THE MERCURY

SUBMISSION TO NATIONAL CULTURAL POLICY CONSULTATION 2026

From: The Mercury, Adelaide

RE: Securing organisational sustainability and support for independent cinemas

The Mercury (formerly Media Resource Centre) is a 50+ year old not-for-profit organisation with dual cultural missions: supporting emerging screen practitioners and operating an independent, community-focused cinema in Adelaide's CBD that drives screen culture engagement and delivers the Adelaide Cinematheque alongside a bespoke curatorial offering of screenings and special events including a focus on Australian film.

We highlight two critical infrastructure gaps the National Cultural Policy must address – gaps we experience acutely, but that affect other small to medium screen and arts organisations and independent cinemas across Australia.

1. EMERGING-SECTOR ORGANISATIONS REQUIRE SECURE OPERATIONAL FUNDING

The Mercury's impact is measurable and significant. In 2024-25, we provided over $130,000 in short film funding; delivered: 800+ cinema and industry events; 500+ uses of on-site filmmaking production facilities and equipment; engaged 100+ industry speakers and consultations; and supported an active subscriber base. Our Quicksilver Production Fund has supported films achieving major national recognition, notably *I'm The Most Racist Person I Know* directed by Leela Varghese and produced by Suriyna Sivashanker, which won the Short Film Award at the 2026 AACTA Awards and Best Short Film at the 2026 Screen Producers Award. Other recent Mercury alumni success includes Danny and Michael Philippou, who won Best Film and Best Direction at the AACTA Awards for *Bring Her Back*, and Leela Varghese and Emma Hough Hobbs, who won Best Indie Film for *Lesbian Space Princess*.

Yet this impact is delivered from a position of chronic financial precarity. Our most recent Annual Report highlights the challenge clearly: operating expenses continue to outpace overall revenue. While the Treasurer's Report notes a small cash surplus, this masks the fundamental structural issue: as a not-for-profit arts organisation our core operational funding is unstable, reliant on program grants, one-off state government support and philanthropic backing.

The Mercury experiences a funding void. We are currently ineligible for Creative Australia and Create SA Arts Organisation Program Funding as we're categorised "screen-based," so deemed screen agencies' responsibility. Neither Screen Australia nor our State Agency the

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South Australian Film Corporation currently offer specific multi-year operational funding for screen organisations.

Annual grant funding from the South Australian Film Corporation funds program delivery, but not the organisational infrastructure essential to delivering them or in support of the broad gamut of screen industry development and screen culture activities we deliver. Therefore, costs including permanent staffing, facilities maintenance, administration, marketing, governance, insurance, cinema equipment upgrades and servicing all must be recovered from variable, uncertain sources – box office, venue hire, donations, sponsorship. The consequence is a permanent state of financial vulnerability that prevents long-term planning, inhibits workforce retention, and limits our capacity to grow.

We are not alone. The Production Infrastructure and Capacity Report's (PICA) recent analysis of Australia's screen production sector documents that small, project-based organisations supporting emerging practitioners operate under identical constraints across the country. This fragmentation undermines sector development, limits organisational capacity and forces talented staff to leave the sector.

The PICA Report's recommendations emphasize the urgent need for a nationally coordinated, collaborative approach to supporting early-career screen practitioners - one that directly connects education, industry, and government in sustained partnerships. The Mercury exemplifies exactly this nexus in practice. We maintain long-standing relationships across all three sectors: partnerships with tertiary education providers including Flinders University and AFTRS; deep connections across the screen industry through our alumni, Board and industry engagement programs, and ongoing engagement with government agencies including the South Australian Film Corporation. Yet despite occupying this essential structural position, our ability to sustain these cross-sector partnerships and the pathways they enable remains compromised by the operational funding gap we describe. If Australia is to implement the PICA Report's vision of coordinated, collaborative workforce development, institutions like The Mercury which are already embedded in these networks must be resourced to deepen and expand that work. This is not an argument for funding The Mercury in isolation, but for recognizing that the sector-wide transformation the PICA report envisions depends on the stability of the organisations already connecting these three critical systems.

The National Cultural Policy commits to supporting artists "at every stage of their careers." This cannot happen without secure, multi-year operational funding for the organisations providing early career support. Such funding is not "soft" cultural spending - it is infrastructure investment, equivalent to supporting galleries, theatres, or literature organisations.

2. INDEPENDENT CINEMAS ARE VITAL CULTURAL INFRASTRUCTURE

The Mercury is also a not-for-profit, independent community cinema. This role is increasingly critical as commercial cinema chains consolidate and retreat from diverse programming and Australian film exhibition.

Our mission is to create spaces where audiences engage with Australian stories, meet filmmakers, participate in Q&A and panel discussions, and engage in a range of screen culture activities. We host a busy year-round calendar of film festivals including the Adelaide Film Festival, Adelaide Independent Film Festival, Flickerfest, and the 48 Hour Film Project alongside many others, and provide regular and affordable opportunities for emerging and early career filmmakers to present their work on the big screen and meet their audiences in person. Last year, we grew audience numbers by 10% and are on track for a similar increase this FY. We have increased venue hire by almost 50% and received 300+ individual donors - demonstrating strong community demand for culturally-driven cinema.

Yet this mission is under pressure. Like independent cinemas across Australia, we lack the industry specific infrastructure support available to major cultural institutions. Made Not Seen, independent research conducted by Independent Cinemas Australia (ICA) CEO and Mercury board member Nick Hayes, documents the significant gap and the systemic reasons why so many Australian films struggle to reach Australian audiences. We would love to screen and support all Australian films theatrically released each year, but without wider industry support for the films to attract a more substantial audience this is financially challenging. Without dedicated cinema infrastructure and exhibition support that spans P&A, a coordinated national slate strategy for release windows and a national exhibition renewal program – some of the recommendations included in Made, Not Seen, independent venues cannot sustain the curatorial work, community engagement, and cultural leadership that drive Australian film visibility.

This is a systemic problem. Commercial pressures make it economically rational for cinema chains to program international blockbusters that are supported by major studio marketing campaigns. Independent venues are the only consistent advocates for diverse, Australian content. Yet they operate without the infrastructure support necessary to fully realise this mission.

THE CONNECTION: VALUE CHAIN INTEGRITY

These two issues are interdependent. The Mercury develops emerging filmmakers – providing them with production opportunities, mentorship, professional development, and the track record of work required to access state government and market funding. Yet without mechanisms that provide substantial support beyond development and production

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and into the distribution and exhibition landscape, that talent has limited pathway to audiences or sustainable careers. This broken link undermines the entire value chain.

A filmmaker can complete an award-winning short film through The Mercury's Quicksilver Fund and attract attention and funding for their first feature, but without cinemas committed to Australian cinema, that future work may struggle to reach viewers. Meanwhile, audiences hungry for local stories find commercial cinemas offering predominantly international content. The Mercury sits at both ends of Australia's screen value chain: we develop emerging filmmakers at the beginning of their careers, and we provide exhibition space where filmmakers need audiences. This unique structural position reveals the gap: emerging talent develops successfully, but pathways to audiences remain fragmented. The Mercury is the rare institution experiencing both ends of this broken connection.

WHAT WE ASK NATIONAL CULTURAL POLICY TO DO

The policy's five pillars, particularly Pillar 4: Strong Cultural Infrastructure and Pillar 5: Engaging the Audience, demand that it addresses both emerging-sector organisational sustainability and cinema infrastructure. We urge the government to:

1. Establish more opportunities for multi-year operational funding for emerging-sector organisations supporting early-career practitioners, recognising this as core cultural infrastructure;

2. Introduce dedicated infrastructure support for independent cinemas providing exhibition for Australian film;

3. Recognise these as interconnected investments in a functioning, equitable screen sector.

Without both, the policy's vision of supporting Australian creativity at every stage will remain incomplete. Without both, talent pipelines lead nowhere. Without both, Australian stories remain "not seen."

Sincerely,

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Sarah Lancaster
CEO, The Mercury