



Australian Government



TRAVEL REPORT

# Cannes Film Festival and Marché du Film

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Cannes is both the world's most important film festival and its biggest annual film market. In 2012, it attracted 29,500 people, including 4,400 registered media.

*"Cannes is a great thing for us because we get, in one place, to show movies, create excitement with the press, sell our movies, meet with our distributors and people from around the world."* – Harvey Weinstein (*The Washington Post*, 20 May 2012).

Cannes 2012 offered Australia a very good profile with ***The Sapphires*** screening in Official Selection on the night of Saturday 20 May. The reviews were good and the profile of the film only increased as the market went on with promotional opportunities generated daily by the Weinstein machine. This profile kept a spotlight on Australia and assisted the producers of *The Sapphires* to capitalise on the interest in their film to create heat for the rest of their slate.

It also provided something of a halo effect for the other Australian titles in the market. Australia had the most successful Cannes for some years, partly because the market conditions have moved in Australia's favour, partly due to the combination of the Producer Offset and the fact that Australian producers are presenting better developed projects in more sophisticated packages.

## Market

Altogether 4,650 titles, both finished films and projects, were on sale this year. There were 1,450 market screenings of 903 films, including 702 market premieres. Documentaries were more evident, accounting for 14 per cent of the titles on sale, and for the first time the market created a Doc Corner to help showcase these. However, anecdotal evidence suggested that they received modest interest in the market.

There were 11,481 registered participants from 99 countries in Cannes, including 2,167 buyers, 1,288 sellers, 782 festival selectors and 3,433 producers.

Australia had a visible presence with over 300 attendees and 13 Australian films in the market, including premieres for surf drama, ***Drift***, as well as the musical, ***Goddess***, which attracted a solid media schedule for stars **Ronan Keating** and **Laura Michelle Kelly**. FilmNation's sales acquisition of **David Michôd's** project ***The Rover*** was widely publicised.

## Festival

Nearly 4,500 titles were submitted to this year's festival. Australia was fortunate to have both a feature and a short film chosen for Official Selection.

***The Sapphires***, from director **Wayne Blair** and producers **Rosemary Blight** and **Kylie du Fresne**, screened to an audience of 2,500 people, earning a 10-minute standing ovation and considerable buzz around town. The lead cast attended as well as the writers and a number of crew. The announcement of **Harvey Weinstein's** acquisition of the film attracted widespread media attention and buyer chat. Some terrific reviews were published:

*"an exuberant celebration of Aboriginality that fizzes with humour and heart"*  
– *Variety*.

*"an energetic, amusing and resolutely feel-good movie"* – *Screen International*.

*"vastly appealing ... the Weinstein Co has every reason to smell an international crowdpleaser"* – *The Hollywood Reporter*.

Director **Michael Spiccia's** ***Yarbird*** screened in the festival's Short Film Competition program. He was joined by writer **Julius Avery** and producer **Jessica Mitchell**.

Australian talent was both behind and in front of the camera on several feature films in the festival's Competition program, a testament to the success of Australians working abroad. **John Hillcoat's** ***Lawless*** from writer **Nick Cave**, featured **Guy Pearce**, **Mia Wasikowska** and **Jason Clarke**. **Andrew Dominik's** ***Killing Them Softly*** featured **Ben Mendelsohn** and **Bella Heathcote** on the red carpet. **Nicole Kidman** starred in two additional films in the Competition program, while **Kylie Minogue** featured in another.

## Trends and issues

It is a good time to be in the independent film business with the studios vacating the space that their specialty labels have previously taken up.

There seems to be a lot of money in the market for films, in part due to the weakness of the stock and property markets and the proliferation of Enterprise Investment Scheme (EIS) schemes in the UK.

There are around 15 new sales agents with very experienced executives hungry to sign up new slates. There is also more buying energy out of the US market than there has been for some years. However, there are several territories with contracting markets such as Germany where television has dramatically slowed as well as the tightening Euro territories. There is also a

lot of good-quality product. Buyers are able to secure product at prices one sales agent described as “brutal”.

DVD continues to wither away in VOD only producing significant revenue models in the UK and US. However, even in these territories the subscription models are less lucrative for producers than DVD.

The presale market is difficult, but can be done with sufficiently attractive cast and directors. Dramas are very difficult to place. Clear theatrical potential is essential. The market is heading for an economy where 50 per cent of revenue is theatrical, up from 33 per cent. This is a reflection of the contracting ancillary revenues, not the expansion of theatrical revenues.

There is a wide awareness of Australian product which now forms part of the strategy of most of the major sales agencies. Some sales agents are looking to take producer and executive producer credits and matching fees. In this case, it makes the advance paid by these sales agents much less valuable than before.

Australian producers are getting access to more prestigious sales companies and more senior executives within those companies. Projects are regarded as well developed relative to three years ago. Australian producers are seen to pitch and present their projects very well. It is likely that three or four films will be locked in as a result of this market.

The new arrangements in the British Film Institute (BFI) are bedding in. The change in focus in the UK is away from a discourse about ‘sustainability’ and ‘industrial’ development to a conversation around the ‘creative’ agenda.

The EU has announced new draft funding rules which would significantly reduce location incentive funds for inbound production. Chiefly affected would be Hollywood, but all co-productions would be caught by it.

## Screen Australia at Cannes

Maximising the opportunities presented by Cannes is crucial to maintaining a prominent profile for both Australia’s national cinema and production community. Screen Australia put together a schedule of meetings, events, business activities and promotional materials in support of Australia at Cannes.

Screen Australia executives attending Cannes were Chair **Glen Boreham**; CEO, **Dr Ruth Harley**; Head of Development, **Martha Coleman**; Head of Production Investment, **Ross Matthews**; Head of Marketing, **Kathleen Drumm**; and Marketing Executive, **Julie Archet**.

## Objectives

1. To position Australia as an expert, friendly partner for international collaborations.
2. To secure information about market trends and developments across key territories.
3. To enable business opportunities for Australian producers, including with their peers from selected territories around the world.

4. To create opportunities for Australian producers to engage with key international industry executives across distribution, sales, finance, development and acquisitions.
5. To celebrate and support the films screening in Official Selection.
6. To provide promotional support to films screening in the Cannes market.
7. To profile the diverse range of Australian producers at Cannes as well as their slate of upcoming Australian projects.
8. To provide on-the-spot advice, introductions and practical support to the Australian filmmaking community at Cannes.
9. To provide an opportunity for significant international film festivals to focus on Australian cinema, particularly upcoming projects.
10. To secure sales information on the status of Australian films in the marketplace, and to explore the latest on sales strategies for Australia's major titles.
11. To pitch new projects, ensuring that sales agents and buyers have the latest information on new titles coming through.

### Business activity

A fully interactive new website [australiaatcannes.com](http://australiaatcannes.com) was launched by Screen Australia in advance of the market, featuring more than 338 pages, with information about new and upcoming titles; links to trailers, producers' home pages and Australian distributors; a screening schedule for all Australian titles; information on doing business with Australia; and a news feed from Cannes. Screen Australia's website was well received by the Australian and international industries. Screen Australia also, prior to Cannes, conducted an online ad campaign in *Screen International* and *The Hollywood Reporter*.

#### Website statistics:

<b>Total visits</b>	<b>3,894</b>
<b>Total page views</b>	<b>17,378</b>
Home ( <i>The Sapphires</i> )	4,150
Producers	4,809
Distributors	1,145
Market Screenings	1,389
Screenings Schedule	1,326
<i>Yardbird</i>	1,016
Upcoming	791
News	737
Doing Business with Australia	512

Screen Australia's Marketing Department provided 12 travel grants for filmmakers attending the market and the film festival and two International Festival Materials grants providing assistance for the two films invited to screen in the festival. The Indigenous Department provided support for four cast members to attend.

At Cannes, Screen Australia held meetings with sales agents, acquisitions executives, film festivals, partner organisations and producers throughout the festival.

Screen Australia Chair, **Glen Boreham**, and Australian Ambassador to France, **Ric Wells**, hosted a lunch for the filmmakers and cast of Australia's two films in Official Selection along with festival selectors from Cannes, Venice, Berlin and Toronto. They also officiated at a function at the India Pavilion, an event organised by Screen Australia to mark Australia's official period of friendship with India, beginning in October 2012.

Screen Australia's office hosted business events over a series of nights including welcome drinks for all Australians (250+ attended); a networking function for key international acquisitions executives, financiers, sales agents and distributors (200); and another for major development labs, film agencies and film festivals (150). A matchmaking session for producers was organised with New Zealand.

Screen Australia's Cannes team also coordinated arrangements for a ScreenWest brunch, the **Goddess** post-screening party, the Asia Pacific Screen Awards function, and Arclight Films' 10th anniversary reception, at which the company celebrated their film screening in the Directors' Fortnight.

A significant initiative was Screen Australia's 'first-timers induction program' for 15 Australians new to the market. Screen Australia partnered with Initialize Films, which posted 16 pre-market podcasts featuring interviews with sellers, distributors and international producers. At Cannes there were four morning sessions with the group, with intimate presentations from leading industry players. After Cannes, there were further podcasts by way of follow-up.

Working on the assumption that you can always sharpen your skills, 10 experienced Australian producers received one-on-one pitching training with renowned Hollywood script consultant, **Michael Hauge**, in advance of the market. These same producers received travel support through Screen Australia's marketing program.

Marketing and logistical support for filmmakers was provided. Screen Australia worked with producers and sales agents in advance of the festival, to complement their overall Cannes market strategies. This included advertising and logistical support for the premieres of *The Sapphires* and *Goddess*.

Screen Australia assisted Australian media at Cannes, responding to opportunities as they arose and supporting them practically as required. Australian freelance journalist **Ruby Boukabou** and *The Sydney Morning Herald* (SMH) writer **Ed Gibbs** both accessed Screen Australia's office and facilities, posting print and video blogs and features. Ruby also put together several business stories for Screen Australia's YouTube channel.

## Conclusion

The market in general has taken an odd turn with seemingly large amounts of production finance available, producing a glut of product in a diminishing marketplace.

Sales agents told Screen Australia that Australian producers were becoming more business-like, with more interesting projects, well-pitched and better scripts. Sellers reported that the films being sold are those with a clear sense of what they are and a well-delineated audience. It continues to be difficult to move independent titles without substantial cast or proven directorial talent.

There seems to be a sweet spot for quality films at the \$8–15m mark. Australia has several titles in this range that may well move forward as a result of this market.

Australia is well and truly on the radar due to the Producer Offset and a continuing series of diverse films in high-profile placements within the festival, including the short films.

Australia needs to remain focused on co-production with its treaty partners, and Screen Australia will therefore maintain its concentration on creating in-depth, structured marketplace activity.