



RESPONSE TO THE ENTERPISE PAPER

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ABOUT THE AUSTRALIAN DIRECTORS GUILD

This submission is made by the Australian Directors Guild (ADG), the industry association representing the interests of film and television directors, writer/directors, documentary filmmakers, animators and independent producers throughout Australia. Formed in 1980, the ADG has over 700 members nationally. These members include directors in feature film, television drama, documentary, animation and new media. They include some of the highest profile director in the world including BAZ LUHRMANN, PETER WEIR, GILLIAN ARMSTRONG, FRED SCHEPISI and PHILLIP NOYCE to name a few.

The ADG works to promote excellence in screen direction, to encourage communication and collaboration between directors and others in the industry, and to provide professional support for its members. It maintains a high profile and leading cultural and policy role through its efforts to address issues affecting the industry from a broad perspective.

The ADG is affiliated through the International Association of English-Speaking Directors Organisations (IAESDO) with the Broadcasting, Entertainment Cinematograph and Theatre Union (BECTU), the Directors Guild of America (DGA), the Directors Guild of Canada (DGC), Directors UK, the Screen Directors Guild of Ireland (SDGI) and the Screen Directors Guild of New Zealand (SDGNZ).

The ADG is also a member of the Copyright Council.

EXECUTIVE SUMMARY

The ADG supports the development of the Enterprise Scheme as a viable way to support screen businesses. It understands the rationale behind the injection of funds into companies rather than projects as an efficient way to support the industry. There is no doubt that the Enterprise Scheme has made businesses more sustainable and increased their output.

The statistics and information provided in the paper “Enterprise Funding: Program Review & Future Options clearly shows that the injection of funds into these variety of companies supported by the scheme has been successful in growing businesses and increasing output.

In discussing the scheme with various members of the ADG, in particular, directors who work in documentary, those who have approached Enterprise companies and those that have worked for them have found a number of issues in regards to IP and in the development side of the businesses. These can be summarized as follows:

- Directors who have taken ideas or projects to Enterprise Companies have found they would lose control of their idea or have it taken over completely by the company;
- This has discouraged the individual director from approaching Enterprise companies with projects and ideas;
- The result is a continuing decline in the rate of single documentaries being produced. Since the establishment of Screen Australia and the introduction of the Producer Offset in 2007-08, average annual hours of documentary made by production companies have increased by 34% on the previous five-year period, to 311 hours. Documentary series hours comprise more than 76% of that annual average; single documentaries fewer than 24%.
- In 1997-98 71% of total documentary hours produced by production companies were single documentaries. A decade later the proportion had fallen to 30%. By 2011-12 fewer than 23% of total documentary hours were single documentaries.
- The Enterprise Scheme has fuelled this decline in one-off documentary as these companies compete with larger more well established companies like ENDEMOL (nee Southern Star), SHINE, FREMANTLE and GRANADA for a share of the series pie;
- In regards to feature directors the lack of development support for experienced directors except through producers needs to be addressed;

In relation to recommendations for the programs future, we fully support the idea of expanding the program to support screen businesses that do not neatly fit into the current guidelines. In particular the documentary producer/directors and feature film directors who are working on single projects and may not have a diverse slate. This, we believe would help to support the one-off documentary makers and feature film directors that are unable to get support from the existing companies without losing their IP and recognise that a lot of content creation lies outside of the mainstream.

Senior feature film directors who work from one film to another both here and overseas are one group who would be able to best utilise the idea of a “Gap” Enterprise Scheme as they are unable to get their projects developed under the existing schemes.

Whilst the ADG is a supporter of economic development in the industry we also feel that the cultural remit of any scheme that Screen Australia supports must be given equal weight. At this present juncture we feel this is missing from the Enterprise Scheme.

CURRENT ENTERPRISE SCHEME

The ADG supports the development of the Enterprise Scheme as a viable way to support screen businesses. It understands the rationale behind the injection of funds into companies rather than projects as an efficient way to support the industry. There is no doubt that the Enterprise Scheme has made businesses more sustainable and increased their output.

The statistics and information provided in the paper “Enterprise Funding: Program Review & Future Options” clearly shows that the injection of funds into the variety of companies supported by the scheme has been successful.

Documentary

In discussing the scheme with various members of the ADG, in particular, directors who have approached Enterprise companies we have found a number of issues have been raised in regards to control of IP and the willingness of Enterprise companies to look at one-off proposals. Even directors taking series to these companies have been deterred as they are usually told that the companies have similar ideas already on the slate.

Many of the Enterprise companies do not see the one-off documentary as a viable business and therefore do not develop them. The reasoning is purely economic and they admit that this is the overriding decision when it comes to the projects they develop.

The result is a continuing decline in the rate of single documentaries being produced. Since the establishment of Screen Australia and the introduction of the Producer Offset in 2007-08, average annual hours of documentary made by production companies have increased by 34% on the previous five-year period, to 311 hours. Documentary series hours comprise more than 76% of that annual average; single documentaries fewer than 24%.¹

Since the inception of the Enterprise Scheme this decline in one-off documentaries has increased. In 1997-98 71% of total documentary hours produced by production companies were single documentaries. A decade later the proportion had fallen to 30%. By 2011-12 fewer than 23% of total documentary hours were single documentaries.²

The Enterprise Companies are clear about the way they sustain their businesses and they also demand a great deal from anyone coming from outside their company with IP. In many cases we have been told that they require full ownership of the IP to enable them to take on the project. They are

¹ Strewth: everything you always wanted to know about the one-off documentary but were afraid to ask by Sharon Connolly. AFTRS 2013. p.5

² Ibid. p.5

happy to engage the director to work on the project but simply as an employee.

The flow on effect of this is that fewer and fewer directors are taking projects to the Enterprise Companies. Their alternative is to compete with these companies for a limited market mostly without success.

So while the economics of the Enterprise Scheme are clearly a win for the companies, the loss of diversity in our filmmaking is the consequence.

Feature Films

We have noted that the majority of Enterprise support has been going to companies that are firmly based in television production. It is only recently that companies like PORCHLIGHT have been able to become Enterprise companies. We applaud this and hope that more companies working in this area will be supported.

We believe one of the reasons for this slow take up is that most feature film producers, like their counterparts in documentary are often working in small companies with less infrastructure and a different approach to business. ". They work from project to project and usually have several projects on the go at once until one takes off. This has been the traditional way Australian producers and directors have made feature films and arguably why there has been a rich and diverse range in our feature film production. However there is a group of Australian directors who would like to develop Australian projects but are unable to secure early development finance from organisations like Screen Australia. These very experienced Filmmakers see no opportunity or encouragement to develop Australian projects.

In one of our member's case they would not have been turned down for this type of support if they had brought on an experienced producer even though this was not required at the stage that the project was presented. The lack of understanding for the creative process has discouraged many experienced directors from developing projects in Australia. This is reducing Australia's capacity to tell its own stories with some of the best Filmmakers in the world.

FUTURE OPTIONS

Given that structural change to address the above issues does not solely lie within the remit of the Enterprise Companies it is worth trying to address some of the issues that the scheme has raised. In particular, the lack of support for one-off filmmakers both in documentary and feature film production.

There is no doubt that an improvement in the way Enterprise Companies deal with independent directors and producers who are seeking to engage with them on project development would be desirable. Not all companies are the same and so it is probably not possible to develop guidelines specifically to solve this problem. But it would be worth engaging with the companies to see if they are able to develop partnerships with filmmakers that share the IP of various projects and enable them to develop and pitch one-off ideas that they

can keep some control of in both the development and production, a sort of “Enterprise Partner” agreement.

We would also support the further investigation of “Gap Enterprise” that would target these filmmakers who in many cases only develop single projects whether they are features films or documentary.

Members of the ADG who work as feature film directors are always developing a multitude of projects and are always looking for production companies or producers to come on board to satisfy the development guidelines of Screen Australia. It seems absurd that directors of international standing cannot qualify to get development funding from Screen Australia unless they have a suitably acceptable producer on board. This deters directors from developing projects in this country.

This happens in the early stage of project development when a director is optioning a book or engaging a writer to start on an idea they may have developed or are writing the first draft of a script themselves. They cannot take the project to a company at such an early stage and they do not want to engage with a producer.

So what is the answer?

One solution to this would be the introduction of the suggested “Gap Enterprise” that would support directors of a certain standing to develop slates of projects. This could also apply to the one-off documentary directors who have small companies that produce some of the most exciting and diverse documentaries in the country. Filmmakers like Bob Connolly, Tom Zubyrcki, Jessica Douglas-Henry to name a few.

All of these filmmakers whether they be feature film directors, documentary directors or documentary producers have small viable businesses that have established themselves as leaders in the development of exciting and culturally diverse films.

IN CONCLUSION

There is no doubt that the Enterprise Scheme has increased production capacity. But it is also clear that it is undermining diversity and restricting the development of individual voices. New pathways need to be developed with Filmmakers to work with Enterprise companies, otherwise a “factory” system of screen production will become standard and the uniqueness of the Australian voice will be lost.

I would like to quote some ADG members who have been interviewed by Sharon Connolly for her analysis of one-off documentaries.

The big companies are based in Sydney and to a lesser extent in Melbourne. They're not interested in projects with big travel costs, they may have their

own post facilities or deals with post production houses, restricting filmmaker choice and ultimately squeezing smaller post companies out of the business. There is a sense that less and less money is going on screen and more into infrastructure.³

They tend to prefer younger producers/directors who may be more compliant. I also want more control over the budget than can be offered in partnership arrangements that might require me to use, say, particular post production houses and facilities.⁴

...it is true that the system that's been designed via the enterprise system has worked. It has the corresponding effect of preventing new people making work in which they have equity, or indeed any creative control...I'm discouraged when talented young people...end up finding it a further inhibition to pursuit of their own projects. Small producers of one off documentaries have been structurally excluded from the system.⁵

The current model in Australia encourages filmmakers to create documentary factories, with a slate of films that cover series, reality television and the odd single documentary. Whilst this works for some, it doesn't and shouldn't work for all....it would be a disaster if this rationalisation comes at the expense of the independent documentary filmmakers, who prefer to focus on one off social impact stories.⁶

Kingston Anderson
Executive Director
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³ Trevor Graham quoted in "Strewth: everything you always wanted to know about the one-off documentary but were afraid to ask by Sharon Connolly. AFTRS 2013.

⁴ Pat Fiske. *ibid*

⁵ John Hughes. *ibid*

⁶ Ian Darling. *ibid*