



Submission to:

Supporting Australian Stories on our Screens—Options Paper

From:

Australian Theatre Live

July 2020.

Summary: ATL recognises and supports the Federal Government’s aims to ensure the local film production industry remains competitive in a modern and rapidly developing media environment. We also agree the best way to achieve that is not to protect domestic businesses from competition, but to ensure the proper functioning of markets competing on a level playing field.

Currently the market is far from level as the ACCC’s Digital Platforms Inquiry report makes clear. The heavily regulated Free-To-Air sector struggles with declining audiences and levels of investment, while the unregulated and booming SVOD foreign giants dominate the local market.

In our view, this market is so overwhelmingly one-sided that only the “Significant” changes outlined in Indicative Model 3 will correct this imbalance and should be introduced as quickly as possible; in particular, by establishing platform neutral, future facing obligations and incentives that take into account individual platform offerings and audience engagement.

We believe all content providers must negotiate individual content investment plans in line with expectations set by the ACMA, (Option 3B), with the national broadcasters obligated to allocate funding not just for children’s programs but also for digital arts programs of high cultural merit.

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Australian Theatre Live began 5 years ago with a mission to film great examples of live Australian theatre for distribution to cinemas, arts centres and community halls across the country.

Advances in digital recording and broadcasting now make it possible for rural, regional and remote arts-lovers to see and experience live performances staged only in metropolitan cities, many they would otherwise never see.

A similar project, the UK's National Theatre Live, now screens in Australian cinemas and around the world.

We have successfully negotiated all rights agreements and have currently filmed 9 significant plays by our best known playwrights, 6 of them already screened in over 44 cinemas and venues, (independent and major metro's), to almost 10,000 cinema-goers.

The films are also available to stream on our website. At the onset of the covid-19 crisis, our Facebook initiative, 'A Live Theatre Virus Free Festival', successfully streamed to an audience with over 20,000 enthusiastic viewers for 3 productions.

Our films are also currently available for a limited time through the ABC's iview platform, with a viewership approaching 25,000 over the past five weeks.

While these numbers are relatively small in this local market, our experience negotiating sales and investing in new product has taught us several things.

1. There is a growing and sustainable interest in Australian Digital Arts Content.
2. There is enormous potential for the digital arts content market to expand, not just for arts lovers who rarely get access to live performances, but also for an education market catering to students of Australian history, drama and literature.
3. The level of performance and the quality of our performers, writers and theatrical companies is world class and capable of enhancing our reputation in the creative arts worldwide.

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4. This new digital arts initiative will not survive without industry support for four principle reasons:

- We cannot compete with the dominant suppliers of imported digital arts content from heavily subsidised theatre, opera and ballet companies from the UK and the US.
- The digital arts content market is new and we remain unrecognised and anonymous in the local creative arts industry.
- Digital arts content sits outside the funding guidelines of the two principle funding bodies, Screen Australia, which supports projects scripted for film only, and the Australia Council, whose assessors asks, “why is this a theatre not a film project.
- Without the recognition and support from Screen Australia or the Australia Council, digital arts content suppliers cannot access industry offset concessions; cannot interest the mainstream national broadcasting networks; remains outside the interests of the commercial Free-To-Air networks and is plainly unviable to the SVOD content giants more interested in first-run drama series and rerun cinema classics.

This submission supports content quotas to best support Australian arts on our screens.

We believe those quotas should be suitably weighted to stimulate the interests of the public broadcasters in particular in the fields of children’s and digital arts content.

While we accept that the commercial television broadcasters have moved more towards sports, news, information, entertainment and reality programs, they nevertheless are obliged to bring quality arts content to audiences clearly interested in them.

But it’s in the field of Subscription Video On Demand that the need for quotas is critical.

As is reflected in the Screen Australia, ACMA Options paper, the boom in the value and audience reach of these giant foreign enterprises is prenominal.

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According to a recent ACMA Communications report, it is estimated that 71 per cent of all Australian adults have access to at least one subscription television or pay-as-you-go streaming service in their household.

The report also claimed up to 12.9 million Australian adults (around 65 per cent) watched professionally produced online content, up from 9.63 million in the previous year.

By comparison, the weekly cumulative reach of FTA broadcast television was 18.3 million people.

In the next few years the market for online content will further expand with the establishment of the 5G network, creating more opportunities for streaming larger volumes of digital content.

And yet the current levels of Australian content on the major SVOD providers is pathetically low, reportedly just 1.7% of the entire Netflix catalogue.

“In the absence of supporting regulatory mechanisms”, said a recent PWC report, “culturally significant Australian content would struggle to make it on screen”.

Our own experience in the field of cinema distribution, which is also dominated by UK and US distribution companies, proves the point.

In a recent determination by the ACCC, (A91587 – March 2018), it was established that feature films distributed to the Australian exhibition market by the six major foreign owned companies, accounted for 85 per cent of the total box office revenue for both the 2016 and 2017 calendar years.

Exhibition contracts that contained ‘policy’ provisions had the effect of locking out screen availability from local distributors with respect to season and sessions for a particular film.

The major distributors had the power to decide which cinema screened, which film, where, when and how many times.

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The ACCC determination allowed the Australian Independent Cinema's Association to bargain collectively to determine their own programming and challenge the dominance of the major distributors.

The ACCC noted, " that if collective bargaining is successful and it leads to increased film diversity, it is also likely to benefit independent distributors, who submit that independent exhibitors are more likely to screen lower budget arthouse style films."

The issue is so important it went on to say, "The ACCC is of the view that increasing film diversity is likely to provide public benefits to rural and regional communities, which are unlikely to have ready access to a wide range of entertainment. These communities may have insufficient demand to attract live theatre, live ballet and a range of live music. Providing access to these types of live events, by filming them live and then screening them in rural and regional cinemas improves community access and increases entertainment choice for consumers"

While Australian content quotas do not currently apply to the local film exhibition industry, it's clear the impact of a single market dominated by foreign interests, can be to the detriment of Australian filmmakers seeking to tell their stories on Australian screens.

The ACCC determination recognises this and goes on to say, "In rural and regional Australia, building a sense of community is important. Establishing a cinema as a hub for local entertainment, not just for mainstream films, but for 'events', such as theatre screenings, opera, ballet, or televised rock concerts from around the world, is important not just for the exhibitor, but for the community as a whole"

An opportunity to measure the success of digital arts content streamed online has come with the tragic closure of theatres around the world due to the covid-19 crisis.

Australian Theatre Live was perfectly placed to provide lovers of the theatrical arts with an alternative, a catalogue of live filmed performances easily accessible to online audiences.

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A recent survey of 23,000 respondents conducted by the Australia Council, (Covid-19 Audience Outlook Monitor, May 2020), found 75% participated in online arts and cultural activities. Almost half enjoyed watching live-streamed events.

Online participation in the arts also allowed audiences to discover new works with a third discovering a new artist, artwork or performance online. 32% reported going online to see things they wouldn't normally be able to see.

And they are willing to pay for it with a sizable proportion spending more than \$50 per fortnight, "suggesting there could be a role for greater investment in content discovery and digital marketing.

"There are also signs that digital participation could translate to increased attendance at live events after the pandemic".

All of which establishes digital arts content as a new player in the wider media field, worthy of consideration as a category in its own right when deciding funding and content quotas in the local multi-billion dollar industry.

While our captured live performances are not in the 'block-buster' category, our Event Cinema and Online films serve a loyal but specialist clientele in a new and rapidly developing industry.

With the necessary support we have the potential to revitalise the exhibition industry generally in both metro and regional areas and make them more responsive to the interests of their audiences, the customers.

Australian digital arts producers now have the prospect of distributing and exhibiting Australian theatrical talent around the world, showcasing Australian performers and writers as well as promoting our theatre, ballet and opera companies.

According to a recent Screen Australia report, "More than 230,000 international tourists visit or extend their stay in Australia each year as a result of viewing Australian screen content, generating an estimated \$725 million in tourism expenditure".

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We believe no Australian should be without access to the best of our cultural achievements through opportunity, price or distance.

However, the creative arts industry in Australia has been slow to recognise new opportunities on digital platforms now accessible to a much wider audience than they ever thought possible.

The digital arts industry offers valuable community engagement and a national identity in the arts at a time of significant innovation and change.

But it needs the support of Government and arts funding bodies and administrators if it is to continue to compete with international product already succeeding in local markets.

We strongly believe there is an urgent need to find a market mechanism to support this nascent industry and to defend the cultural appropriation of the fine arts from well-resourced foreign producers.

We need to establish a reputation of our own for bringing high quality live theatrical performances to audiences around Australia and around the world.

We believe Indicative Model 3B is that mechanism and that it should be introduced as soon as is practicable.

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