

Thursday 19 December 2013

Submission to the Framing the Future: Developing an Arts and Cultural Policy for NSW discussion paper

Screen Producers Australia was formed by industry to represent businesses of all shapes and sizes across a diverse production focus of feature film, television, games and interactive content. They are the most active businesses in Australia and are dedicated to working together to increasing productivity. These members produce in excess of \$700 million worth of screen content annually, of which around two-thirds of this activity occurs in NSW.

In the last year our members were responsible for the highest grossing Australian feature film (*The Sapphires*), the highest rating television program (*The Voice*) and four of the top five highest rating television dramas (*Howzat! Kerry Packer's War*, *Underbelly: Badness*, *Beaconsfield* and *House Husbands*). In addition, many won prestigious awards around the world, including titles such as *Top of the Lake*, *Agony Aunts*, *Mrs Biggs*, *Rake*, *Selling Houses Australia*, *Dance Academy*, *Immortal*, *Outback Truckers*, and *Dirtgirlworld* among others.

On behalf of these businesses we campaign for a healthy commercial environment 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 we can reach our shared goal of creating great screen content.

Screen Producers Australia welcomes the opportunity to contribute to the NSW Government's development of an arts and cultural policy.¹ It is with this in mind, our feedback² will focus on the following three areas:

- 1. A holistic vision that unifies government and industry to drive productivity across community, state and country**
- 2. Capacity building through physical and technological infrastructure, skills development and business retention**
- 3. Follow-through from vision to program design with measurable outcomes and accountability**

¹ The NSW Arts and Cultural Policy is a key NSW Government commitment under Goal 27 of *NSW 2021: A Plan to Make NSW Number One*. The Policy will set a vision and 10-year strategy for NSW Government engagement with the arts and cultural sector in NSW, to maintain and enhance the important social and economic contribution this sector makes to our State. More information can be found here: <http://www.arts.nsw.gov.au/index.php/about-us/our-work/nsw-arts-and-cultural-policy>

² In addition to the comments addressed in this submission, Screen Producers Australia would like to reiterate the issues we raised through the consultation workshop, facilitated by Arts NSW (6 December 2013)

1. A holistic vision that unifies government and industry to drive productivity across community, state and country

The NSW Government can use this opportunity to look beyond its sphere of direct influence and offer broad leadership in setting a bold vision that ensures the creative industries remain at the forefront of the state's economy. It is a contribution that is not just valuable in economic terms but also distinctive in the way it represents, reflects and enriches the people and places of NSW and the Australian way of life. To be successful, any such vision will only be realised through collaboration across tiers of government and their departments as well as in partnership with private industry.

The NSW Government is uniquely placed to meet this challenge as the vital link in the chain between federal and council governments. They can engage business, practitioners and cultural organisations to develop programs that align, and are responsive, to federal incentives, breakdown silos (perceived or otherwise) across the suite of state services and are complementary to council practicalities. This is equally important whether looking at the screen production community or other aspects of access and participation, capacity building and cultural heritage.

The screen industry accounts for the largest proportion of Australia's GDP from all creative industries.

Estimates of the economic value of gross product for the creative industries have been in excess of \$30 billion dollars in recent years.³ The film and television industry accounts for the majority of this value.

The total gross output of the film and television industry totals \$20.2 billion. The contribution to GDP is \$6.2 billion of which \$5.1 billion is direct value added with more than 40,000 people directly employed.⁴ In particular, production of feature films, television drama and documentaries generated \$709 million worth of investment annually, including \$124 million in overseas finance. This level of investment in narrative production positively contributes \$331 million to GDP, taking into account the direct and indirect impacts of production activity on the overall economy.⁵

Screen production businesses are typically small to medium enterprises, but each year a combination of targeted incentives and an entrepreneurial spirit see them raise hundreds of millions of dollars in private investment and employ thousands of people on their productions.

In 2011/12, businesses involved in the creation of film, television and interactive content incurred production costs of \$3.0 billion. Television programs and feature films accounted for 71 per cent (\$2.1 billion) and 18 per cent (\$540.4 million) respectively. Of this, NSW accounted for \$1.6 billion of activity and around 10,000 production and post-production jobs in the independent sector.⁶

The strength of the screen industry is an achievement that comes in part from engaged policy makers who have carefully reviewed and adjusted the policy levers that affect the foundations underpinning the sector over many years. This has ensured, that despite challenging market forces, our industry is successful, employment levels are strong and the community's expectations regarding their access to high quality content have been met. This is not just a role for the Australian Government; the NSW Government must also share in the priorities of this broader agenda as the country's largest production centre.

As to keep step with this change and an increasingly global marketplace, there must be ongoing adjustments to industrial frameworks, commercial terms and other support mechanisms that address emerging issues around use, cost and financing. These adjustments must be done with acknowledgement from government that there is a need

³ Australian Government, 'Creative Industries, a 21st Century Australia', August 2011

⁴ Access Economics, 'Economic Contribution of the Film and Television Industry', August 2011

⁵ Screen Australia, 'Convergence 2011: Australian Content State of Play', August 2011

⁶ Australian Bureau of Statistics, 'Film, Television and Digital Games, Australia, 2011-12 (8679.0)', June 2013

for intervention that assists negotiating strength of the independent sector, balances the power of vertical integrated businesses and addresses geographic concentration.⁷ This will ensure not only diversity but also that our productivity and revenue will be maximized.

The screen industry remains the most pervasive form of creative and cultural expression.

Whilst there are references to the screen industry throughout the discussion paper, the most direct analysis of industry issues is addressed within the 'venues and spaces' section. This section primarily looks at places to 'create and experience the arts'. In isolation this section would appear to only cover half the production process (i.e. production logistics and community engagement), marginalising to some degree the creative contribution that screen practitioners make thanks to the careful nurturing of careers and project development.

Specifically, the proposed directions, 'to support local content creators to create and produce a diverse range of Australian stories' and to 'seek opportunities for early career screen practitioners', would seem to fit equally under all four priority themes. This would link the contribution of the screen industry more comprehensively with broader objectives that acknowledge and support diversity in people and artistic work, be it indigenous or other multi-cultural backgrounds, youth, disabilities, etc.

Despite this framing, Screen Producers Australia welcomes the proposed directions and believes, with a coordinated approach that incorporates many of the recommendations from the The Creative Industries: Industry Action Plan, there are the foundations of a strong cultural policy. A policy that must place great emphasis on policy settings across the entire ecosystem, from regulatory reform to funding programs and state cultural institutions to private industry.

2. Capacity building through physical and technological infrastructure, skills development and business retention

In addition to the need for an ongoing commitment to sustainable services and facilities, skills development and business retention are two key challenges for the screen production community in NSW.

Skills development is an issue that Screen Producers Australia, in association with Screen NSW and the Sydney-based resource centre Metro Screen, have been looking at in 2013. In October, the three organisations collaborated in a NSW skills summit. This was prompted by concerns that there is a lack of training opportunities, as distinct from qualifications, in the broader production community. In particular, relevant courses for training that have been dropped from the skills priority list for NSW.

This roundtable discussion included other representatives from Australian Directors Guild, Media Entertainment and Arts Alliance, Ausfilm and Screen Australia. The discussion aimed to identify areas of skills shortages, agree on strategies to address those skills shortages and to exchange information on skills and training. Screen Producers Australia anticipates that the summit will occur annually.

Identifying and addressing skills shortages is vital to building capacity in the NSW.

As part of the skills summit, Screen Producers Australia conducted a survey of members from across the country to identify skills gaps.⁸ It also aimed to better understand perceptions of different approaches to industry training.

More than 50 companies participated in the survey, including a diverse range of NSW-based businesses including Southern Star, FremantleMedia Australia, Essential Media and Entertainment, Goalpost Pictures, Sticky Pictures, Media Stockade and Jungleboys among others. Of this, 66 per cent of individual respondents had worked in the

⁷ These concepts are explored in more detail in Ofcom's 'Television Production Sector: A Review' (<http://stakeholders.ofcom.org.uk/consultations/tpsr/tpsr>)

⁸ The Screen Producers Australia Skills Survey, conducted in October 2013

industry for more than 20 years. The majority of the companies surveyed were diversified across different genres of production, with documentary and factual programming the most commonly cited followed by feature film and television drama.

Of those producers who participated in the survey, 57 per cent said that they had experienced a skills shortage when looking for crew. Production accountancy was identified as the area in which it was most difficult to find people with the required skills. The script department, interactive media, production management and post-production and visual effects rounded out the top five areas. When asked to specifically nominate roles within these areas, editors were the single most commonly cited gap. This is in keeping with some companies who are looking are already importing skilled labour in this area.

All producers surveyed indicated that on the job training was the most important attribute when employing crew and 85 per cent said that they had a commitment to ongoing training. Furthermore, 80 per cent said they would like to learn more about government support options to assist professional development. More information can be found in Attachment 1.

An investment in skills development must be balanced with clear retention strategies.

Alongside targeted skills development is the need to retain not just businesses in NSW but also production activity. This is in part achieved through a mix of supporting frameworks from location attraction, project development and enterprise-style programs. However, equally important is the commercial certainty and cost efficiencies that can be gained through responsive regulation to ensure that day-to-day operational and production costs are not too onerous.

The Local Government Filming Protocol, launched in 2009, is a good example of leadership by the NSW Government and Screen NSW in being 'film friendly'.⁹ This protocol has taken significant steps to standardising processes and reducing red tape to make it easier to work on locations around NSW. Nevertheless, aspects of the protocol require ongoing monitoring through further consultation to ensure compliance at both ends. This would increase understanding the DA process as well as eliminating ambiguity and different interpretations around what is deemed to be 'filming activity'.

Screen Producers Australia would like to acknowledge this significant piece of work, developed in consultation with local councils, government agencies and the film industry. We look forward to continuing our support of Screen NSW in their advisory role to industry.

3. Follow-through from vision to program design with measurable outcomes and accountability

In terms of delivering on the intentions of this arts and cultural policy, Screen Producers Australia would like to reiterate the important role of Screen NSW. Their contribution should not be underestimated, creating an environment that supports the entire screen production ecosystem as well as their targeted initiatives to NSW-based feature film, television, games and interactive businesses.

This can be illustrated by looking at the leverage of investment that currently occurs in NSW, aided by the allocation to Screen NSW.¹⁰ For example, in looking at NSW expenditure for Australian feature film and television drama, there has been an average of \$244 million in total budgets per year since 2003/04. This includes a spike of \$450 million in 2008/09 as a result of *The Great Gatsby*.

⁹ The Local Government Filming Protocol can be found here: <http://www.screen.nsw.gov.au/publications/local-government-filming-protocol/>

¹⁰ Expenditure by state based on data supplied by Screen Australia; analysis of 'total budgets' includes all projects that started shooting during the financial year, with the full budget allocated to the date principal photography started

However, NSW is experiencing a meaningful increase in base level of production thanks to the additional allocation of approximately \$5 million per year in 2009/10 and 2010/11 to Screen NSW.¹¹ As a result, the last two years have seen annual production consecutively top \$300 million for the first time. The extent that this \$100-plus million worth of additional production may be sustained after a reduction in allocation in 2011/12 will be monitored closely. More information can be found in Attachment 2.

This increase demonstrates the significant productivity gains to the NSW economy that can be leveraged through comparatively small additional investments by the NSW Government. On that basis we encourage further consideration to increasing the allocation to Screen NSW so that the state can retain its position as the largest product centre in Australia.

The industry, in partnership with government and their agencies, is ready to rise to the opportunity that this policy presents. With competitive and complementary levels of support, we will be able to refine programs that build capacity with measureable outcomes.

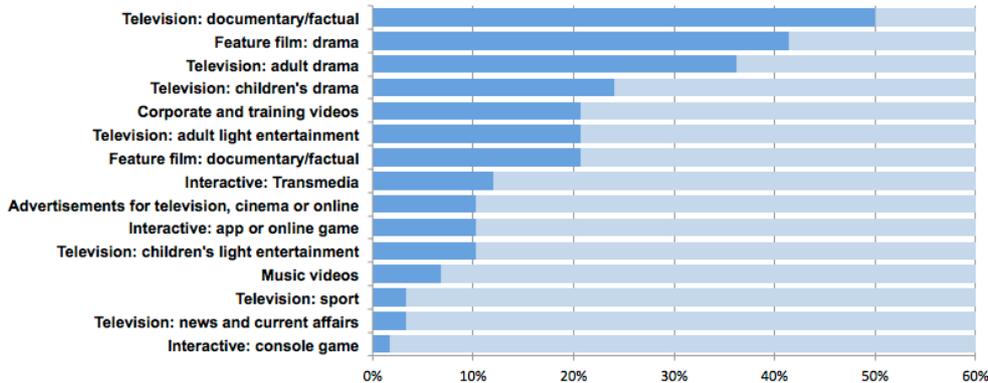
Contact details

Screen Producers Australia thanks the NSW Government for this opportunity to participate and looks forward to continuing to engage in this process. For further information please contact Matthew Hancock, Manager, Strategy and Insights, 02 9360 8988 or matthew.hancock@screenproducers.org.au.

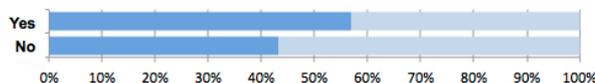
¹¹ Allocations based on recurrent data from Screen NSW annual reports

Attachment 1. Screen Producers Australia Skills Survey, 2013

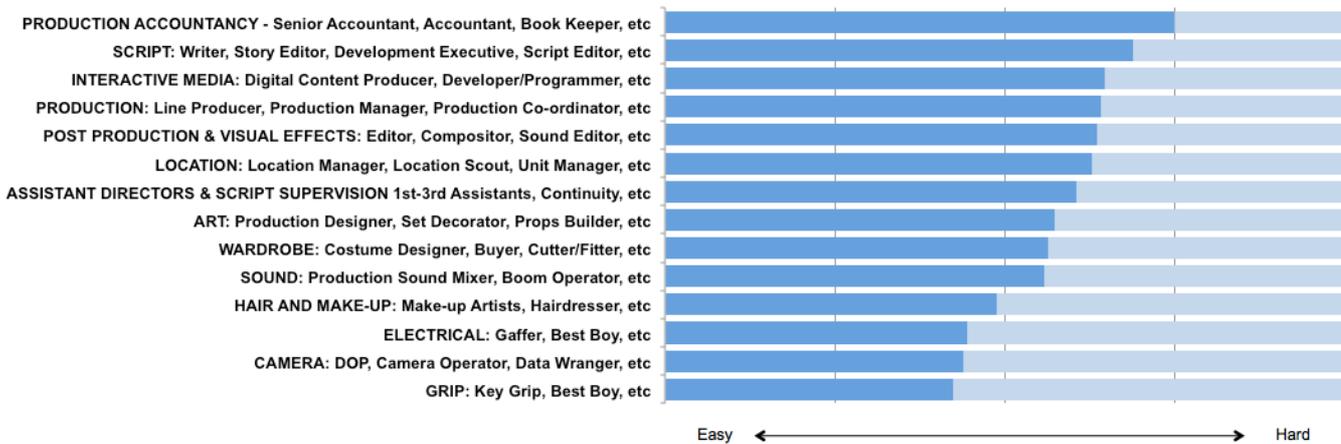
What types of audiovisual content has your business commercially produced in the last five years?



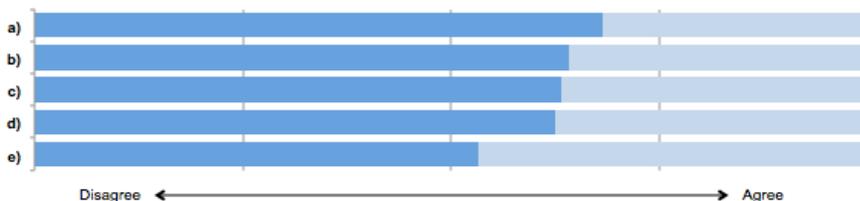
Have you recently experienced skill shortages when trying to employ production staff?



When thinking about these skill shortages, how difficult is it to find people to fill roles across the following areas?



When thinking about the possible reasons for the skills shortages in these specific roles, to what extent do you agree with the following statements?



- a) There are a lot of people seeking work who do not have the prerequisite qualification and/or formal training
- b) The production sector is struggling to attract and/or retain a large enough domestic workforce to fill the positions required.
- c) There are a lot of people seeking work who lack the required experience despite having extensive qualifications and formal training
- d) There are a lot of people seeking work who have the required experience, training and qualification but they have unrealistic expectations of their duties and/or employment conditions.
- e) Out business has, or is considering looking overseas to meet our skills needs.

Attachment 2. Production Expenditure and Screen NSW Allocation

Total production budgets (\$m), NSW



Recurrent allocation (\$m), Screen NSW

