

COMMENTS ON SCREEN AUSTRALIA'S NEW DOCUMENTARY GUIDELINES

From Sally Ingleton 360 Degree Films

ABOUT 360 DEGREE FILMS

360 Degree Films is a small but highly active documentary production company based in Melbourne. Over the past 8 years we have made programs for ABC and SBS as well as many international broadcasters such as BBC1, PBS Nova, PBS Nature, Arte France, France TV, ZDF, RTE, National Geographic Television, plus several small European stations.

Our documentaries cover many genres but in recent years we have specialised in science and nature programs such as PENGUIN ISLAND, DEVIL ISLAND, ACID OCEAN, SEED HUNTER and AUSTRALIA'S GREAT FLOOD.

As sole Managing Director of 360 Degree Films, Sally Ingleton has built a strong reputation with international partners and distributors.

360 Degree Films has been a recipient twice of Enterprise Asia in 2013 and 2014.

REFLECTION ON CHANGES IN THE DOCUMENTARY INDUSTRY OVER THE PAST 25 YEARS

I have produced and directed documentaries for the past 30 years. In that time there have been many different Federal support and subsidy structures for funding Australian documentaries from the Australian Film Commission, the FFC and now Screen Australia.

I remember the beginnings of the FFC and how hard it was to get creative projects supported as everything was about 'the deal', with decisions often being made by bankers.

With the introduction of the Accord documentaries in 1994 there was a funding pathway for single hour documentaries with Australian content. The broadcasters embraced this scheme and many terrific programs were produced.

Once a producer received an Accord presale from the broadcaster it was possible to proceed with certainty. But there was one drawback – from memory - the broadcaster could pay whatever licence fee they liked and this meant that often budgets were extremely low resulting in production teams working for low fees.

There was another shift when the Australian Film Commission ceased being involved in marketplace funding for documentaries. Those creating auteur projects without TV interest went through the AFC and there was often funding for only 2-3 projects a year.

This coincided with a push to get filmmakers out of their kitchens and into creating viable businesses. Producer packages and business loans became commonplace and documentary producers started to travel to international markets in big numbers. At the same time there was a move from broadcasters to commission more series as a way to attract dwindling audience numbers.

By the mid 2000's the FFC was under a lot of pressure as many producers had projects that were eligible for funding support, yet there was not enough funding to support all those who were eligible. There were a couple of years when almost the entire documentary allocation was used by the second meeting of the financial year (usually in September). This meant that producers had to wait until July of the following year to get their projects financed. Any story that was topical, time critical, or had a foreign presale got scrapped as the funding path took too long.

Following industry concern the FFC introduced set allocations for each funding round (approximately 4-5 rounds per year). Whilst this meant there was money at each round, the ask was always more than what was in the pot. Each round was like a Russian Roulette with broadcasters offering more presales than what money was available. It was left to the FFC to decide which projects got funded. If you missed out then often the presale offer lapsed. It was a very stressful time for producers.

Again the FFC responded to industry concern and introduced set broadcaster allocations as 'funding doors'. This meant there was an acknowledgement as to the importance of home grown stories as well as recognition that in order to create a healthy industry Australian producers also needed to work globally. Broadcasters knew how much money they could spend and there was better management of their slate.

For once producers knew whether or not their project would be supported.

This certainty was important when dealing with international partners as it meant they could commission projects in the knowledge they would proceed rather than having their commitments tied up for months only to learn the project could not get through the FFC. Producers working in the international marketplace soon realised that the main genres that were being commissioned were nature and science. By the late 2000's many of us were raising 30-50% of our budgets from overseas broadcasters.

I am mentioning all these changes to reinforce how the Australian documentary industry has grown and is now recognised globally. I recall attending Sunnyside of the Doc in 1996 and I was one of only 4 Australian producers there. The international broadcasters knew nothing about the Australian industry. Nearly 20 years on and any international market can have up to 50 Australian producers all busy doing deals (eg World Congress of Science and Factual Producers). Screen Australia has nurtured many of us along the way to succeed in the international marketplace.

ADVANTAGES OF CURRENT SYSTEM

Producers accept that there is never enough money to meet the demand.

The advantage of the current system is that broadcasters know exactly what funds they have access to and there's a clear allocation for both domestic and international door projects. **This offers producers stability and certainty.**

For those wanting to make programs without a broadcaster there is a generous Signature Fund allocation with rounds twice a year. These projects can also apply for the producer offset or the PEP.

PEP

By introducing the 20% PEP for projects under \$500k producers know they have 20% of their budget right from the start. This is a huge help when financing projects.

Receiving the PEP saves time and money as keeping accounting and preparing the application for the producer offset is time consuming.

I have made a few projects recently using this system and have found it beneficial.

DIVISION BETWEEN DOMESTIC DOOR AND INTERNATIONAL DOOR

Many of us have spent years trying to build our businesses with a mix of domestic and international projects. The incentive is that we are producing global stories and are no longer relying on such a high subsidy for our projects. Our stories are now being seen by audiences all over the world. For example PENGUIN ISLAND has played to over 40 million people in the UK (BBC1 has had 3 screenings) and sold to over 40 countries.

Prior to their being any set allocation for International projects it was extremely difficult to get Australian broadcasters to commit to global stories. Their preference was for domestic local stories.

If the International Door is scrapped I predict that once again Australian broadcasters will no longer see the need to commission international stories. This will mean a dramatic reduction in foreign presales and as a consequence threaten the viability of many businesses that have spent years establishing themselves (often with support from Screen Australia) in the International marketplace.

RESPONSE TO NEW GUIDELINES

1. PRODUCER EQUITY PROGRAM (no allocation)

Screen Australia proposes to provide a direct payment of 20% of the budget for eligible low budget documentaries.

This will help producers of low budget programs that have no other marketplace attachments and will assist emerging documentary filmmakers.

This guideline is currently in operation anyway.

The guidelines do not mention any notional allocation. Is it possible to clarify where does the money come from?

2. VISION AND VOICE (\$2-4million)

This new category looks like it will replace the Signature Fund. However applicants will not be able to access the PEP. I expect this will be a highly competitive fund.

3. MEANING AND MARKET (\$7-9million)

This category supports medium to large budget projects with a minimum of \$250k per hour. There will be no PEP for these projects.

This category is going to meet the demand of the majority documentary producers that are building businesses and actively making singles and series for Australian and International broadcasters.

The notional allocation of \$7-9 million seems extremely small for what will be the main program to support independent single and series documentaries for all Australian and international broadcasters.

I would suggest that the majority of TV documentaries being produced in Australia have budgets under \$500k. In the current system the producer with a domestic broadcast presale and/or a mix of international market place attachments can access the 20% PEP plus Screen Australia funding.

The value of the 20% PEP is that it provides a degree of certainty for the producer when putting together finance plans and in particular when raising finance in the international marketplace.

It's great comfort to know that 20% of the budget is already in place.

If the PEP is no longer able to be part of any finance plan with Screen Australia funding then I am concerned this will severely hamper many producer's chances of securing international presales.

In addition under the new draft guidelines every Screen Australia round will become highly competitive. There will be total uncertainty as to whether or not

a project is going to proceed until AFTER it has been approved or rejected by Screen Australia.

One of the major problems facing all producers is the lengthy time it takes to put together our production finance. Producers often must apply to both Federal and State agencies once the TV presale is in place. This can take up to 9 months by the time all the meetings happen and contracts are finalised. It makes it extremely difficult doing any stories that are topical or have time critical content. But in the current system at least once the broadcast presale is in place then the matched funding is assured, enabling producers to often cashflow their projects until the Screen Australia meeting takes place and contracts are finalised. Without this certainty producers will not be able to proceed until Screen Australia funding has been confirmed.

This will further **slow down** what is already a painfully slow financing process for all producers in Australia. Under the current system once the broadcaster presales are in place (for both domestic and international door) there is a given that Screen Australia and the PEP will provide a set amount. Whilst it can be inconvenient to have to wait for the Board meeting approval, the risk is very low for a producer to commence production. For example with one of my current projects THE GREAT AUSTRALIAN FLY, the ABC commissioned the project in November 2013 as a domestic door project. The next Screen Australia Board meeting was not until May 21 2014 or 7 months later. But there was enough certainty for me to proceed with filming the production and engage crew.

I think it's a poor decision to scrap the PEP from this category and suggest an amendment making it optional whether or not the producer chooses to access the PEP.

The notional allocation of \$7-9 million for this category does not seem enough.

4. PREMIUM DOCUMENTARY PROGRAM (\$3-5million)

The new guidelines state there is a clear role for Screen Australia to support 'exceptional projects that would otherwise be too risky'. This category is supposed to include theatrical documentaries that are feature length as well as blue chip TV singles.

For a start theatrical documentaries can access 40% of the producer offset which already means these projects have a huge advantage. So for them to also be able to access up to one million from Screen Australia seems grossly wrong.

There are also very few documentaries with budgets over \$1 million and if they are over one million then they are usually relying on international presales to make up their finance plan eg JFK: The Smoking Gun. It seems to be

extraordinary that such programs could be eligible for \$1million in funding from Screen Australia.

If this category is supposed to be a replacement for the old NDP then I recommend the budget limit needs to be more like \$750k not \$1million.

Otherwise I predict that producers will inflate budgets in order to reach the magic million dollar mark so they are eligible for higher amounts of Screen Australia funding.

I believe the notional allocation for this category is too high.

GENERAL COMMENT

There is an increasing number of production companies operating in Australia with foreign ownership and interests. These companies have access to funding from outside of Australia and as such operate with a major advantage over fully Australian owned companies without large cash reserves.

If we are to continue to build the Australian documentary sector as viable businesses then foreign owned companies should be excluded from being able to access Screen Australia funding.

CONCLUSION

My major concerns with the new guidelines are as follows:

- 1. In the Meaning and Market strand the notional allocation is not high enough. I suggest it needs to be \$10-12million.**
- 2. Producers should still be able to access the 20% PEP for budgets under \$500k in the Meaning and Market strand. At least this gives us a secure tent pole for our finance plans.**
- 3. The notional allocation for the Premium Fund is too high and the Meaning and Market allocation is too low. I suggest these two funds be amalgamated with no budget limits.**
- 4. By removing broadcaster allocations, Screen Australia will have the final say over whether or not a project is financed. The rounds will be highly competitive and as such be extremely stressful for all producers. It will slow down funding decisions making the industry unstable. This will make it harder for producers to secure foreign presales for projects.**
- 5. By scrapping the level of broadcaster presale there is a real risk that broadcasters will begin to offer much lower licence fees and we'll be back to where things were 10 years ago when licence fees were unregulated and the producer was often making films without any fee at all.**
- 6. Without any set allocation for International projects there will be no incentive from domestic broadcasters to commission global stories. As a result all the hard work that many companies have**

put in over the past decade to build an international profile will go down the drain.

7. Finally these draft guidelines are really flawed. To think they are going to kick in in just 6 weeks time is terrifying. There needs to be much more consultation about the impacts on documentary businesses before throwing away all the good things about the current system.