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Screen Producers Australia's submission to "Victoria's next *Creative State* strategy"

About Screen Producers Australia

Screen Producers Australia (SPA) was formed by the screen industry businesses representing large and small enterprises across a diverse range of productions in all forms and formats of screen content.

As the peak industry and trade body, we consult with a membership of more than 700 production businesses in the preparation of our submissions. This consultation is augmented by ongoing discussions with our elected Council and members. Our members employ hundreds of producers, thousands of related industry practitioners and drive over \$2 billion worth of annual production activity from the independent sector.

SPA's members are drawn from all elements of the Australian production ecosystem, including emerging and established producers, production businesses, services and facilities. Our members vary in size from large internationally owned entities, to partnerships, to sole traders and other corporate entities, and are found in every region, state and territory of Australia.

On behalf of these businesses, we are focused on delivering a healthy commercial environment for the entire screen industry through ongoing engagement with elements of the labour force, including directors, writers, actors and crew, as well as with broadcasters, distributors and government in all its various forms. This coordinated dialogue ensures that our industry is successful, employment levels are strong and the community's expectations of access to high quality Australian content have been met.

Screen Producers Australia welcomes the opportunity to make a submission to the Victoria's next *Creative State* Strategy.

For further information about this submission please contact Andy Barclay, Manager, Business & Legal Affairs (andy.barclay@screenproducers.org.au)

EXECUTIVE SUMMARY

SPA members have identified a number of key areas for action by the Victorian Government to support the growth of the screen industry in this State. These are:

- VicScreen should be adequately resourced to meet the needs of the screen industry.
- VicScreen should be better resourced to support skills development; business and enterprise facilitate location shooting in regional areas; and access to international markets.
- VicScreen should increase its focus on development funding to ensure intellectual property in Australian creativity is better retained under Australian ownership and control.
- VIC Government should develop and promote Australian screen culture and support screen-related tourism and events.
- These collective measures will ensure Victoria achieves a greater share of screen production activity in the State.

BACKGROUND

It is clear from [ABS Data](#) commissioned by Screen Australia that NSW is the leading Australian state when it comes to the Australian screen industry whether measured by total income, the number of screen production businesses and the employment generated. Victoria sits in second with just over half as many production businesses and, similarly, just over half the production activity taking place compared to NSW.

SPA believes the current consultation is a welcome opportunity for the Victorian Government to reaffirm its commitment to screen production and capture a larger share of production activity, as it has done with games development, through its support and resourcing of Vic Screen.

To develop this submission, SPA has consulted with its members to seek their views about the framework of the consultation paper and some quotes from SPA members are included below. SPA has just under 200 screen businesses in Victoria as members, nearly one-third of its overall membership.

SPA has also drawn strongly from the results of its *2023 SPA Business Support Survey* which asked members several questions that applied to each screen agency that the business had had dealings with. SPA is currently in the process of surveying members in similar terms to last year and those new results will be provided when they are collated and analysed.

In August 2022, SPA was pleased to make a detailed submission on the National Cultural Policy to the Australian Government and provided extensive evidence on the five-pillar framework of it. SPA welcomes the alignment between *Revive* and the Victorian creative strategy.

SPA is keenly awaiting the Australian Government's legislation to regulate streaming platforms. This long-awaited policy development is intended to provide some welcome stability to a dynamic industry that frequently experiences a 'boom and bust' cycle. This regulation will also ensure a more certain pipeline of investment in Australian screen stories.

ROLE OF VIC SCREEN

SPA members strongly believe Vic Screen should be adequately resourced to support the State's screen industry including through necessary skills development, to facilitate location shooting including in regional areas, and funding to support access to international markets to grow the export potential of the screen industry.

To support Victoria's screen industry, financial aid like development and production grants are crucial, funding early-stage project development and production costs to ensure high-quality output. Along with incentive programs for shooting in regional locations to not only support the production bottom line, but also showcase rarely seen landscapes, architecture, open spaces and the people of the local communities. [SPA member comment]

Feedback to SPA from members through the 2023 Survey showed that members perceive that Vic Screen has a strong commitment to ensuring access to screen production infrastructure, access to a skilled workforce, and effective strategies to increase diversity and inclusion in the screen industry.

As the table on the next page shows, SPA members believe Vic Screen can do more to provide valuable support and incentives for regional production and development to support producers build and retain IP in their projects. These two areas fell below the average when weighted against the other State and federal agencies.

VICSCREEN RESULTS



IMPORTANCE OF DEVELOPMENT FUNDING

Development funding is essential to foster creative enterprise and ensure that creativity and ideas are nurtured and supported to become fully realised projects that are ready for funding.

Without development funding, creative entrepreneurs are forced to look offshore for financial support. The risk from this is that this creativity and cultural product is likely lost from Australian ownership and inevitably, risks becoming an offshore project rather than an Australian one.

Australia is notorious for not placing sufficient value on owning ideas and creativity – the intellectual property product from our industry. Instead, our economic practice is to harvest our resources for development and value-adding, to offshore markets that better understand the economic value of IP.

Existing development funding by Vic Screen is extremely important. It complements the funding done by Screen Australia and other state screen agencies. Australia and Victoria can never have too much of this.

Development funding is the fundamental building block of bringing a project from concept to being a viable reality and is the means to ensure diversity of stories and storytellers based on our culture.

SPA believes it is important to focus on development funding to ensure intellectual property in Australian creativity is retained in Australian - and particularly Victoria's businesses - ownership and control.

Companies and producers need to be supported through the development stage of a project. Emerging producers need support and mentoring and a focus on creative producers who can steer a project and have the skills to interact with writers to move through this phase more quickly and efficiently without sacrificing the creative process. The costs of development are a huge consideration for a company and emerging practitioners find it difficult to bear these costs. [SPA member comment.]

Many Victorian screen producers are no longer being adequately remunerated for the work they do when developing a screen project. Just like other workers in the creative industries, screen producers are also workers and should be paid for their work.

Currently screen producing businesses bear the majority of the risk associated with nurturing a project towards the production stage and are expected to bear the upfront costs of this work. While writers and other talent engaged on the project have the remuneration rates for their work regulated and protected under modern Awards and industry agreements, producers are often expected to self-fund costs and overheads during development.

Vic Screen currently caps the fees producers available to producers during development at \$3,000 and \$5,000 depending on whether the producer is delivering the equivalent of an outline/treatment or a draft script. Reducing the ability for the producer to pay themselves adequately and appropriately for the work they have done to get the project to that stage of development.

To ensure the viability of the individuals and businesses responsible for carrying out the development of a project (hiring writers, script editors, etc) these caps must be lifted or removed completely. For without producers guiding projects through development, there will be far less opportunities for writers, directors, and other creatives to strengthen and apply their creative talents and services.

Australian home-grown content can become more competitive in with global counterparts with more financing in development. The caps for development funding from Screen Aus and VIC Screen don't quite match up to the award minimum rates suggested by SPA and MEAA, making it more difficult to dedicate more efforts into development and writers' rooms. [SPA member comment]

DEVELOPING SCREEN TOURISM

Victoria has the potential to actively invest in and support the growing screen tourism opportunity. Already, Australian films, TV shows and other screen content attracts hundreds of thousands of international tourists each year, generating significant economic benefit for their local economies, including in regional areas.

Screen tourism, or film tourism, is built around a location that becomes popular with visitors because it has appeared in a film or television series. In conjunction with the growth in screen culture driven by steaming platforms, screen tourism is growing in popularity around the world through themed tours and activities. It is clear that tourists enjoy visiting places they see on screen and that fans want to visit specific landmarks, places and buildings from scenes in their favourite TV shows and films.

Screen tourism can have a huge economic impact on the tourism industry. For example, a significant increase in visitors to New Zealand after the filming of *The Lord of the Rings* and *The Hobbit* film series resulted in a major boost to their annual tourism income. A similar phenomenon was experienced in Ireland in conjunction with *The Game of Thrones* success. While they are two very large screen brands, people are equally excited by smaller productions that have resonated in their lives. Given the many Victorian productions that have been made over many years there is a great opportunity to draw on the incredible screen history of the state.

Many screen productions spend large amounts of their budget creating sets and props. After a project has finished filming, some of this creative effort has nowhere to go. Recreating a film set of an iconic or cult screen production within a cultural hub would have significant tourism potential. This opportunity could be leveraged through public investment in a project and relies on the retention of intellectual property in the project to support marketing and merchandising opportunities.

According to the 2016 report commissioned by Screen Australia, *Screen Currency – valuing our industry*, over 60% of international tourists recall seeing an Australian film or TV prior to their visit, and of those that have seen it, 85% said the content made them more likely to visit Australia and of the key reasons for visit, 7% were to visit a location in Australian film or TV.

Report co-authors Deloitte Access Economics estimated that 230,000 tourists visit or extend their stay in Australia each year because of viewing Australian film and TV content, generating around \$725 million in spending.

Screen tourism can lead to potential customers for tourism and hospitality businesses, including in regional places. By providing specific offerings for screen tourism visitors, businesses can make the most of the opportunity. Examples include:

- location tours
- visitor experiences
- screenings
- exhibitions
- fan events.