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Screen Australia's discussion paper on Documentary Funding

Screen Producers Australia welcomes the opportunity to contribute to Screen Australia's discussion of documentary funding programs in Australia.

Screen Producers Australia believes that it is prudent for Screen Australia to review their guidelines on a regular basis to ensure that they reflect commercial and cultural changes in the market and audience. Technology and tastes are evolving but Screen Producers Australia cautions against changes to the underlying principles of the current guidelines, in particular an emphasis on genuine marketplace attachment, although we agree that some changes in program design will increase competition for established and emerging platforms.

Screen Producers Australia is mindful of the ongoing debate about the declining number of one-off documentaries. We strongly support initiatives that increase the number and diversity of documentary hours produced, but equally reject that cultural value can be based on arbitrary criteria such as length.

Importantly, the nurturing of new distribution opportunities should not come the expense of overall production, investment and viewing levels. This is not to say that television broadcasters should be the only means of distributing documentary content, but we must acknowledge both their significant financial contribution and knowledge of, and reach to, audience. If there are changes to the existing programs, it is vital that there remain trigger points to stimulate international investment as this positions our production companies on the international stage and is key to future growth opportunities amid domestic commissioning limitations.

In addition to these overarching points, this submission addresses the questions raised in Screen Australia's discussion paper 'Documentary Funding: Stories That Matter'.

Contact details

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Questions for discussion

- **Are specific targeted programs such as the current suite of documentary programs efficient**

Screen Producers Australia acknowledges that there may be efficiencies that can be gained by collapsing programs so long as steps are taken to not import uncertainty. In particular, the programs must maintain a focus on genuine marketplace attachment as well as domestic and international objectives:

1. Balancing marketplace objectives:

Screen Producers Australia believes that the allocations to the Signature Fund and Multiplatform Fund are currently adequate to support documentaries with no marketplace attachment.

However, we believe there may be benefit to broadening the definition of marketplace attachment beyond the current broadcaster presale requirement. We would support new initiatives that encourage development of a marketplace for emerging platforms, even if this involved a lower level (within reason) of marketplace attachment than that required for broadcasters. We do not support any increased investment in projects that do not have at least one of: a financial presale from a broadcaster, a distribution advance from a distributor, or a financial commitment from an aggregator.

2. Maintaining an international focus:

The International Documentary Program is widely considered to be a success and any decision to further leverage this would be welcomed. Whether the program design remains the same or not, there is a fundamental need for trigger points that encourage greater international cooperation.

There is a high probability that Australian broadcasters would lose interest in international productions if this incentive were to be removed. This could have a devastating effect for many production companies who rely on funding that is possible via the international market. Furthermore, these international documentaries also add to diversity as they often have a different point of view than domestic productions.

3. Simplifying the domestic door:

The National Documentary Program and General Documentary Program are perhaps the more obvious programs to be collapsed, given their domestic marketplace focus. However, there would need to be careful consideration of the extent to which the Zero Licence Fee Policy and National Film and Sound Archive Archival Requirements would apply to the combined program.

While Screen Producers Australia accepts the public policy intentions of these obligations, the delivery of archival footage requires extra work and expense, and the zero licence fee can damage potential secondary sources of income. Greater recognition of these costs should be factored into Screen Australia's investment over and above the minimum licence fee from the broadcaster.

If the amalgamation of the National Documentary Program and General Documentary Program occurred, the Zero Licence Fee Policy and National Film and Sound Archive Archival Requirements should not be expanded. Instead, Screen Australia would need to remove the obligations completely or implement a process of selecting and compensating a number of appropriate projects. Any such amendment would need to ensure that it did not create more uncertainty for producers.

- **How can Screen Australia best support low-budget documentary making?**

Screen Producers Australia believes that Screen Australia is already supporting low-budget documentary filmmaking effectively through the Signature Fund, Multiplatform Fund and the Producer Equity Program. Together these three programs make an important and significant contribution to projects that would otherwise be difficult to produce with almost \$4 million in funding from the agency to over 25 projects in 2012/13.

As noted in Screen Australia's discussion paper, there were 256 producers attached to 300 documentaries between 2008/09-12/13. On one level this demonstrates content diversity across projects that have a limited scale and scope (i.e. some documentaries are inherently more expensive to produce than others) while on another it highlights the vast numbers of filmmakers looking to secure projects in a competitive market. If there was a further move to spread more money over more low-budget projects it will certainly increase the volume of one-off productions but will not deliver on Screen Australia's objectives of business growth and long-term sustainability of the industry, given such productions will have to compete in what is already a crowded marketplace.

To reiterate our earlier point, we would support new initiatives that encourage development of a marketplace for emerging platforms that would assist growth in low budget filmmaking and one-off projects.

- **How can high-end documentaries reach the broadest possible audience?**

Although many have predicted a move away from broadcast television to other content service providers, television currently remains the most pervasive and dominant platform and is unlikely to be surpassed in the near future. Therefore, with an audience reach of almost 14 million Australians on a daily basis, the broadest possible audience will continue to be achieved through both broadcast television and their associated services.

There would be a negative effect on commissioning levels if we pre-empt the shift to online viewing. This is not to ignore new distribution opportunities but rather to acknowledge that online business models need to mature to be able to sustain the production of content through significant upfront investment and not just revenue based on shared backend. In the meantime, audiences (including younger viewers) have access to documentaries in new ways through a growing array of time-shift technology and online catch-up services.

- **Should Screen Australia continue to offer separate theatrical funding for documentaries or should it create one funding program for ‘premium’ documentaries, regardless of platform?**

Unless based solely on objective measures, such as total budget and level of marketplace attachment, the definition of a ‘premium documentary’ would appear to involve very subjective criteria.

Screen Producers Australia would not want to see an individual or group within Screen Australia subjectively deciding any classifications based on taste, culture or merit anymore than is procedurally required. Instead, the current division between ‘domestic’ (National Documentary Program and General Documentary Program) and ‘international’ (International Documentary Program) are far more useful distinctions given that they reflect quite specific market realities.

Furthermore, given that funding for theatrical documentaries currently comes out of the Feature Film Production Investment program there should not be a reduction of available funding for television documentaries. From Screen Australia’s perspective we would have thought that the management skills which are required to assess theatrical projects are more likely to be found in the Features department than in the Documentary department.

- **Could a requirement for marketplace commitment be met in ways other than a broadcaster presale?**

A requirement for marketplace commitment could be met in ways other than a broadcaster presale, but there needs to be a clear definition of marketplace. While Screen Australia should remain open to the possibility of accepting non-broadcast marketplace commitments, this should always be judged on objectively measurable criteria tied to market demand.

Accordingly, the definition of a marketplace commitment should put emphasis on a financial presale from a broadcaster, a distribution advance from a distributor or a financial commitment from an aggregator with knowledge of their audience. This is an important distinction as other forms of investment, such as philanthropy, can be vital contributions to the finance plan but should not be confused with genuine market interest that is driven by an audience for a particular documentary.

- **If so, what sort of indicators of audience reach and engagement could Screen Australia reasonably expect filmmakers to provide for their projects?**

The difficulties of estimating the potential size of audience in advance of a program's release are well documented. It is hard to rely on information supplied by filmmakers alone, hence the important role of the marketplace in identifying content with audience appeal. After all it is the broadcasters, distributors and sales agents that are at the cutting edge of responding to changing tastes.

Clearly, the most objective measure of the level of confidence in the potential of a particular documentary to attract an audience is the amount of finance that platforms are prepared to advance towards the cost of its production. Screen Producers Australia believes this should remain the primary measure that Screen Australia applies when evaluating projects.

More broadly, Screen Producers Australia remains very supportive of the analysis that Screen Australia conducts around production, performance and the evolving distribution environment. Metrics for broadcast television are clearly established, but there are many areas that need to be monitored as they transition to commercially viable alternatives.

- **What are the impacts (positive and negative) on the industry of the notional broadcaster funding allocations that currently apply to the NDP and GDP? Should these be revised?**

On a theoretical level, the notional split is more likely to create both a floor and ceiling price for content. With quarantined allocations, as opposed to a contestable pool, there is not the same degree of competitive tension to drive up licence fees.

If the split was removed, and minimum licence fees remained as a floor, then broadcasters and other types of aggregators could buy certainty by paying more. This assumes that Screen Australia will use marketplace attachment as the primary, if not sole, measure for evaluation, except when deciding between projects with the same licence fee in which case other criteria would need to be assessed.

That said, in practice, the notional split provides the broadcasters with stability around their commissioning processes and in turn this does benefit production companies. Screen Producers Australia would warn against damaging business confidence by increasing uncertainty in the market. But, changes to these splits would benefit competitive tension while also encouraging new distribution opportunities. One solution to this conundrum might be to allocate an amount that is open to the highest bidders among all broadcasters, distributors and aggregators, by lowering the existing guarantee to public broadcasters.

- **In making decisions about whether to invest in projects, what considerations should be prioritised (eg cultural, innovation, audience reach)?**

Investments in culture and innovation, as subjective as they are to define, will only be valued if there is an audience willing to invest the time and/or money to view the content.

The size, reach and diversity of audiences must remain central to any investment decisions by Screen Australia. Given the day-to-day relationship that broadcasters and other platforms have with their audiences, the most important and objective criteria available is the level of investment they are willing to commit against the potential audience. This can only be truly measured by the size of presales and distribution deals as a proportion of the budget.

- **What are the advantages and disadvantages of Screen Australia accepting applications in rounds versus at any time?**

The advantages of accepting applications in rounds is that rounds help ensure that funding is available over the year, which enables producers to respond to seasonal market opportunities as they arise. Without rounds it is likely that the money would run out very quickly at the beginning of the financial year.

The disadvantage of rounds is that the size of budgets is effectively capped by a system that divides the total funding that is available into funding three or four rounds, with the result that it is more difficult for Screen Australia to support the more ambitious larger projects, especially series, in any one round.

This issue tends to come up every few years. The rounds system is not perfect but it is better than any idea anyone has come up with to date.