

Screen Tasmania

Submission to Screen Australia's Enterprise Funding Review

Executive Summary

As a funding agency based outside of the major capitals of Sydney and Melbourne, Screen Tasmania is acutely aware of the challenges and obstacles facing regional production companies - both emerging and established - to realise their ambitions to generate production activity and build sustainable businesses in regional Australia, and in doing so contribute to telling the stories of regional Australia for a national and international audience.

In seeking to address the specific issues faced by regional production companies, Screen Tasmania is proposing a Regional Enterprise Program Option for consideration by Screen Australia when determining the future of the Enterprise Fund.

Such an option would have the objective to proactively support regional companies and help to underpin regional production by addressing and countering some of the specific challenges faced by the regional industry including: poor visibility within the general industry; limited opportunity to network and build relationships with the marketplace that is largely based in Sydney and Melbourne; challenges to forming creative and business collaborations and partnerships; absence of industry knowledge and expertise provided through tertiary training and hands on production activity, small overall size and scale of industry reflecting the smaller capability and capacity of regional industry.

Given the success of Enterprise Funding to grow companies such as Matchbox Pictures and Essential Media to bring a number of industry professionals together to form strong creative and business collaborations, it would undoubtedly be of benefit to regional companies to incentivise the forming of partnerships with both companies interstate and intrastate.

Screen Tasmania encourages Screen Australia to take a wide and national view of the Enterprise Program and to recognise that regional companies are generally smaller and less likely to be able to reach the current requirements of the Enterprise program and yet with some level of assistance can be facilitated to grow and contribute both creatively and economically to the national screen industry.

Background on the screen industry in Tasmania

When Screen Tasmania began in 2000, the screen industry in Tasmania was almost non-existent. There was no dedicated Government funding agency in the period after the closure of the Tasmanian Film Corporation in 1983. As a consequence, the Tasmanian industry is still relatively young in comparison with other states.

The local industry is largely typified by:

- two established mid-size production companies who employ more than five staff, (in production this expands to + 50) with a focus on animation, documentary and digital media;
- four or five service-based companies largely in the area of post-production;
- approximately six or seven smaller companies made up of one or two individuals operating under business names or as sole traders; and
- approximately 800 to 1000 sole traders or individuals involved in technical and creative areas at various points in their career development.

There is a marked lack of producing expertise, specifically entrepreneurial skill, business acumen, marketplace and industry networks and actual production expertise.

Screen Tasmania over the past three to four years has strategically focussed on increasing production activity as a way in which to help underpin business sustainability, most specifically by

encouraging long form drama and factual entertainment and digital media production. In addition, Screen Tasmania has sought to foster creative and business collaborations on a project-by-project basis. This strategy is beginning to produce results with the impending announcement of the eight part blue chip television drama series *The Kettering Incident*, the result of a collaboration between Tasmanian writer Victoria Madden and Sydney producer Vincent Sheehan of Porchlight Films. The web series *Noirhouse* recently funded by Screen Australia, is also a product of a creative cluster from writer, producer, director team *Sky Machine*.

Whilst Screen Tasmania has fostered many collaborations on a project-by-project basis it is clear that fostering partnerships and collaborations at a business level has the potential to grow Tasmania's industry exponentially through building companies that will become employers. Generating jobs is a major focus for Tasmania's economy and drives much of our strategic thinking.

With limited funds Screen Tasmania's capacity to foster industry growth at an enterprise level is somewhat constrained, nor do have the same breadth and scope of influence that Screen Australia encapsulates. However we recognise that Enterprise support has the potential to assist this small regional industry to expand and mature, and build on the exciting emerging talent that currently exists.

One company in Tasmania has received SA Enterprise funding (Roar Film in Group 1, 2009), and based on current eligibility requirements only one other company, Blue Rocket Productions (BRP), would be eligible.

We would therefore recommend a review of the eligibility criteria and the creation of a dedicated regional program to assist regional companies and clusters gain access and support through the Enterprise Program.

Response to the Review Questions

Big Picture

What would be the best possible outcome from Enterprise Funding?

- To increase production activity in Tasmania and thus improve sustainability of businesses in the State.
- To assist two to five local companies develop their slate and attract production partners.

What are the areas of greatest potential?

- Digital media (games, apps, trans and cross platform), long form TV drama, factual and formats.

How will we know it's worked?

- An increase in the screen industry sector's contribution to GSPs and GNP.

Key Learnings to date?

- That diversification of production companies' output, collaboration between businesses and an increase in scale are strategies that work to increase sustainability.

What's worked well?

- It has built critical mass, increased international collaborations, reduced risk for buyers but also allowed companies to take more risks with content development.

What could have been done better?

- Engagement with regional companies – Sydney does not have a monopoly on creative talent.

What has been the impact?

- SA Enterprise-funded businesses have held a dominant position in the marketplace to the detriment of emerging and regional producers.
- There has been little 'trickle down' effect in Tasmania, apart from Roar Film working with Wild Fury. The deal between Vicki Madden and Porchlight was done before Porchlight received Enterprise funding.

How do we know when the program has reached market saturation?

- ?

Should Enterprise continue in the same way? Should commercial investment be essential?

- See our new regional Option below

Should the emphasis be shifted to new activities for existing companies or new partnerships?

- Both

Should funding be open to unique proposals from any able company addressing a set of priorities from SA?

- Yes

Flexibility?

- Yes – to some degree

Program Operation

Is 4% of development/production funds appropriate?

- ST proposes a Regional Enterprise fund of \$1.5 million per year. This could be in addition to Enterprise Funding or taken from the existing allocation.

Should Enterprise funding continue as a grant/loan combo?

- ST thinks that it is fair for SA to recoup any project development allocation within Enterprise funding from any subsequent SA Production Investment.

Should the track record eligibility criterion be maintained?

- No – not applied in the same way for regional companies with smaller resources and slower growth. The criterion needs to be revised – but some track record should be required.

Should only companies that can't raise capital be eligible (i.e. established companies funded to undertake development activities in order to diversify)?

- Not at the expense of regional companies.

Should sole traders be eligible?

- No.

Should screen service/support companies also be eligible?

- Only if the aim is to increase production.

Options

Comments on Option 1

- ST supports establishing alliances and embedding personnel between Australian and overseas partners and, indeed, most of the outlined strategies.
- Surely screen companies are constantly identifying and engaging new audiences as part of everyday development.

Comments on Option 2

- “Young” is ageist – perhaps “emerging” is a better term.

Comments on Option 3

- Do the Activities mentioned here duplicate other SA programs and those of the Screen Agencies?

Summary and Recommendation

There is a wealth of talent and stories that exist in the regions of Australia that are just not making it to our screens – large or small. There is an authenticity and veracity to such stories that come from small regional places, that yet have a universality that resonate with audiences worldwide.

It is our role to identify gaps in existing mechanisms and to address the areas of lack, where we can be most effective in making a difference and it is our view that by Screen Australia dedicating some funding to a Regional Enterprise Program could generate an exciting response in the national industry.

Screen Tasmania’s view then is that when reviewing the Enterprise Program, a multi-faceted approach should be applied in acknowledgement that a “one size fits all” approach is not going to generate the outcomes that we are seeking.

We would therefore propose an additional Option 4 – Regional Enterprise Fund.

This Option should be designed to be a game-changer for regional companies, to assist them to set up collaborations – either with interstate companies or to enable intra-state clusters

- To fund nine regional places (distributed evenly throughout TAS, SA, WA and Qld, with one place per year for ACT/NT) with each place receiving between \$100k and \$150k per year for three years.
- Funded regional companies must have a slate of projects of sufficient quality to attract the interest of development partners or have options on such projects.
- Eligibility criteria to be at a level appropriate and reasonable for regional companies.
- Business planning and employment facilitation support to be provided.
- The Regional Enterprise funding support would mandate that funded companies seek interstate partners; cluster with intrastate companies or sole traders; or both – depending on the projects contributed by the funded business or cluster member.
- Existing Enterprise companies might receive additional incentive funding to partner with a regional company for example.
- The fund support could also be used for:
 - Production of marketing materials
 - Travel to identify and negotiate with partner company or companies
 - For intrastate clusters, support for employing a producer, manager or office support worker
 - The company’s legal fees involved with partnership contracting/SPV setup
 - The company’s travel to maintain the partnership(s)
 - A limited amount of project development funding (convertible to a loan)

Despite the obstacles faced by regional screen industry, Screen Tasmania has demonstrated most effectively that through providing targeted and bespoke support, regional industry growth can be facilitated, thereby resulting in increased production activity, growth in employment opportunities, economic spend in the regions, and the production of unique stories that resonate in the international and national marketplace.

Thank you for the opportunity to contribute to this review. Screen Tasmania would be delighted to discuss our submission further at your convenience.

Yours sincerely

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Director, Screen Tasmania