

# National Cultural Policy Submission

## Craig Rossiter

Submitted: As a worker/professional in an industry who uses arts (e.g. art therapist, tour guide);  
As an artist; As an individual

**What challenges and opportunities do you see in the pillar or pillars most relevant to you? Feel free to respond to any or all pillars:**

### First Nations

The **challenge** is implementing this pillar in a way that does not create a Cain versus Abel response in the broader, more conservative parts of Australian society.

The enormous **opportunity** lies in the social, cultural and business innovation that will come from sharing of wisdom of the oldest civilisation on earth, and the creation of sustainable competitive advantage in the marketplace of cultural exchange. Indigenous filmmakers are some of our most innovative screen practitioners. More importantly, we will be better group of humans.

### A Place for Every Story

The **challenge** lies in the selection of which artists to support. The economics are skewed. There is an oversupply of aspirants and their outputs must compete with the best imports. Australia has a relatively small local market so local demand is small compared to supply. In the arts, quality is highly subjective, and so the "social network" (galleries, broadcasters, distributors, arts bureaucrats) decide the allocation of limited resources. The network is efficient but not effective at this allocation. Decision errors and bias are the norm and the network is self-replicating. This is why it has been difficult for indigenous, female, LGTBTQA+ and CALD filmmakers to break in and make films. Since 2008, screen policy has relied on "experience" to fulfil the policy aims of a creative, innovative and sustainable screen production industry. Yet, market share of Australian content at the box office is down and "Australianness" is no longer discernable from Americanness/British (see "Elvis" or "Peter Rabbit").

The **opportunity** lies in the fact that innovation occurs on the periphery of the network, not at its core. Especially in industries where consumer preferences are dynamic and "nobody knows" like films and the arts more broadly.

### The Centrality of the Artist

As in "A Place for every story", the **challenge** is the oversupply of artists (including aspirants) compared to the level of local demand. Economically, artists are undervalued. In this country, this perpetuates the myth that the arts are an indulgence. [Public Policy](#) response to COVID was criticised for taking a similar view.

The **opportunity** lies in a changing world of work and society, where automation will begin to significantly replace [2.7 million jobs](#), most held by males by 2034. The new world of work will require [21<sup>st</sup> Century skills](#) which include critical thinking, creative problem solving, collaboration, communication and innovation. More broadly, the increasingly casualisation of the workforce and the rise of the gig economy is something the screen industry has been dealing with since 1948. The arts shows a template for the "future of work" for an increasing number of Australians.

## **Strong Institutions**

The **challenge is** that the arts operates in an environment of “symmetrical ignorance”, where the artist doesn’t know what they will make until they have made it, and the consumer doesn’t know if they will like it until they have seen it. Due to the strong labour component of the production process, most costs are sunk. This makes investment very challenging. Most sustainable institutions are middle men, straddling a large fragmented sector of producers and a heavily concentrated sector of content aggregators. The structural imbalances means that the more heavily concentrated retailers and distributors transfer much of the risks involved in production on to the producers, who often do it because “arts for arts sake”. Or, in the case of the pre-1970s screen industry in Australia, don’t take the risk at all (market failure). Arguably, most of our government institutions have been captured by the more powerful elements of the channel. We now offer almost parity on the size of incentives for foreign productions compared to local screen productions with much better terms (grants versus investments). Many of these elements of the channel also represent the “fourth estate” through the provision of news and journalism. *Media regulation in Australia is simply a mess.*

The **opportunity** lies the re-intermediation that is currently occurring in various sectors, such as broadcast and streaming, as well as technological innovation which is changing consumer behaviours with respect to the consumption of information.

## **Reaching the Audience**

The **challenge** is the proliferation of digital media channels and the rise of global media that has created a more competitive environment for Australian artists. Awareness of local arts and content is low because attention spans have gotten lower and there is more content available, more choice. The digital environment has almost meant artists have traded analogue dollars for digital cents which exacerbates the economic disadvantage of artists. Digital artists create digital content for free, which content aggregators exploit for free (except for the top 1% of creators). In the arts, late expenditures (ie marketing expenditures) are hugely impactful because consumers use advertising as a proxy for quality. Australian artists under invest in this fundamental brand building function.

The **opportunities** lie in the increasing access to audiences that artists have and the innovations in delivery mechanisms such as Non-fungible tokens, which can help tackle the problem of piracy. However, break through remains a challenge.

**Please tell us how each of the 5 pillars are important to you and your practice and why. Feel free to respond to any or all that are applicable to you:**

**First Nations** As a white Australian who makes films, I want to know about Indigenous story telling traditions to help me tell better stories.

**A Place for Every Story** There has been no renewal strategy for the screen industry since the establishment of Screen Australia in 2008. There are significant barriers to access to government funding for [Emerging practitioners](#) and the system verges on educational fraud. We have more film schools (including a \$23 million a year national film school) than opportunities to make films.

**The Centrality of the Artist** South Korea is a good example of a country that has capitalised on its artistic assets. 1 boy band brings is worth over [\\$3.6 billion](#) to the South Korean economy. The size of the New Zealand Film industry on par with Australia ([\\$3.5 billion](#) vs [\\$3 billion in gross value add](#)). If you attend screen industry events, bureaucrats, ministers, and key industry figures always say “we can’t compete” and “we’re making too many films”. At our core, we fail to believe in our own artists. At a local and state government level as well. We spend more time and effort importing artists from overseas or inter-state through incentives, rather than just developing artists. There is the centrality of network and not a centrality of artist.

**Strong Institutions** Artists need ‘many doors’ to overcome the problem of the centrality of network.

**Reaching the Audience** Government needs to invest in the marketing and branding of Australian artists and their products as well as investing in cultural production.

### **Are there any other things that you would like to see in a National Cultural Policy?**

Media reform and the principal of platform neutrality. Government needs to understand the system and the incentives that it creates (or disincentives), who it incentivises and disincentives. The Government should also follow a principle that while taxpayers socialise the risks in innovation (including cultural innovation) it should also **socialise the rewards** ([instead of privatising them as it currently does](#)). We need to be more mindful of where the benefits of government support in the arts actually flows.

**Government should not rush into establishing a new framework for streamers to invest in Australian content**, but should revisit the Options Paper from 2020 and in particular, the principle of platform neutrality that the previous Government lauded but then failed to act upon.

Some low hanging fruit:

- Create **consistent classification regulation** across Australia and implement self-classification in film, literature, games etc
- **Review of tax status of artists** – income splitting for artists has remained at \$37,000 for decades and has never been adjusted for inflation.
- Low budget films with budgets up to \$500,000 should be **eligible under Creative Partnerships Australia**. These are not because a feature film is considered “commercial”, however low budget films below \$500,000 are ineligible for the Producer Offset (yet just as many low budget films get made in Australia by emerging filmmakers as “professional” productions). Creative Partnerships Australia and the ATO should recognise self-investment as a valid form of donation and celebrate the extremely event when these films generate an income or profit.
- **Review the policy objectives of the Australian Film and Television Radio School**. Introduced in 1972 when there were only 12 film courses available (most in film theory and appreciation), there are now 61 institutions all offering training and skills in screen production. Is this still a need for a national film school? How might this allocation be better used when there is hardly any government support available for emerging filmmakers to collaborate and practice a very expensive craft.
- **Include arts agencies such as Screen Australia regularly as part of the audit program of the Auditor-General**. These audits should look at the effectiveness and efficiency of

programs and how they are delivering on the objectives in respective acts. This includes the Producer Offset. This will increase accountability and transparency.

- **Develop a ten-year strategy of renewal for emerging artists, in particular emerging screen practitioners.**

**Review the Significant Australian Content test and prioritise the production of “Australian” content**, with a stronger emphasis content about Australia (our people, our places) rather than who is actually making.