

**“Following the audience whilst leading in change”
National Public Sector Managers & Leaders Conference
17 March 2016
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Firstly, I would like to begin by acknowledging the traditional custodians of the land on which we meet, the Wurundjeri people of the Kulin Nation, and pay my respects to their Elders both past and present.

Thank you for inviting me to the National Public Sector Managers and Leaders Conference. I wasn't able to be here for other sessions or speakers today but the topics and people look very interesting and hopefully across it all you will garner thoughts on how your organisations current management practise is working and what are the best ways for you to assist in leading your organisation into the future.

As a broad heading for today I thought I would look at “Following the audience whilst leading in change” (which translates into how to try and please at least some people and have you and your team survive the day)! On reflection, however I thought audience is a bit specific to my world or a part of it and that what I in fact meant when I gave that topic to the organisers was how do you best work for the people involved in what we do in a rapidly changing environment? More on that in a little while but first...

I think the conference conveners rightly believe that a good way to give advice and enable you to develop is by sharing our own journeys and experiences, for good and bad. Some of you are probably also wondering - why do we have the fluffy creative guys here today, how stressful can it be swanning around with stars working on film and TV projects, and / or, how does this have relevance to what we are doing in our day-to-day operation. Hopefully over the next 20 minutes or so you will see that no matter what any of us do in our operations the fundamental objectives and challenges are coming from the same place.

SO WHO IS SCREEN AUSTRALIA?

So who is Screen Australia I hear you asking?

Screen Australia is the Australian Government's direct funding and administrative body for the Australian screen production industry. Our priority is to fund quality onscreen projects of scale and ambition, projects of cultural value that are intrinsically Australian and projects that encourage practitioners to innovate and embrace risk. This is of course a challenge to achieve but also difficult to orchestrate and manage - like managing a team of sportspeople to always win, or herding cats.

We were established in July 2008 taking over the functions and appropriations of several predecessor agencies, the Australian Film Commission (AFC), the Film Finance Corporation

Australia (FFC) and Film Australia Limited. This kind of merger of long standing agencies with committed fans and die hard foes will as some of you know creates opportunities but comes with real internal and external issues. These can range from multiple technical programmes and systems which don't speak to each other, merging physical locations, and of course different work cultures within each of them.

Across our various departments we support the development, production, promotion and distribution of Australian screen content by:

- supporting production of a range of content including features, documentaries, television drama and children's programs
- supporting the growth of screen businesses
- supporting marketing and screen culture initiatives which focus on engaging audiences with Australian content
- developing high-quality scripts and proposals
- facilitating innovation and audience-engaging online content
- supporting Indigenous talent and distinctive stories
- administering the Government's Producer Offset and International Co-production Program to increase the commercial sustainability of production in Australia; and
- Providing authoritative, timely and relevant data and research to the industry and government.

So what you are probably getting is that we work across the screen sector from cradle to grave, from hands on creative input, to business support, to marketing and trade initiatives. Largely we are assisting in the creation of culture, dealing in and with a creative environment but we are also a big business. This is an inherent tension, which we need to manage on a day-to-day basis in all areas.

Staying on tensions in who and what we manage, some initial management thoughts: We get most of our money from various arms of government, but the industry creators we work with (producers, directors, writers etc.) believe we are there for them and demand primary attention as the creators of the content. The people selling the content - TV broadcasters both State and Private Free to Air and Pay, and cinemas, and digital providers like Google who are the various means of getting content out to viewers, see themselves as the key driver and most important voice in the room. But then isn't it all about the people who are paying for it and who will watch it? If it is really is about content going out to the public primarily does that mean here in Australia and if so, what about the much bigger international audience. Careers and businesses obviously need or want the bigger numbers from a global stage and we at Screen Australia and the sector have an enormous role in defining the world's view of Australia - the most famous Australians (or at least

humans) all come from our industry. Also like all of you in the room we have massive changes occurring in our area, especially technologically. All of this is great, don't get me wrong, but it requires us to always be flexible and nimble in reacting to a rapidly changing world - something which is very difficult when spending public money with all the processes that go with that as most of you know.

WHO AM I - JOURNEY TO CEO

So how did I end up doing this?

I have worked in most aspects of film and television production and distribution around the world, for most of my career out of Australia. I have lived and worked on a long term basis in 5 countries. I have worked on the most specialised arty projects through to massive blockbusters. I have been part of independent companies through to running divisions of Channel 4 TV in the UK and on to Hollywood being President of Worldwide Acquisitions and Sales for Universal Studios.

To stop this sounding like a job application, the reason I flag this to you is that through it all there are clear similarities and learnings which I think are useful for us all - on anything you undertake the questions are: what am I (and my teams) really trying to achieve and for whom.

Beyond that can you articulate: what would success look like for me and the others involved; what level of success is really possible; and for how many participants; what are the necessary outcomes to justify the work and the expense put in to the task at hand.

Prior to coming back home to Australia some 2 ½ years ago, I had mostly worked in the private sector - though it is worth noting Channel 4 in the UK is a publicly owned Broadcaster but gets no money from the government and has to fully fund itself - a very interesting model, but not one I think many of you would like your funders to pursue.

I didn't, however, come here totally green to the public sector as immediately prior to my current role I did the similar position at the NZ Film Commission (eg tiny country massive industry and focus?). It is worth mentioning I think that in the private sector it is much easier to determine or justify actions, especially when it comes to saying no, something I am learning on a daily basis. (Use example of Freemantle / ABC / Screen Australia). I also now know that getting a CEO or Board or Shareholders to sign up to something is a walk in the park compared to ministries, ministers or lord help us all Finance Departments. (PJ example??)

MANAGING STAKEHOLDERS

Building from this, and again irrespective of what you do and the size of your organisation, I think the key question for all of us to ask is: Who are your stakeholders? And, if as is

likely, there is more than one how do you prioritise and work with them - in effect how to you manage them.

Unless you are clear on this, I think it is all but impossible to manage your teams and work to optimal outcomes. I cannot stress this enough as it is something, which I really don't think enough time is given to.

So looking at Screen Australia, who do we listen to and who should we care about?

As I mentioned previously we have different people clamouring for attention but this schism goes back to our founding legislation, in our act we have two directives, which broadly speaking are:

- To tell Australian stories, for Australians
- To help build sustainable businesses

So already just there in those two brief points there is potentially a clash, or in fact several. We are charged with getting Australian stories made but there is the underlying question of what makes something Australian - is it the subject, the setting or is it the person who makes it? Our clear priority is the Australian audience but is the size of that audience the key to justification, or is it critical acclaim? What about servicing a variety of audiences? The traditional content we support - features, tv drama, documentaries skews to an older audience, we do a lot of children's work as well for the young, but the 15 - 30's largely now view different content on different platforms, surely we cannot ignore them creatively or commercially? So as the real funder of me and the content and consumer is the Australian tax paying audience should they be the main concern? Are they my main stakeholder?

The second part of our remit is to help businesses. Again what is a business? Is a writer or an actor a business? The answer is definitely yes, but is that the intent of government intervention? Or is it to assist production units or companies who will make multiple pieces of content? So is a business or businesses my main stakeholder?

Then there is government, my employer. But here too there are splits. Until September last year, we sat within the Ministry of Arts which in turn sat within the Attorney-General's Department. We now find ourselves within the Department of Communications, which is a much better fit for the agency, given we deal with broadcasters, content regulation, and media reform impacts - and yet the bulk of the funding we disperse comes to us via the Department of Finance, via the Producer Offset - which we administer. Then there is DFAT, international is a very important focus for us as without it a large part of productions funding and pretty much all careers would not exist, and we also export content, but as mentioned our screen talent (hugh Jackman / mad max) are our biggest advertisement of us, so are we part of trade or an opportunity for cultural diplomacy or both for DFAT.

So is government my key stakeholder and if so which part?

Then let's add in that whilst we are a sizeable industry our actual investment and budget is minor compared to such things as health or education or submarines. We, however, are dealing in the media and often with stars - this guarantees attention of the media itself and whilst this can be lovely when we are promoting something or have a good message to tell, the sword of course is two sided.

So, as you can see - with at least three Departments, a diverse industry who all think that they are the most important element, international delegations and missions to coordinate - and constant interest of the press and media - we are constantly juggling competing priorities. And this is all before I get onto doing the main part of my job, which is making and funding Australian stories that matter!

What this means is that my management time and effort is not just focused on my team's outputs but is in fact spent more on updating, massaging and managing my various stakeholders. I would suggest that most of you will also have multiple interested parties so thinking through their overlapping or competing interests, is the key to not only your work being a success but also your sanity.

MANAGING CHALLENGES

Now on a different and more sobering note, as many of you would be well aware, budget cuts - whether successive or not - have an impact on the functionality of an agency and/or department. From Screen Australia's perspective, there is nothing like a cut to focus the mind and ensure that we are investing where we make the most difference and supporting where we can benefit the industry and crucially the audience the most.

In just over two years, we have seen a reduction in our budget that amounts to over 18%. We know we are not alone. Many of you in this room would be from agencies and departments that have also faced cuts to their budgets of varying degrees. To date we have taken almost all reductions out of our internal costs not frontline services (screen projects), staffing is down by half and total overheads down by 48% since the agency was formed. This of course has had incredible challenges in staff management and morale, but the last MYEFO cuts in December, now will start to come out of our on-screen work. This means that I/we are managing a process with staff that have lost people around them and now have to manage messaging that direct funding from Screen Australia will be even more highly contested. We will say no to project applications more and more. This requires very careful support of your teams - they have to feel you understand what they are going through, you have to assist them to work out how to clearly and sensitively pass on bad news. It is vital that you include them in setting the big picture outcomes and desires for their own morale as much as passing on rationale along with declines.

Everyone in this room is expected to do more with less. We get little if any sympathy in Canberra, and we get even less sympathy out there in the press and public. Our constant challenge is to prove our worth to the government of the day, and to the public.

What I need to manage to all stakeholders at a time like this is that support for the screen industry is about delivering important cultural dividends back to Australian taxpayers - through screen content that is vital to our cultural identity, our sense of selves and our place in the world. At this point I need all my team on board and I need to take my industry with me making the case to Canberra (both elected and officials) that their voters are getting value from us. There is however a fine line to be balanced between our cultural and commercial impacts to ensure we get credit for both rather than none, something I will come back to.

Our core business is and will remain to assist quality Australian content being created and brought to your screens, be they cinema, smart TVs or mobile and we will do our utmost to limit the impact on screen of funding challenges. For me that has meant really hard choices of taking out overhead down to the bone, perhaps that comes from independent film production where you try to make something for nothing, but this goes against most work practises and realities we all operate in. (eg of Official telling me not to cut staff as bad press? Versus why do we exist and industry thinking we should take all cuts out of overhead).

Managing these cuts to us and our work and sector has been hard as aside from the obvious of continuing to do all activities but with less and working in a much more financially constrained environment, we are making the cuts on the back of a record year on TV, doco, digital and Australian films, especially, continue to punch above their weight. Mad Max: Fury Road anyone?!

This is the other real management challenge I, and many of your will be facing, is despite our main activity really going well - as I said we enjoyed our most successful box office year on record last year and our digital content having 1 billion views in 4 years - we are having cuts to us and need to pass these on to staff and sector which believes / knows, it is delivering. These cuts when they are successful and other changes in the sector - such as splintering of audiences on different commercial platforms means the same number of total viewers but lower fees per platform which means less money coming to make things or pay people - creates an aura of negativity. If you were to take your lead from what is often reported or what many of our stakeholder's say you would think the sky is falling, the world is ending and we are wasting our time & efforts. Furthermore, and perhaps most importantly, many of these doomsayers publicly state and advocate that we are wasting cash.

So again for most of us in this room we have to manage a growing culture of negativity - something which was not in the Australia I left but is certainly here now.

For me I looked beyond the "feeling" to try and identify a cause and anything I could try and change. Having identified a root problem it creates the other real challenge in my job, beyond identifying and managing stakeholders, namely managing the perception of what we are and what our focus is. The issue - the divide in our work between Culture and Commerce.

Often participants and/or interested parties in the arts see the screen sector and its content as the dirty/ commercial end of cultural endeavours., we don't do opera in Latin, too many people watch what we do. We are too successful so why would you need government intervention.

Yet the business community and at least some parts of the broader community see us as fluffy creatives giving no recognition to the fact that each production is like a start-up business, consistently raising cash, hiring staff - often very many highly skilled people, successfully creating product and taking it out to market, here and abroad.

This can leave us without credit from either end rather than, as it deserves, getting plaudits for both. To this end in my 2 and a bit years at Screen Australia I am using my background as someone who has worked there whole life on creating content (creative) but wanting to maximise its impact to get the most viewers possible (commercial). I continue to move our organisational structure, messaging and dealings with all stakeholders to reflect this culture plus commerce not either or.

WE DO THINGS DIFFERENTLY

There is also one big difference between the screen sector and pure arts practice. Our sector makes money and generates loads of it.

The successes of this industry - I would suggest - raises the profile of Australia on the world stage like no other form of creative expression, sport or industry.

Australian producers, directors, writers, actors, animators, film crews and facilities, all have experience, expertise and extensive international contacts in some of the world's most significant markets.

We constantly hear people in Hollywood asking what it is about Australia that keeps producing such amazing talent - with global appeal. We have had unbelievable success in international festivals; we win awards recognising our talent in front of the camera, and behind the camera; we draw accolades from both within industry, and afar; and most importantly people value our work ethic. That is the recipe for success.

You only have to take a look at the success of some the biggest Australian names in Hollywood -think Sam Worthington, Cate Blanchett, Nicole Kidman, Chris and Liam Hemsworth, Russell Crowe and Hugh Jackman - they are all household names, and continue to draw legions of fans across the globe.

MANAGING CHANGE

I've already spoken about the impact that budget cuts can have on an organisation, and

how we deal with a reduction in resources - so what other challenges are we trying to grapple with? For one, viewer behaviour is changing, reflecting the individual's desire to watch what they want when they want on the screen they want - and a new generation are disinclined to pay for it.

Digital disruption is radically rewriting the rules of our business in much the same way that it did with other creative industries such as music and publishing, altering not only established release patterns and revenue models but causing seismic shifts in audience behaviour and expectations.

While the market has not yet determined a clear path forward, we're still in a stage of experimentation when looking at alternate models to existing business practices.

For us, having audiences find content online remains a challenge. There is so much information and so much content out there that good things are getting drowned out in the noise.

So how do we respond? We are supporting new ways of thinking about content, particularly through our multiplatform program, where we are seeing some extraordinarily creative and risky approaches to storytelling, which audiences are responding to, in astounding numbers.

We are keen to develop the capacity of the local screen industry to connect with audiences through innovative online marketing campaigns.

We believe there is real opportunity for our sector to promote our stories more actively and creatively and to partner with advertisers through traditional and non-traditional platforms.

Our funding is finite and we can't fund everything we wish to. A good funding decision, in our view, sees an excellent film, TV or multimedia project being made, standout talent, be they before or behind the camera, being recognised, and this leading to more projects getting off the ground. Some projects may make less return on investment but have a strong creative vision and deliver invaluable cultural benefit. Screen Australia steps in to assist those high quality, culturally significant or career defining projects go ahead.

But as I said too often the business community tends to see us still as fluffy creatives, too caught up in 'making art' to be commercially savvy let alone business focussed. We need to better present ourselves to this end of town and clearly show the business acumen our sector has and the benefits and upside that are possible.

CONCLUSION

So, for all of us here today, we have a shared interest: everyone in this room is passionate about what we do, and why we do it. For Screen Australia, it's about creating, showcasing and developing cultural content, to engage and inspire our audiences. What we do, is for the public good. We need to deliver back to the taxpayer - which means working through the challenging times, and taking our teams on the journey with us.

There is no point in doing what you do, if the team around you doesn't believe in its cause - in my world, it's about ensuring that the most creative, innovative, diverse and high quality content makes it way to screens so that audiences, including yourselves, can share in it. If that happens - then I am happy as I have done my job.

When all the cogs and wheels of development, financing, production, completion, post production, distribution, marketing and exhibition, broadcast or download have taken place, the aim is the same to connect with an audience. When that happens, the dividends are immeasurable.

If there is one take-home message I can leave you with - it is know your stakeholders. If you don't know or understand them, it is going to make your job leading and engaging teams much more difficult to achieve.

Being strong players in a highly competitive environment means that we all need to be flexible, resilient and open to new methods of technology. I am proud to be part of an industry that is built upon creativity and innovation.

Mistakes will happen - and that's fine. It's how you learn from them, and foster an inclusive environment that you will be judged on.