

Screen Australia

Marketing Support & Promotion and Research & Statistics Review

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1. INTRODUCTION

We welcome Screen Australia conducting a review of Screen Australia's marketing programs and activities and are grateful to be able to contribute to the consultation process. We have reviewed the terms of reference and the various programs set out in the terms of reference document.

For the purposes of the review, however, this submission focuses on the macro or industry-wide level only rather than commenting on each of the marketing initiatives or programs listed, as this is the level of focus that we feel should be addressed by the Australian Government and Screen Australia as a priority.

The central thesis of this submission is that Australian films (like all products) have a *brand* and that the collective branding of Australian film is weak, particularly when compared to American films. For the sake of this argument brand power could be defined largely as audience *perception*.

Not only do Australian films suffer from a poor brand, they are also at a severe economic disadvantage. To give Australian films an equal chance of success, Screen Australian and the Government should consider a range of measures designed to bring about a level playing field as set out below.

It is unlikely, that any of the suggested measures would be in breach of the US/Australia Free Trade Agreement (FTA).

2. EXECUTIVE SUMMARY

1. 'Australian film product' does not have a strong collective *brand* in the Australian domestic film market.
2. It appears that Australian films *are* handicapped when compared to American films particularly when it comes to branding, consumer preferences, budgets and film marketing.
3. Currently, Australian audiences generally *do* prefer to see American films rather than Australian films.

4. There are a number of matters that arise from the Bergent Report that relate to the content of Australian films themselves. This may in the long term strengthen the brand for Australian film, but these are a separate issue and not the focus of this submission.
5. It is recommended, particularly given the obvious juncture that the Australian film industry has arrived at, that a comprehensive report that builds on the Bergent Report and examines in detail the socio-economic factors that affect Australian films from a brand perspective be commissioned (particularly in comparison to other films within in the Australian domestic market, e.g American films).
6. Such a report should make detailed recommendations regarding the macro means to strengthen the brand of 'Australian Films' (i.e. make them more attractive to the Australian audiences in a similar way that the Australian lamb, pork, wine and tourism industries have done in recent years).
7. In particular, and subject to the findings of such a report, a campaign be established aimed at strengthening the brand of Australian Films. When implemented this should ideally bring about a level playing field for Australian films within the Australian domestic film market.
8. These measures should be seen as separate (and possibly complementary) to other marketing strategies adopted by producers and distributors for individual productions.

The following is a simple socio-economic analysis of the downstream market for US films and the upstream market for Australian films.

3. ECONOMIC DIFFERENCES - USA v AUSTRALIA

American movies dominate the majority of domestic film market throughout the western world. The reasons for this include a complex mix of social and economic factors that cannot be separated from each other. This submission deals with some of these relevant factors, but is not intended to be exhaustive.

3.1 Different Primary Markets for American Product v Australian Product

Market for American Product

When an American film is released, generally speaking, the American film producer's first or *primary* market is the domestic USA market (which currently has a population of around 200 million people). The US producer then hopes to also sell his or her product into other non-US markets throughout the world, such as Australia. These non-US

markets are what economists in both the US and Australia might refer to as *secondary* markets. In summary, the *primary* market for American product is the USA and its *secondary* markets include many other smaller countries around the world, such as Australia. It is also clear that in the USA, American product dominates the US box office, its *primary* market.

Market for Australian Product

Similarly, when an Australian film is released, generally speaking the producer's *primary* market is the domestic Australian market. The Australian products secondary market includes overseas markets such as the USA, UK and European markets. What is different with Australian product, however, is that our primary market is dominated by American product, *not* Australian Product. That is, our domestic market (which is already small - around 20 million people) appears more like a secondary market than a primary market. Australian films *do not* dominate our primary market.

The reasons for this are many and complex. However, there are a number of things we can say about it – some are cause, some are effect, and some are both. Below are listed brief analyses – which are not listed in any order of importance.

3.2 Different potential returns and risks: USA v Australia

When an American producer makes an American film for initial release in the US, the film immediately has a potential domestic audience of some 200 million people. Then, as set out above, if the film succeeds in the US it will then also be released into other secondary markets such as the UK, Europe and Australia.

On the other hand, when an Australian producer makes an Australian film for release initially in its primary market, Australia, the film only has a potential local audience of 20 million people. And to make matters worse, as set out above, the local Australian market is in fact dominated by American product. Then the Australian producer has the further difficult task of selling the film upstream into another market already dominated by American films, the USA.

Because of the domination of American product, not only in the US but also in Australia, the likelihood of the Australian film receiving a financial return anything like the American film is remote. To put it another way, if a hypothetical producer has the choice of making a film in Australia as an Australian film, or making the same film in the US as an American film, because of the larger potential market for the American version, it makes economic sense to make the film in the US. Ironically, in this scenario, when the film is then released in Australia more Australia would be likely to see it.

3.3 Markets affect size of film and marketing budgets

Production Budgets

One of the simple consequences of American dominance of both the US and Australian markets is in relation to production budgets. Perhaps the single-most important dictator of how much a producer or studio is willing to risk investing in production is the likely audience for the film, and the likely size of that audience. Will the film reach a large, mainstream audience? Or a small art-house audience? And in which territories?

As set out above, when an American producer makes an American film for initial release in the US, the film immediately has a potential domestic audience of some 200 million people. Then, as set out above, if the film succeeds in the US it will then also be released into other secondary markets such as the UK, Europe and Australia.

Take, for example, a film like *Gone Baby Gone*. In American terms it was a relatively low budget movie with an estimated budget of USD \$19 million. Nevertheless, it was a film that had potential appeal in the US (the filmmakers' primary market) and then further appeal within secondary markets including Australia. On theatrical release, the film took around US\$20.3 million at the US box office – not a smash hit, but not too bad. Then, of course, the film was released in Australia where it took another \$14 million at the Australian box office (not to even mention the rest of the world). All up *Gone Baby Gone* it probably took over \$50 million worldwide even before a DVD release. The US\$19 million dollar budget was a low risk investment for the producers given the potential market for the film. Yet USD \$19 million is much, much larger budget than most Australian films.

By comparison, when an Australian producer makes an Australian film for release initially in its primary market, Australia, the film only has a potential local audience of 20 million people. And to make matters worse, as set out above, the local Australian market is in fact dominated by American film. Given the size of the likely audience for the Australian film, it is simply not economically rational to risk a large amount to make the film. As a consequence, Australian film budgets are generally much smaller than American films made in the US.

Marketing Budgets

One of the key conclusions from the Bergent Report was that many consumers, who may have been interested in seeing a particular Australian film, were simply not aware that the film was showing.

Although actual statistics have been difficult to find, it is apparent that producers and distributors of American movies spend a much greater proportion of their overall budget on marketing the film than say Australian producers and distributors do on Australian movies. Some say that an average American studio will often spend an amount equivalent to the production budget of the film itself on publicity and advertising. From

our own experience, Australian distributors are likely to spend significantly less than this – in the case of one of the author's debut feature film, under 8% of the total production budget.

This discrepancy obviously sets Australian films at a disadvantage in terms of awareness and creating hype or buzz around a film. But it can be argued that this has another long term effect. Apart from raising awareness of the individual films themselves, this greater level of marketing of American films long-term significantly strengthens the *brand* for American film across the board. The films, and the actors in them, become larger than life. They become attractive. Audiences align themselves with the brand. The brand product, need we say it, becomes *cool*.

4. SOCIO - ECONOMIC DIFFERENCES

4.1 The effect of low budgets - the reality and the perception

Obviously not all films have to have a big budget to be a good film. However, as discussed above, there is a clear argument that budgets (including marketing budgets) feed into the general perception or *branding* of films. The following are a number of comments from focus group members, as quoted in the Bergent Report.

“Australian movies have a certain look”

“They [Australians] don't have the money to make good films”

“Australian movies are more realistic, but they're not as attractive as US movies”

“Why won't Australians just make normal movies”

“They're basic. They're all set in one place”

“You don't get as many crane shots. It doesn't look as professional”.

“If it's cheaply made, I might regret seeing it”.

This is a common *perception* of Australian movies. This general perception was very clearly put to one of the authors of this submission recently by his long-term accountant when he asked him what sort of movies he usually goes to see (and whether he ever sees Australian films). The accountant's reply was that he hardly ever saw Australian films – he always went to see American films. Why, the author asked him? Was it to do with the stories, the actors, what? His reply was very simple. “You get more bang for your buck”. American films, he said, are much better looking (better colour, visuals, effects etc) and they have better sound and music. Australian films, he said, are paltry in comparison. They don't feel like *movies*.

The above comments may in fact be true in many cases, particularly when it comes to the US blockbusters such as *The Dark Knight* that are clearly studio movies. Similar films have immense budgets for visual effects and might take six months to shoot with the best crew money can buy.

Nevertheless, Australian films because of simple economic and market realities will continue to be much smaller in budget than American films. While this is the case (and there is no reason to suggest that this will change in a hurry) then the *perception* that Australian movies are inferior in terms of visual and aural quality (i.e. ‘bang for your buck’) will continue. It seems that currently Australian films *are* in fact severely handicapped when compared to American films.

In the short term, we cannot do a lot about the budgets for Australian films, but we can do something about the *perception* of them.

4.2 Australian films – content and brand

The Bergent Report did make some interesting observations on perceptions about the content of Australian films generally. Additionally, much has been made in the media about the fact that Australian filmmakers do not make films that Australian audiences want to see. The Federal Minister for the Environment, Heritage and the Arts, the Hon Peter Garret, has even summarised his understanding of the conclusions of the Bergent Report to be – i.e. that the report shows that Australians *do* want to see Australian movies, we are just not making the types of movies that they want to see.

There may of course be some truth in the conclusion. But what then *are* the types of Australian films that Australian audiences want to see? That remains very, very unclear. But from the observable box office and anecdotal evidence, the answer seems to be *American* films (or, in rare instances, Australian films that are not obviously Australian films: discussed below). The obvious recent exception is the studio movie “*Australia*” where there has been more advertising, sponsor partnership, paid publicity and media coverage than any other film in Australia’s history. Despite the film’s lack-lustre critical response, there was plenty of awareness, buzz and hype created, and it seemed to work locally.

It is arguable, of course, that if Australian filmmakers were to make a string of very good films that were popular with our domestic Audience, perhaps the *brand* around Australian film might increase in strength and Australian films would steal back from the Americans some market share. We remain optimistic. But in light of the socio-economic factors mentioned above, the current strength of the brand *American film*, the current weakness of the brand *Australian film*, it may not necessarily be the case.

Below are two examples of films released in the last two years that, when looked at together, explore the notion that “Australians do want to see Australian films, we’re just not making the films they want to see”.

In 2007 Dendy released the acclaimed film *The Home Song Stories*. The film was official selection at the Berlin Film Festival and had won a number of awards prior to its release. It later went on to win a number of AFI awards including Best Director and Best Screenplay. When it opened in cinemas, however, it is fair to say that it took a particularly underwhelming amount at the box office (we understand less than \$425,000) and was out of the cinemas very quickly. Was it a good film? According to peers and critics, absolutely! Did Australians go see it? Absolutely not. Perhaps as Peter Garret would say it was not the kind of Australian film Australians wanted to go see. Maybe the film dealt with some difficult subjects. Maybe it was because it too arthouse? Okay... maybe we need to make more *commercial* films. Maybe they're the kind of Australian films we want to see. Films about crime. Thrillers. Guns. Car chases...

Enter *The Square*. Here was a film that was clearly a *commercial* movie. A fast paced story, full of action, clever turning points, and very well realised by the creative team. The square seemed to have a comparatively large amount of publicity including television commercials (a rarity for Australian films), and opened to seemingly very good reviews. At its first screening at the Sydney Film Festival, it seemed to be a crowd pleaser – one critic even calling the best Australian movie he's ever seen. Maybe this was the kind of Australian film that according to Mr Garret and others, Australians *wanted* to go see. But, once again, when it opened at the box office it was completely underwhelming. From publicly available information, we understand *The Square* grossed under \$350k at the Australian box office.

Clearly, given the contrast in the examples above, the conclusion apparently reached by the Bergent Report that Australians really do want to see Australian films just does not appear credible. One just needs to look at the total domestic box office takings in Australia for the year for all films (\$946million) and how that total is shared between American films and Australian films. In 2008, *Gone Baby Gone* (as we already mentioned above) took AUS\$14 million in Australia, while *The Square* only took around \$325k. In theory, Australians may feel open to seeing an Australian film, but the box office results show a different story - a sobering reality.

4.3 Americanisation of Australian consumers and media

The domination of the Australian market by America product raises another issue – the Globalisation (and Americanisation) of the Australian media and culture.

In the last 5 to 10 years, particularly with the internet explosion, 'globalisation' and the popularity of digital media (including storage devices such as DVDs), the Australian media and thereby its consumers have become more and more focussed on (perhaps even obsessed with) American media and American culture.

More and more, the 'kids' are brought up on American product: American television shows, American movies, American magazines, American literature and American celebrities (Australians can be celebrities too, but only after they make it big in America

first). Some commentators in the media recently have even commented on the fact that young Australians are sounding more and more like Americans¹. It is fair to say that in Australia, given the dominance of American product, *Globalisation* actually means *Americanisation*.

In this context, it is also fair to say that, as per some of the comments in the Bergent Report (very humorously echoed by my accountant) a real perception exists in the mind of the Australian audience that Australian films are not *real* movies. *American* movies are real movies with *real* stars. In any event, the box office results tell us, American movies are what the majority of the Australians prefer to see.

Below are some quotes from focus group members mentioned in the Bergent Report:

“We’re on the inside [Australia] so we don’t find it as interesting.”

“Why won’t Australians just make normal movies?”

“They’re [Australian movies] more realistic, but they’re not as attractive [as US movies]”

“Australian actors you mostly know from TV, whereas American actors we know as movie stars”

“When you go to an American movie, you call the people by the actor’s name, not the character...they’re stars”

“They need to stop dressing them [Australian actors] like the everyday”

“Australian actors are more casual, laidback. They’re not as glamorous”

This is, of course, not the case with the occasional mega budget movie clearly aimed at an international audience such as *Happy Feet*. But it is important to note that it is probably the case that *Happy Feet* is not *perceived* as falling into the brand that attaches to *Australian film*. This is because, it was an animated film, with a mix of Hollywood stars and Australian actors doing voices of the characters, it was not set in Australia, it was largely funded by a US studio, was marketed in the same way as a US studio film, and used a collection of well-known American songs. Obviously the key creatives were Australian. The same would be true of say *The Lord of the Rings* trilogy in New Zealand – they’re studio films.

The following quote from a focus group member mentioned in the Bergent Report demonstrates the point.

¹ <http://www.smh.com.au/news/opinion/jarst-you-waaate-maaate/2008/07/10/1215658033668.html>

“When it’s a really high profile movie you don’t think it’s Australian”

5. KEY CONCLUSIONS

It is patently clear that for a number of complex social and economic reasons, Australian films generally have a very weak brand in comparison to American films.

It may be true to say also that this may be strengthened by making better films and by making films the Australian audiences want to see. But there is no evidence to support this view and in any event, it is not the subject of this review.

In light of the above, the economic reality appears to be that when a consumer is faced with a choice of, say, 10 American films (all made with budgets of \$20 million or over) and 1 Australian film on offer, most will choose to see an American film. The box office results tell us that that is the reality.

But brands are based on *perceptions*. And perceptions can be changed. The key then is to strengthen the brand around *Australian film*.

6. INDUSTRY CASE STUDIES

6.1 The Lamb Industry

Until recently years, lamb was seen as having a brand associated with a relatively unsophisticated meat, eaten mostly by working class to middle class consumers. A *perception* existed that lamb was not as good quality meat as say beef. The lamb industry realised that there was a large share of the market for meat that they were not accessing because of this perception. They needed to dispel the perception. They needed a new, stronger brand.

The collective lamb industry (rather than the individual producers of lamb) through a number of marketing boards (including the Western Australian Lamb Marketing Board) collectively researched the market and commenced a massive marketing campaign aimed simply at making lamb a ‘cool’ or attractive meat and thereby increasing its market share and stealing market share from other meats. The lamb itself has not changed. It was always good quality lamb, it just had a weak brand.

The campaign (which I understand is continuing) involved a number of different media including perhaps most effectively a large amount of television advertising as well as the mass distribution of recipes using lamb in appropriate outlets.

The campaign was a success. Lamb is now an attractive meat which is very popular and eaten in most Australian homes as well as in the best restaurants throughout Australia.

6.2 The Pork Industry

In many ways similar to the lamb industry, pork was perceived as a second rate meat. The industry set out to change the perception and re-brand pork. The result was the well-known “*Pork. The other white meat*” campaign that has been incredibly successful allowing the pork industry to increase its market share significantly and steal market share away from other meats particularly chicken. Again, the pork itself has not really changed – just its perception. Pork is now an attractive, ‘cool’ option.

6.3 The Wine Industry

The wine industry has been through a similar industry wide re-branding campaign. The Wine industry saw that a large section of their potential market drank beer and not wine. That is, there was a perception, that wine was only drunk by more ‘sophisticated’ consumers. Less sophisticated consumers drank beer or other less sophisticated drinks.

The wine industry collectively began to focus their marketing efforts on dispelling the perception that if you weren’t a connoisseur, then you should drink beer and not wine. The wine industry focused their efforts on re-branding Australian wines as being accessible to anyone. This was of course, coupled with an explosion in good quality wines being produced in Australia.

Again, the marketing efforts of the wine industry have been a massive success and it allowed the wine industry to steal market share away from the beer market.

6.4 Why compare to lamb, pork and wine industries?

Some film practitioners may find it difficult comparing the industry for cultural products like films the lamb or pork industries. The intention is not to compare the products – they couldn’t be more different. Rather, the purpose of the comparison is to learn from other industries and, in particular, to note that in these examples the actual products themselves (i.e. lamb and pork) have remained the same. Lamb is lamb and pork is pork. What has changed is the perception of these products; their brand. This is an important point to note because, Australian films may or may not change in the years to come. But what must change is the way they are marketed and, ultimately, their brand.

The wine industry is another a good example because their re-branding occurred concurrently with a large increase in good quality Australian wine being produced.

7. GUIDANCE FROM FRANCE

7.1 The French Landscape

France is medium-sized country with a population of more than 60 million people and good standards of living. With 5,366 movie theatres, France enjoys the highest number of

screens/million inhabitants: 89 (vs. 60 in Germany, 56 in UK and 24 in Japan). Many of these cinemas are community funded and controlled and perceived as being an essential local service. The number of art house cinemas in France is much higher than anywhere else in the world and there is not only Cannes, but several other interesting festivals which illustrate the French interest in cinema. The French film industry is clearly the strongest in Europe – producing 22% of all European films.

7.2 Cultural Pride

Underpinning this success is the fact that cinema is regarded as the seventh art in France. It's seen as crucial in a country where cultural brands are zealously protected and they are very serious about making and nurturing their own product, be it a film or a wine. This is known as *l'exception culturelle française* (the French cultural exception). Basically it means that "cultural products" are not normal market "products" and cannot be subject to the standard free market regulations like free enterprise.

Behind this approach is the thinking that because films express the cultural value of French society, they need to be protected against competition by a stronger competitor, with a larger market, lower production cost, different values which would kill the French culture and replace it by a foreign one. In a film industry context this is perceived as being France v USA. The two countries also have fundamental differences in ambitions. In the USA, a movie is seen only as an entertainment and its success is measured in dollars, whereas in France, a movie is considered a message sent by the filmmakers for audience reflection and its success is not measured in the same way.

7.3 Government support

Most French citizens support the idea that it is legitimate to protect cultural activities from pure market laws and it is the role of the government to protect them and if necessary, provide public subsidies. The success of France's home-grown film industry has been nurtured by various practical government initiatives including²:

- Substantial subsidies for first and second-time filmmakers;³
- Well-funded film schools; Many French directors come up through a completely supported short-film system: there is both a structure to the industry and an

² Taken from the paper *Following the French* by Max Haymes and Joce Nettleford, AFTRS, 2008.

³ As an aside, we implore Screen Australia to explore a script development structure similar to the unique Film Victoria model that allows writers to apply for development funds in the exploratory or *concept* stage (i.e. from outline to treatment and from treatment to first draft). This is key to encouraging an abundance of new and fresh ideas. The more ideas we explore at concept stage, the greater the chance of strong ideas emerging.

acceptance that this is something you should be able to do rather than struggle through.

- A complex system of subsidies funded by a levy on all box-office receipts, a measure regarded with fury by the US studios, which believe they are thereby helping to fund their direct competition. A feature of this is "avance sur recettes" or "fonds de soutien": a financial State advance on all French films (the French movie industry is third in the world after USA and India and France is the only Western country where foreign films represent less than 50% of the market: in Germany, Italy and UK, they represent more than 80%).
- Less consumption tax: TVA (value added tax) is 5.5% on cinema (like on food) when it is 19.6% on almost everything else.
- Role of television networks: a key policy feature underpinning the strength of the industry is an obligation on television stations to show and support French films. Major TV channels (TF1, M6, France 2 and France 3) must allocate 3.2% of their turnover to cinema as co-producer (including at least 2.5% to French films). For each of them, this represents 20 to 30 films and 30 to 50 million Euros. They must broadcast a minimum of 50% of French films. Canal+, a very popular pay-channel, must devote 20% of its turnover to buy the rights of films (12% European minimum, including 9% French minimum).
- Cinema levies: On each cinema ticket, a 11% tax is allocated to the "Fonds de Soutien" which is open to foreign films provided they are co-produced with a French producer.

For Australia, the solution will have to be as complex, and sophisticated, as the problem.

8. KEY RECOMMENDATIONS

Although we are not a marketing experts or brand strategists, we understand that there are many effective ways in which a brand can be strengthened in our *domestic* market.

Clearly, continuing to examine more closely the type of Australian films that our audiences are more likely to go see is a very worthwhile task and making films that audiences want to see is imperative. However, this view is troubling because it does not seem to be, to us at least, to be supported by the available evidence. In any event, it is not the subject of this review.

8.1 Additional study be commissioned

Given the obvious juncture that the Australian film industry is at, it is recommended that a comprehensive report that examines more closely some of the conclusions reached by the Bergent Report and, further, builds on the Bergent Report by examining in detail the

socio-economic factors that affect Australian films from a *brand* perspective (particularly when compared to American films) in our *domestic* market. The parameters of such a report should ideally be designed by (in consultation with Screen Australia) and completed by, a high level team of expert economists (such as, for example, Frontier Economics) and marketing and brand strategists.

Such a report should make detailed recommendations regarding macro means to strengthen the brand of Australian films (i.e. make them more attractive to the Australian audiences in a similar way that the lamb, pork, wine and tourism industries have done in recent years).

8.2 Industry-wide branding campaigns

Subject to the outcomes and recommendations of a report such as the one outlined above, the industry in collaboration with Screen Australia and the Government need to recognise that Australian film is at a disadvantage and do everything possible to strengthen the *brand* associated with Australian films to ideally bring about a level playing field *in* Australia.

In particular, it is recommended that a large scale campaign aimed at strengthening the brand of Australian films industry wide be implemented. Such a campaign must be an industry wide initiative for Australian films as a single brand – not restricted to individual films (marketing initiatives for individual Australian films will no doubt be covered by other submissions to this review). Such a campaign would be ongoing (such as, for example, Tourism Australia) rather than just a *one off*. Ideally it would include television, print, radio and other media (in the same way that say the Lamb campaign crossed all media).

The measures adopted in an industry wide campaign should be seen as separate (and perhaps possibly complementary) to other marketing strategies adopted by producers and distributors for individual films.

8.3 Subsidized marketing campaigns (particularly TV)

Television advertising is largely recognised as the most effective form of advertising. Sam Chisholm said that “TV is the greatest marketing tool ever invented”. It is also the most expensive which, for obvious reasons, means it is usually unavailable to Australian producers and distributors. If society is pulling away from Australian film culture then we need to encourage the opposite. As set out above, this is something French cinema industry does extremely well.

Given the Government subsidies to the film industry in terms of production, why shouldn't we see subsidized advertising of Australian films in our domestic market as a priority. We recommend that television advertising on commercial networks as well as the ABC and SBS be subsidised so that Australian films (not just American films) can be advertised on television.

The ABC may be a special case because it is a Government owned television network. In the same way that the networks are required to comply with Australian content quotas, why couldn't additional funding to the ABC be provided solely for the purpose of advertising Australian films on the ABC?

It is recommended, therefore, that Screen Australian and the Government explore ways in which to subsidise marketing campaigns and, in particular, television advertising on commercial television networks as well as on the government owned network, the ABC. Such subsidies should not just be in relation to an industry wide campaign, but also in respect to individual films.

8.4 Further regulation of the media – incentives to cover Australian product rather than American

It appears that the Australian media are not as interested in writing about Australian films, actors or filmmakers as they are American films, actors and filmmakers. On countless occasions, the authors have opened a newspaper knowing that an Australian film was about to open at the cinema only to find on the cover of SMH good weekend or Spectrum a picture of an American celebrity instead (usually someone like Angelina Jolie or Anne Hathaway).

Similarly, often there will be an excellent four star review of an Australian film tucked away in the corner of the newspaper, while the rest of the page is taken up with images of actors from an American film that is reviewed badly with only two and half stars.

Only ten years ago, the media seemed to still interested in writing about Australian actors and filmmakers. Unless they have first had significant success in the US first that is no longer the case.

Again in the same way that Australian networks are required to comply with Australian content quotas, why can't the media be required to comply with content quotas around what they write and who they feature? Of course, this (like drama content quotas) is a form of cultural protectionism. But, unfortunately, that is what we have come to. It seems to the authors that if cultural protectionism is appropriate for France then it should also be appropriate for Australia.

8.5 Regulation of exhibitors – incentives to extend Australian film screen time.

The growth of megaplex cinema chains in Australia, and the demise of the local independent exhibitors has fundamentally changed the cinema experience for Australian audiences. The large multiple screen cinemas that now dominate are financially driven to maximise their profits by showing films that open with big ticket sales on several screens and then, usually, within three to six weeks when sales slide the number of screens is reduced and eventually the film is replaced by the next big opener. This system is naturally bias toward offshore productions as they usually have considerable, and

established marketing campaigns – in comparison to Australian films. A sizable and internationally successful marketing campaign guarantees, to some degree, that the film will open strong with Australian audiences. This makes it good purchase for the megaplex business model. Unfortunately, the same cannot be said for the majority of Australian films. Because of small or non-existent marketing on Australian films they rarely open to big ticket sales on multiple screens and very rarely achieve large box office over a six week showing.

Below are some comments from focus group members quoted in the Bergent Report:

“I wanted to see it [Footy Legends] but by the time I went to see it, it was gone.”

“They need to have them at Hoyts instead of having to go to Newtown.”

“You never know when they’re [Australian movies] showing.”

“Australian movies don’t come to you, you have to find them.”

“They’re not made for cinema...they just run it for a few weeks to see how well it will go, then if it picks up steam they give it publicity.”

Australian films have shown, when given the opportunity, that they will ‘slow burn’. If Australian films are given longer exhibition periods and the film is ‘good’, word-of-mouth publicity then overrides the need for large and expensive marketing campaigns. If Australian film was given more of an opportunity to exhibit, for longer, we may be able to add to the strength of the brand by simply seeing more films on the screens and having more opportunity to enjoy them.

There is little financial incentive in the current exhibition market for this to happen. As discussed above, Australian films rarely have sophisticated marketing campaigns or open to large box office on multiple screens. Megaplex cinema chains have no incentive for keeping small, poorly marketed Australian films on their screens for multiple weeks awaiting a ‘slow-burn’ of word-of-mouth publicity.

We suggest that as part of a wider marketing campaign and re-branding of Australian film Screen Australia along with the Government consider subsidised economic incentives that will allow Australian cinema to remain in exhibition on cinema screens for longer.

8.6 End Note

We look forward to hearing more from Screen Australia and/or the Government in regard to the review and look forward to cooperating with any further consultation or studies as required.

** **Peter Carstairs** is a writer, film director and, until recently, intellectual property lawyer with a large law firm in Sydney. He has previously sat on the board of the Australian Directors Guild (ADG). His first feature film SEPTEMBER was official selection at Berlin, Toronto, Rome and Melbourne film festivals and will screen at Cannes in May 2009. Very few Australians have heard of it. Fewer have seen it.*

** **Max Haymes** is an art director who has 15 years experience in feature film production both in Australia and overseas. He has worked in varying roles on many of the largest film and television projects produced in this country. He is currently studying media economics at the Centre for Screen Business, AFTRS.*