

Strategic Review of the Northern Territory Screen Media Sector and Potential Future Roles for the Film Office

Summary of Industry Feedback to Phase I – Strategic Discussion Paper

Overview:

20 written response submissions were received by mid-February 2009 in response to the Discussion Paper circulated to the screen industry at the end of December, 2008.

Submissions were received from:

- Ms Priscilla Collins
- Ms Birut Zemits and Mr Bill Wade
- CAAMA Productions/Melanie Guiney
- PAW Media/Susan Locke
- Lisa Stefanoff
- FATANT
- Bill Fletcher
- David Nixon
- Cutting Edge/Todd Williams
- Rachel Clements
- Dixi Joy Bankier
- Greg Stehle
- Vincent Lamberti
- Paul Henness
- Georgia Glen
- Narelle Page
- Mary Anne Butler
- Australian Cinematographers' Society (NT Branch)
- Chris Tangey
- Exposure Productions/Andrew Hyde

Overwhelmingly, the submissions supported the recommendations of the Phase I Discussion Paper.

Several respondents provided additional insights or suggestions, indicated a few provisos or recommendations on how to implement and move forward; but few argued against specific recommendations. This is actually quite surprising, given the characteristic freedom of spirit and thinking within the elements of this industry!

Based upon the submissions received, the recommendations in the Phase 1 Discussion Paper have been re-ordered according to the level of support and importance to the respondents. This is illuminating as we move forward to create the Strategic Directions for the NTFO.

The only disappointing aspect of the submissions and other feedback, is the continuing expectation that NTFO can “do it all” – supporting everything for everyone in this industry, rather than realising NTFO needs to focus its efforts. Also, everyone wants more money for NTFO. While this too was recommended by the consultant and industry contributors to the Phase I Discussion Paper, the industry are expecting an additional annual budget to the sector through the NTFO of more than \$2 million per year. This is a sizeable increase over the current level of funding to the NTFO, and any change to the NTFO budget is dependent on Northern Territory Government priorities.

1. NTFO as a Government-owned Corporation with Added Flexibility to Receive/Leverage Funds from NT Government, Federal Government Agencies and Private Sector sponsors.

This recommendation was seen by almost every respondent as THE most important and highest priority action step.

Unleashing the potential for NTFO, possibly rebranded with the word “Screen” or “Media” in its name; is seen by the industry to be considerably dependent upon separation or “arms-length” operation from Government. This should not come as a surprise. Indeed the same industry expectation for similar agencies is to be seen in Western Australia, New South Wales, and various Canadian and European jurisdictions where the International Institute for Television Leadership (IITL) have undertaken similar projects. Screen agencies in most other Australian jurisdictions operate with boards and most are corporations or statutory authorities. Industry wants Government support, but it also wants to work *with* an agency or organization that will work *for* them, not for a Government Minister. Accountability to Government is of course, a given.

For the Northern Territory Government, a move such as this could be a significant signal to the industry that it really understands the situation and is willing to change its perspective of collaboration and support to the creative and screen industries in NT. This move in itself would have low financial cost, and minimal political costs for the large potential benefit.

The submissions recognised the need for larger, more significant funding of *Screen NT* or *Screen Territory* with the following expectations:

- Significant funding increase of \$2million per year
- Triennial Funding agreements so that multi-year plans and initiatives could be developed
- Overhead/staffing cost be kept to a minimum, and the majority of the overall budget go towards the funding of projects and industry initiatives
- Producer Offset guarantee funds are *NOT* part of this budget figure recommendation

As recommended in the Phase I Discussion Paper, the form of this renewed entity would probably be an independent corporate status, wholly owned by NT Government, and Governed by an appointed Board.

While structure is not usually the best starting point in such a change initiative, (I believe in Form following Function); the actual *form* of NTFO may well be critical to its next evolution.

2. NTFO as Sponsor of Bridge Financing through leverage of the Producer Offset; plus enhanced emphasis on Screen Media Development/Marketing Funding

Bridge Financing against Producer Offset

Of course financing is near and dear to all members of this community, so this should come as no surprise. And, as identified in the Phase I Discussion Paper, this Bridge Financing against the Producer Offset is almost a “no brainer” as far as NT providing a low risk, high value extension of a benefit provided by another Federal agency!

In this role, it was envisaged that NTFO would work with Screen Australia, and the Northern Territory Government Treasury to develop policies and procedures for Treasury to advance or guarantee low interest loans which are secured by the Federal Government’s Producer Offset Program. The loans may potentially come from banks or financiers.

This was seen by the majority of respondents as a VERY HIGH PRIORITY.

Development Support

The development stage of screen media productions, which is by nature the stage with the highest risk, should be supported with additional resources in the form of investments, loans or grants to enhance development and where appropriate collaboration of multi-platform content creators, emphasizing development of market/audience-driven content, and reward *innovative* market pursuit and penetration strategies.

This would substantially help:

- Ensure screen companies and individuals can pay their bills during development and production phases, stabilising their business and sectoral employment
- Support Idea-formation and Innovation pull-through to buyers in multiple/new domestic and/or international markets;
- Necessitate working more closely with Screen Australia, NT Government Treasury, Broadcaster/Web/Telco/IT/Distributor/Finance community – and NT-resident Producers of content.

This was seen by the majority of respondents as a VERY HIGH PRIORITY.

Market/Export Readiness and Leverage

The Second component of this recommendation was also well supported by the industry feedback. Indeed the area of *market development* and *marketing financing* – including attendance at festivals, industry trade fairs, and classic “buyer” forums – is very important to the small businesses that comprise the majority of this industry sector.

Of course, in addition to the Producer Offset Guarantee element; industry feedback identified the need for increased funding in general, and suggested some targeting towards the following areas:

- “Financial Support” to NT-resident Producers with a proven track record, and current viable projects requiring added assistance.

Some of the most successful existing talent in NT, and those who arguably have committed to NT and lived here for some time; could be further stabilised or grown if the NT Government (perhaps through *Screen Territory*) were essentially to reward success.

This IS actually a compelling argument. Investment in proven success potentially provides the means for supporting development of new staff or apprentices/trainees, and the potential growth of micro organisations into Small Medium Enterprise (SME)s with several employees.

Indeed, 12 to 18 month (or longer) traineeships have been proven in many jurisdictions and industries as one of the most valuable ways to stimulate innovation and sustainable local/community economic benefit.

The financing of this may or may not be the role of Screen Territory, however it could certainly focus on finding the right way to support this initiative, with all micro screen companies, organisations and SME’s being eligible for consideration, with a finite budget being allocated each year.

- Strategic facilitation with funding to bring together collaborative partners (writers, directors, producers, apprentices, non-linear content and technology experts) to *incubate* ideas. In addition, practical and hands-on training could be provided along-side such gatherings. When appropriate, strategic facilitation could possibly be outsourced to a suitable organisation or company.
- Some investment in emerging producers, writers, film-makers, content creators, working in targeted companies as ‘trainees’ or ‘apprentices’ based upon an annual application.

The emphasis of this funding aspect is the *development* of the existing initiative, new project or emerging-creator idea into a market-ready/export-ready prospect; and/or the exploration of and marketing to new distribution markets beyond NT/Australia to enhance the profitability return. We need to build global niche *business* capacity for NT-resident content producers in order to build a self-sustaining industry and enhance the local economy. These funds are designed to be *leveraged*, and to bring a higher net return to NT as a result of supporting local SME’s and screen professionals in this sector. Repeat funding/investment to individuals/companies would be based upon proof of substantial leverage from previous support. Increased profitability of NT-resident initiatives is what fuels employment, business growth and re-investment in innovation by SME’s. This is the lifeblood of the new global economic landscape.

Of course, local NT-oriented productions for tourism, health promotion, education, etc. or local broadcast, will need to continue to be done contractually with the funds available within NT, but this is not involving *Screen Territory*.
(See item 4)

Artistic expression or cultural enhancement initiatives, should seek funding from alternative sources designed to support such important and valuable contributions to community that inevitably involve the use of imbedded screen media. Artistic production that uses screen media that isn't market oriented – that is for the sake of art – e.g. cataloguing art programs, or installations if sourcing Government funds should source them from elsewhere within arts or cultural agencies.

While *Screen Territory* would help encourage the latter initiatives, the focus forward should be the enhancement and leverage of screen media productions with global niche commercial outcomes.

3. NTFO as the Facilitator of “Creative Workshop Initiatives” that will ‘bootstrap’ local capability to world standards, advance content development, and break new ground in formats/platforms.

As outlined in the Phase I document, this *Sesame Street Workshop* – style concept puts *Screen Territory* in the hands-on idea and talent leverage role so often identified as a need in NT. In fact, this is the much desired innovation incubator role in concrete terms. And, this is NOT a training initiative – this is a commercial/innovation initiative with resulting global sales expectations.

Feedback from industry on this concept was extremely positive:

- *Fascinating and Intriguing!*
- *Compelling – a great head-start initiative*
- *Good Concept – ensure competitive auditions*
- *Very beneficial to our industry*

In addition to the support, there were some clear provisos made and specific requests for *Screen Territory* to heed:

- Use an ‘open call’ approach for the annual idea generation, vs. *Screen Territory* arbitrarily deciding the genre focus or concept framework
- Extend to different formats/styles/subjects
- Don't preclude funding to other initiatives!

Clearly, the opportunity here is for *Screen Territory* to work to secure Screen Australia funding that might otherwise not come to the NT screen media community for the express purpose of building a slate¹ or major screen production, and related 360-degree media elements.

¹ A Slate is in industry term for a company or individual's body of productions in various stages

Screen Territory would also allocate grant funding each year in addition to Screen Australia monies to further support this initiative.

There are several more details to be delineated in this core area of future focus for *Screen Territory*; however the concept seems well supported. Consideration could be given to such ideas as:

- *Screen Territory* and an industry organisation or company collaborating on management of the initiative;
- Contest or Audition process for Team members and Lead Producer – possibly even with a wrap-around Reality-TV production on the initiative itself!
- Utilisation of Charles Darwin University (CDU) and possibly ABC, Imparja or other organisation’s studio facilities;
- Cross-fertilisation of the Alice Springs and Darwin creative communities;
- Integration of a paid Mentorship/Apprenticeship component;
- Writing TEAMS as exemplified by Hollywood for improved creativity;
- Content creation TEAMS across multi-platforms for enhanced content sale-ability
- Sole or joint ownership by *Screen Territory* and the Team members.

While there are several potential models for success, and various industry members will disagree on the exact formula, it is much better for *Screen Territory* to get it “approximately right” and get started, rather than trying to satisfy everyone before beginning.

4. NTFO as the Promoter of Audience/Market Research to build NT content/talent in Pursuit of New Markets

There are two key imperatives for the advancement of the media industry in NT that are well within the interests of an organization like *Screen Territory*.

- a. Promotion of the members of the NT screen media industry to both Government departments spending hundreds of thousands of dollars on such services each year, and resident/communities/other industry sectors within NT.

and

- b. Improved rigor by the screen media industry to utilise existing market research from federal agencies and private sources in order to better develop market-driven content; and the collaborative exploration of major offshore markets for unique NT content and screen media services.

Promotion of NT Screen Media industry within NT

As mentioned, there are excellent practitioners in every component of the screen media industry, in both Alice Springs and Darwin, as well as several remote communities. However, do the major buyers of such services realise the talent available and/or how to contact them? This industry is notoriously challenged in the effective self-promotion aspect. Both people and facilities are under-appreciated and often overlooked for the perceived “higher quality from farther away”.

Well of course, sometimes in a competitive bid situation, non NT talent may well win a services provision contract fair and square. This should not be eliminated, as it keeps pulling NT creators to world standard.

That said, several jurisdictions around the world have recognised the need to help the industry promote itself in general and specific companies/individual service providers to its own local marketplace.

In the NT this would include:

- Government of NT Departments and agencies
- NT-based buyers of media services/facilities
- National/International projects operating within NT

There are a number of aspects related to this initiative:

1. A comprehensive electronic web based searchable data-base and “yellowpages” of NT industry talent, service providers and facilities should be developed and maintained. This could be funded by *Screen Territory*, and the development and maintenance could be contractually awarded to an NT based commercial enterprise.
2. Once the data-base and representative information is assembled, then a physical sales and marketing initiative to target audiences should be advanced annually.
3. Some body to act as a “Better Business Bureau-type” element to ensure the quality of the listings and the providers in the listing.
4. High-value aspects such as post-production, writing and knowledge-capital-building work would be particularly emphasised to the target audiences in a creative way.
5. NT Government across Government Policy marketed to encourage “Buy NT” screen media mentality.
6. Facilitate pride in and collaboration amongst, providers across the Alice Spring – Darwin “divide”!

Improved Market Research Utilization and Pursuit of New Markets for NT content

Large business, broadcasters, and federal screen media agencies have the resources to build staff, commission and/or buy market and audience research to assist them in their programming and service provision decisions. SME’s on the other hand rarely have such resources and often lack the skills or discipline to do this themselves. Yet innovative and audience-/market- driven content creation is not likely to be truly fostered unless this practice is built into this community. This is becoming a critical input item to the creative and innovation processes of screen media content creation.

Thus, this industry’s SME’s must form some kind of collective to do or purchase such audience/market research.

As an arms-length agency, *Screen Territory* could provide such collective service, or again it could fund such initiative though a truly broad industry membership organization. Beyond the collection or commissioning, or purchase is the interpretation and discussion of the finding, then the application into the creative

process. Again *Screen Territory* could actively host such sessions with industry participants.

This should be a high value service. And worthy of perhaps \$50k - \$100k per year, co-funded by industry member contributions of say \$500 - \$1,000 per beneficiary.

Recommendations from Industry to Government of NT beyond the role of NTFO

- Tax Incentives to NT Productions – 50% Payroll rebates for NT-based production
- Rebates for utilisation of local studios and/or post-production facilities
- 50% funding of Apprenticeship or incremental entry-level position Payroll for 1st 2 years of the position.
- Investigation of a Public-Private Partnership for the creation of Cluster Office Space and Facilities for the Creative industries/Screen media companies, plus common services co-location of Lawyers, Accountants, Marketing experts, Studio relocation

Applications for such programs could be made through NTFO/*Screen Territory*; and/or the Board could adjudicate applications up to an annual maximum “pot” in each category of 1st 3 bullets above.