

A Screen Australia Enterprise submission from Iguana Films Pty Ltd.

### **Introduction:**

This submission is from Iguana Films P/L Sydney and focuses on the efforts of a small player in the production game to remain a viable business. Since the Enterprise funding six years ago both myself and fellow director, Paul Roy, have found it very difficult to develop our slate of new projects - despite strong interest from broadcasters.

Below is a three part summary of the difficulties our business has faced since 2010 – a situation I would attribute to a number of factors but most pertinent is the lack of access to the former General Development Fund to support our slate.

In addition, I will go through the discussion checklist from Screen Australia (SA) that highlights the business success of the Enterprise companies and highlights how a small company has endeavoured to use the same business strategies but how, in contrast to the enterprise companies, our efforts have been stymied by lack of a cash flow. Our decline in business points to a major difference – we have worked towards the same business objectives but without the benefit of a business loan, an angel investor to kick start the process, nor an enterprise grant to allow the initiatives to breathe and flourish. This is the single most important factor in the health of our business. The old adage: *you need to spend money to make money* - springs to mind.

### **Background:**

History : From 2000-2006 Iguana (Aust) benefits from the General Development Investment. We were twice recipients and it marked our busiest production period with a one off documentary or a series produced every year. We also continued our current affairs and educational output and we were a small but busy production house with good cash flow and profit. (Our overheads are low as we are only two principals and one production assistant with other team members employed as freelancers).

On the strength of our profit and good record of commissions we opened as second office in NZ where principal, Paul Roy, has long connections . This second company has been very successful, both in NZ and Asia and now, a decade later, the Iguana NZ company is doing significantly better than Iguana Aust.

Although we had an Australian commission in 2010, and since then have been recipients of Screen Aust funding for development on at least two projects a year - none have proceeded to full commission. It seems that the broadcaster 'eye of the needle' has contracted. Or, I would suggest, we can no longer compete with the development funding and cash flow poured into competing projects from the Enterprise programme companies. They get to the broadcaster faster than us and with projects more fully developed. We then look very much like the poor cousins in the commissioning process.

In an effort to strengthen the development process I joined a producer support programme at Beyond Screen, an offshoot of Beyond International. There, with colleagues Ron Saunders and Mark Hamlyn, I used their facilities to develop a small joint development slate. Some success was achieved with this with the ABC maintaining support for a series on the Australian Defence Force (*Warrior Women* ). Also, a development period with SBS and Screen Aust. support, for a history project . However, after a period of intense development, SBS did not proceed to a commission. This last project was also a collaboration with Melbourne producer, Anna Grieve.

In addition, Iguana and Beyond Screen secured funding to the Asian Side of the Doc. under the Enterprise fund in 2013. New business relationships with both Malaysian and Taiwanese

companies followed with plans for co pro. This was a great help in opening up contacts with new broadcasters and producers but it will take several years to come to fruition.

In addition to the Beyond slate Jenny Ainge (JA) has also been developing a new Arts project with good signs of a commission through Mandy Chang at the ABC. This is in collaboration with fellow producer, Mick Angus and writer Geordie Williamson.

### **Submission :**

#### **Practical Problems:**

There are no fees attached to my development work with Beyond Screen. Last year was abysmal in terms of producer fees. In fact , if it were not for a very good royalties cheque from Screenrights, at the end of the year, I would have earned less than the basic wage. This is the poorest earnings year in twenty-five years in business. I would argue that these results in no way reflect a lack of effort or commitment in presenting lively and interesting proposals to broadcasters. Rather, what seems to be happening is that there are two tiers of producers emerging, with Enterprise recipients being much better resourced. This results in an unlevel playing field. In summary: Development funding is my issue.

#### **The Remedy :**

Development funding to be accessed under a faster system than the usual SA development rounds.

As the Enterprise companies do not have to spend time doing the SA applications, or, trying to get letters of support from Broadcasters, their programme pitches arrive fully developed (20 pages plus) with a teaser prepared by a dedicated pitch producer. How can small companies compete with these resources?

Iguana suggests a group of small companies banding together to share a development fund. The gateway could be broadcasters – whether they are an Australian or overseas broadcaster (and I use broadcaster in the loosest meaning of the word - it could be SMH TV, British online portals, Aust Free to air or international pay TV channels- any ‘broadcaster’ interest could trigger significant development funding).

Further suggestion : The UK system, where large organisations incubate small players to nurture and support them. Essentially they are **investing in small producers** – this seems a good model to follow. In return the larger company takes a percentage of your profit, but this arrangement leaves the creative producer to concentrate on the creative work, not the legal or financial issues.

This is the system under which my friend and colleague, British producer, Nichola Hegarty, (BAFTA winning producer for reality show *The Only Way is Essex*), has established her own company and a new development slate as an independent.

#### **Below are my comments to specific points raised in the Screen Aust Enterprise discussion paper:**

##### **- Alternative-funding models may be more appropriate at different stages in the development of the sector.**

Yes, and as a small company we are endeavoring to meet as many new partners as possible. We travel, at considerable cost, to AIDC, and occasionally, to Science Congress, internationally. Also, Skype and email internationally every business day in our efforts to create :

*new revenue streams into the sector, whether through the exploration of offshore markets, co-productions/co-financing, format sales, harnessing new audiences (eg genre-based production such as natural history, children's programs), or innovative new production or distribution activities embracing online opportunities.*

**- Collaboration has been acknowledged as a key plank in ongoing business**

Yes . We have linked in with Beyond Screen and also the online portal: BigStories – joint projects are underway but there are no fees for JA as Producer until they are funded.

Ditto we have moved into Sydney University looking at a joint venture model to produce current affairs and documentary stories online for the new world class Charles Perkins Institute.

In addition, I have a good working relationship with overseas producer Nichola Hegarty in the UK and we speak regularly to see if there are any synergies in our development slate or possibilities for co pro.

These are all sensible business initiatives but I cannot keep moving forward with these without development funding, or, by raiding the coffers of the NZ arm of the company to support my Australian efforts.

**- Benefits should flow to the broader industry: The program overall should deliver benefit to the industry as a whole, not just the funded companies.**

Yes, in principal but often we do not want to take our original ideas to the enterprise companies. As we are already working with Beyond Screen I feel a loyalty to that company but they are not funded by Enterprise and cannot pay me . It is a bit of a Catch 22.

Overall , as a producer, in this present climate, I feel hamstrung and unable to take risks. I am busy just surviving while trying to move projects forward. I have to rely on Iguana NZ and my husband, Paul Roy, and his profitable contracts with Al Jazeera English , to keep me afloat.

**- Should funding be open to unique proposals from any able company, including already sustainable companies, addressing a set of priorities outlined by Screen Australia?**

Yes - this seems a good suggestion. Some terrific programme ideas are slipping past - ideas that could appeal to international broadcasters, but help is required. Can you have an enterprise arrangement where we can pitch directly to a fund where we can share funding?

**- Introduce new revenue sources into the Australian market, through collaborations with or finance from new sources, such as international, private sector or philanthropic.**

Yes. We are trying for philanthropic funding through personal contacts and the Documentary Foundation. I tried to interest the London based advertising and production company, Hogarth Worldwide, in moving into content production. Although they were interested in the idea ultimately they decided it was best if they stayed with their core advertising and re-versioning businesses. I will continue to pursue other London based connections.

I will also follow up with an Australian producer on a drama project that is in a very embryonic stage.

**-Embedding personnel between Australian and foreign partner companies**

- **\_Build the capabilities of Australian companies.**
- **\_Establish new models for distribution, IP retention and exploitation.**
- **\_Identify and engage new audiences.**
- **\_Identify opportunities for online content.**

Yes, keen to take part in something like this (see above and approaches to Hogarth Worldwide). I already have good relationships with a handful of British producers but so far we have not found the right concept or story to develop. I remain optimistic.

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