

From Philip Rainford  
Company Director  
White Light Productions

Dear Sir,

This is a brief informal submission. I worked for thirty years as a business consultant and accountant, I was heavily involved on the Committee of the Fellowship of Australian Writers and have been writing for twenty years. I recently established a film production company and my own study of the industry indicated the following:

1. The industry is very short term focused in that they only look at their current project and not how they can sustain themselves for multiple projects. Longer term planning needs to be encouraged among film producers – we have too many one hit wonders among our producers.
2. Few producers give any long-term consideration for investors, which means that private equity investors have lost interest in the industry and need to be lured back by better tax incentives and a chance at recovering funds at a profit. The myth that you cannot pick winners is no more true than in any other business. If I set up a shop I have no guarantees anyone will shop there but I use risk analysis to reduce the risk of that possibility. Same with film.
3. In the past tax incentives such as 150% tax deductions only encouraged the creation of a lot of cheap, nasty films that did harm to the industry's reputation. It did however boost the industry and some great movies were produced as well. If this were re-introduced there would need to be some kind of quality control (production value evaluation) by someone like FFC or AFC to ensure it was a film industry benefit and not just a tax lurk.
4. If production companies are to be sustainable they cannot simply rely on the possible profits of the film. These profits should go to investors who in effect should be engaging the producer to make the film for a fee, from which they get a profit like any contractor, that is not dependant upon sales. They could get sales bonus if it sells as an incentive.
5. Too much emphasis is placed on Australian themes, settings, cast and crew. If we wish to sell our films internationally and promote an Australian Industry, then the Australian market is far too small to sustain a local industry, we need international themes and a greater international audience. For example: If I want to make a film about Italians and set it all in Italy, I will attract our local Italian audience as well as an audience in Italy, often funding restrictions from FFC and AFC prevent this flexibility that also restricts sales overseas.
6. Marketing: 10BA deductions should be extended to cover not only production but also marketing. If Australian films take less than 5% of the Gross Box Office, how much of a distributor/exhibitors budget is going to be spent on promoting Australian films – not much. Producers need a promotional budget of their own to build interest in the film, to take it overseas to Festivals and Investors should get this deduction. If they sell it, everyone wins but at present, they rely too heavily on distributors to promote.
7. If government doesn't want to be propping up the local industry it needs to make the Industry more attractive to investors and build long-term sustainable production companies.
8. If we hope to increase sales locally the government MUST, as has been done overseas successfully, put quotas on cinemas and television, forcing them to show Australian product, this will force them to seek Australian product and if it doesn't sell tickets, force the industry to produce what audiences want to see. That may mean higher budget, less artistic, less locally orientated films that can compete with overseas product.

The Australian Industry has shown it can not only produce world class product, it can do it cheaper. Hollywood brings teams down here to do their blockbusters so we have the resources; we have investors who spent \$200billion on rural industry investments that offer 10BA like deductions but not to films. Why is this so? That is the question that government

needs to ask and resolve as the bottom line if they hope to find a real solution to reviving and boosting the Australian Film Industry that does not involve them pouring millions in every year.

Philip Rainford  
Script Writer, Producer  
White Light Productions.