Karne Thorne-Stone**

After a series of meetings at previous markets, we were introduced to Karen who is the President and CEO of this agency which promotes Canadian producers.

**SPAA – Tony Ginnane**

We discussed increased costs of participation at MIP and MIPCOM. We followed this up with a meeting with Reed who have made some modest allowances for our needs.

**William Morris Endeavour – Chris Rice**

Part of finance wing of WME, representing 40 financiers and looking at new distribution models.

**Screen South – Jo Nolan**

Funded by BFI. Wants to create programs to encourage co-development with UK and Australia.

**Sundance Film Lab – Alesia Weston**

Discussed Sundance consulting on Screen Australia's Springboard Program to bring in more director-focus to the design and teaching of the course.

**Irish Film Board – James Hickey**

James is the new CEO of the Irish Film Board and we spoke about the challenges of his new job and ways to bring our industries closer. We introduced him to Katriel Schory from the Israeli Film Fund.

**BFI – Isabel Davis**

All Lotteries funding (UK£40M) has moved across from the UKFC to BFI. The BFI will continue to do development. It is maintaining the P&A Fund which supports the UK release of not just British, but foreign art house films. They only recoup against theatrical and provide soft loans. They also have funds for Innovation, Stability and Regional development. Expect to invest in 15 – 20 films per year via the central Film Fund (UK£18M), most likely not investing more than UK£1M per project. Recoupment goes directly to the Film Fund.

**Film Fyn Denmark – Lars Hermann**

Denmark produces around 25 films per year (represented by two in competition at Cannes). Denmark has around 25 – 30% share of their local box office and won the Best Foreign Film award at this year's Oscars for *In A Better World*.

**ACE – Noemi and Ronin Girre**

Organisation expressly concerned with the connection between international producers. Very strong alumni which seems to work effectively for networking and exchange of information. First Australian included was Vincent Sheehan in 2010 (funded to attend via Screen Australia's Marketing Program). Has a collaboration with the Toronto Finance Forum via the Ontario Media Corporation.

**UTA - Bec Smith**

Agent representing Julia Leigh (*Sleeping Beauty*) and Justin Kurzel (*Snowtown*). Focussed on representing Australian writer, directors and producers in LA. Can assist with packaging films.

**SEMINAR****Keeping up with Technology**

Panel of indie film innovators included Jon Loughner who is head of Monetisation for Facebook. Spoke about hybrid models for distribution towards multi platform but a lot of debate about windows, ultimately stressing the need to preserve and protect the revenue flows from these. Mentioned the importance of social media, youtube, facebook, *Life in a Day*, key influencers like Jon Reiss – and it was good to see we are right on target on all this. Big issue was lack of transparency on VOD stats, where money now flowing especially in the US. Panellists stressed don't give your film away (online), if consumers believe they can buy film too cheaply or have it for free, it's harder to maintain pricing. Jon Loughner stressed that if you want to build an audience of followers via social media 'do cool stuff and don't just *tell*' and avoid a constant diet of sales messages.