



An Australian Government agency

Documentary Production and Funding in Australia

**A discussion paper prepared by the
Australian Film Commission**

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Introduction

Background

At the 2003 Australian International Documentary Conference, the following motion was passed at the Plenary:

That the AFC, supported by other film agencies, complete during 2003, a major benchmark study of the Australian documentary industry in order to:

1. provide comprehensive data on funding, production, distribution and exhibition, including international comparisons; and
2. assess the effectiveness of the current range of documentary assistance programs.

The AFC has prepared this discussion paper which attempts to identify some of the key issues and concerns that exist within the documentary production sector.

Further work is being prepared to provide extensive data which will include documentary production levels, location of production companies, budgets, box office, tax incentives, ratings and analysis of the number of documentary producers, directors and writers making one and more documentaries. International comparisons are being looked at. This information will be released at the 2004 Australian International Documentary Conference.

An Industry in Difficulty

There is widespread concern about the state of the documentary production sector in Australia at present.

Documentary making in Australia has always been tough, particularly for entry level and consolidating practitioners. But what is noticeable in the current environment is that even those larger and more established entities considered success stories by the whole of the documentary industry are finding it increasingly difficult to survive, and are talking of not being able to continue.

This is the inevitable result of developments during the last 15 years or so, which have left documentary production, unlike drama production, in a comparatively unsupported position.

Australian documentary has never had the benefit, as has television drama production, of subsidy accompanied by effective regulatory support, though it is a form extremely vulnerable to replacement by cheaper imported programs.

Context

- There were no specific documentary content requirements for free-to-air television until 1996, when the requirement that each network transmit 10 hours of first release Australian documentary in prime time was introduced. This was increased, though only to 20 hours, in 1999.
- Pay TV documentary channels were not, and are still not, obliged by legislation or regulation to achieve requisite Australian documentary program expenditure levels or Australian documentary content levels. They are not an active fiscal partner in Australian documentary production unlike the significant participation of pay TV in the Australian feature industry.
- So documentary makers, unlike their colleagues working in TV drama, did not have the benefit of a market created by years of effective regulation and had only one, and after 1994 two, public broadcasters to call a domestic market. Nonetheless they were, from 1989, still required to demonstrate significant market interest in order to secure finance via the Film Finance Corporation (FFC), the principal Australian mechanism for delivering government subsidy to film and television production.
- Documentaries—especially social issue, history and arts programs—very often tell local stories and deal with parochial matters. Hence most Western countries support a level of domestic production and import only limited amounts of foreign product, thus exacerbating the difficulties which all Australian television producers face in trying to secure international finance.
- FFC Accord arrangements were developed in acknowledgement of the cultural need to produce documentaries, despite the absence of a developed Australian market and in view of the special disadvantages which documentary production suffers in the international marketplace. Accord arrangements became the principal means of ensuring the supply of independently produced documentary programs to the ABC and SBS.
- However Accord budgets were capped at low levels (pegged to licence fees paid by public broadcasters) and their scope, and sometimes production values, were consequently restricted.
- Subsidy delivered by the federal agencies supporting production of documentaries (the FFC and Film Australia (FA) which between them provide more than 90 per cent of Federal Government subsidy to documentary production¹) became dependent on the interest of a market which, in the absence of effective regulation, comprises largely only the public broadcasters.

¹ Federal Government subsidy from FFC, AFC, Film Australia and, until 1998/99, the CTPF.

Some Indicators of the Difficulties

In addition to general documentary practitioner concerns, there are other indicators cited in support of the claims of significant difficulties in Australian documentary practice.

1. Government film funding agencies charged with supporting documentary practice in Australia are under-resourced in the documentary area and are continually called upon to stretch their limited resources even further. The FFC committed all of its non-Accord documentary production investment in the first four months of the 2002/03 financial year, which meant that some documentary filmmakers who had secured a requisite level of international deals could not be funded. For FA, production costs are increasing while funding from the government for the National Interest Program (NIP) has not kept pace with rising costs, thus requiring FA to subsidise NIP production with resources such as library materials and facilities.
2. The Australian commercial broadcasters' commitment to documentary extends only to the minimum regulatory requirements. They successfully opposed the modest increase in regulatory requirements proposed by the Australian Broadcasting Authority (ABA) in its review of Australian content in 2002.
3. The Australian public broadcasters increasingly rely on factual entertainment (infotainment programs, docu-soaps, etc) in order to generate sufficient hours of programming from available production budgets. Public broadcasters, and the ABC in particular, require more rights and creative intervention, and are narrowing the scope of their documentary slots, although documentaries have been moved back to earlier timeslots over the last three years. SBS scheduled 4 per cent of first-release documentaries after 9pm in 2003, down from 12 per cent in 2002 and 26 per cent in 2001. Forty-seven per cent of the ABC's first-release programs in 2002 and 2003 screened after 9pm, compared to 76 per cent in 2001. Ratings are an increasingly significant driver for public broadcasters in the current environment.
4. Regulation of a pay television documentary quota remains elusive, despite submissions from government agencies and the documentary practitioner community. The ABA's report on this issue was presented to government early in 2001 but to date no action has been taken and the report has not been released.
5. Documentary production budgets and presales have at best remained static, and in many cases declined, in both absolute and real terms, over the last decade. Producers' and directors' fees are inadequate; average directors' fees have decreased in absolute terms by 23 per cent in the last eight years; Executive Producers' fees don't cover the costs of financing a production; and company overheads are inadequate to sustain even the limited ongoing business infrastructure required by smaller independent production companies.

6. The back-end returns to documentaries are decreasing because of the toughness of the production deals, competition from other information sources, and declining usage of documentary on free-to-air television. The emergence of new forms of documentary distribution and the re-emergence of some limited theatrical distribution of documentary are not yet enough to redress this trend.
7. The international documentary market has gone through significant structural change that does not necessarily advantage Australian practitioners. Factual and documentary are merging, the chase for ratings and accountability are increasingly seen as being synonymous for public broadcasters, there are limited slots, and it is increasingly difficult to secure overseas presales or finance at a level that will trigger FFC investment. Currently popular light-factual material is country-specific and doesn't travel, reflecting an increased parochialism in international programming.
8. The emphasis on light-factual series and reality-based observational formats has also seen the traditional stand-alone social or essay documentary become a relatively endangered species. This has implications both for the diversity and level of sophistication of content in Australian documentaries, as well as the level of documentary skill of Australian practitioners. It can be argued that the increase of reality TV programming has also been at the expense of locally made drama.
9. The television commercials (TVC) market has shrunk and documentary practitioners find themselves increasingly competing with TVC makers for bread-and-butter corporate work. The opportunities to cross-subsidise documentary practice with other film income streams have decreased across the board. Diversification by documentary practitioners into new media or educational production is still at a relatively early stage.
10. With few opportunities to expand their businesses into corporate production or facilities rental, and minimal or non-existent overheads available to them from extremely tight production budgets, documentary producers struggle to support themselves, let alone their small companies and basic infrastructure.

In short, everyone is feeling squeezed, from all sides.

Part 1 of this paper will therefore go into the current state of the documentary sector in Australia in more detail and where possible, provide relevant statistical data.

Part 2 of this paper will attempt to describe the role of documentary and the challenges for the sector.

Part 1: The State of the Documentary Sector

This first part of the paper attempts to present a summary of factual information about the current scale and shape of the documentary sector in Australia.

Defining Documentary

The definition of documentary can be a moveable feast, perhaps never more so than today in the age of docu-soap, reality television, factual programming and the invention of new documentary forms on the internet.

For the purposes of this paper the ABA definition of documentary is used, namely:

‘a program that is a creative treatment of actuality other than a news, current affairs, sports coverage, magazine, infotainment or light entertainment program.’

Magazine format documentaries, current affairs, news, information programs, infotainment, light entertainment and corporate and/or training programs are excluded.

All the AFC statistics included in this paper are based on this definition and include documentaries intended for cinema and/or TV release. Non-broadcast documentaries are not included, nor are online documentaries.

Types of Documentary

Within this definition of documentary it is possible to identify a number of types of documentary. The boundaries between these types are not hard and fast, and much blurring can occur. But they are commonly used by the documentary practitioner community in describing its projects.

The primary distinction seems to be between the traditional social or essay documentary—demand for which is considered to be currently in decline—and formats demanded by the needs of television broadcasters, whether one-off documentaries, documentary series, docu-soaps, reality television or magazine-style programs.

Some see feature-length documentaries produced primarily for theatrical exhibition as being quite distinct from documentaries produced for television, although typically such documentaries receive both theatrical and television release.

The waters are further muddied by the use of terms such as factual and light-factual programming, where clearly identifiable documentaries are lumped in with, or into, magazine-style programs.

The emerging possibilities of documentary projects being produced for online environments, or for traditional linear documentaries to have online or DVD spin-offs is a growing but untested area. Some practitioners are embracing this trend and planning for multi-platform release from the start of their productions. Others are yet to explore these possibilities. Some are in denial that their documentary practice has to change at all.

The Size of the Australian Documentary Production Slate

Production by Production Companies

Although television broadcasters play a significant role in Australian documentary production, most documentary² activity is undertaken by production companies.

Australian production companies make around 152 hours of documentaries per year³: 65 hours of documentary series and 87 hours of single documentaries. Total production cost averages \$41 million a year: \$14 million for series and \$27 million for single programs.

More than half (54 per cent) of the single documentaries produced by production companies are made for less than \$200,000, with most series (75 per cent) made for less than \$1 million. Only 5 per cent of documentaries are made for \$1 million or more. These high-budget projects tend to be either series or IMAX productions.

Production by Broadcasters

Australian commercial and public broadcasters make around 104 hours of documentaries per year⁴. Series account for a higher proportion of inhouse documentary activity than is the case for production companies, with 81 hours (78 per cent) of documentary series made inhouse each year and 23 hours of single documentaries. Total production cost averages \$12 million a year: \$9.4 million for series and \$2.6 million for single programs.

² Refers only to documentaries made for cinema or TV broadcast.

³ Average 6 years 1996/97 to 2001/02.

⁴ Average 6 years 1996/97 to 2001/02.

Government Subsidy for Documentary

In 2001/02 \$2.5 million was spent on documentary development via a mix of government film agencies—the AFC, Film Australia under the National Interest Program and state agencies (mainly NSW Film and Television Office, Film Victoria and ScreenWest).

In 2001/02, government film agencies allocated \$16 million to the funding of documentary production, mainly the FFC 46 per cent (\$7.3 million) and Film Australia 43 per cent (\$6.9 million)⁵, the state agencies 8 per cent (\$1.3 million) and the AFC 3 per cent (\$0.5 million).

Of the total FFC allocation, a maximum of 50 per cent is spent on financing documentaries that have only a local television presale. For these projects (made under Accords with the free-to-air broadcasters), the presale must represent at least 35 per cent of the project's budget. The remainder of FFC documentary funds is invested in non-Accord documentaries that require both a local television presale and international market attachments to trigger the FFC investment.

Although the number of hours of FFC-supported production has varied slightly, from 49 hours in 1995/96 to 46.5 hours in 2002/03, the number of productions has declined in the past eight years, from 40 to 31, as the number of series produced through the Accords has increased.

FFC recoupment on titles in the past eight years totals \$10 million or 16.5 per cent of its investment.

Film Australia Ltd currently receives around \$7 million annually to develop, produce, market and distribute 20 National Interest Programs which 'illustrate or interpret aspects of Australian life or deal with matters of concern to the Australian people'. Film Australia investments in broadcast documentary increased from \$5.2 million to \$6.9 million over the past eight years. A restructuring and repositioning of the company in 1998 returned Film Australia to its traditional documentary focus, eliminating NIP expenditure on children's and adult television drama production.

The Australian Film Commission provides project development funding via project development investments and general development investments (or producer support packages). It also provides finance to documentary production aimed at professional development. Total support for these activities in 2002/03 was \$1.8 million.

The Federal Government also supports around \$4 million of documentary production per year through the 10BA tax incentive.⁶

⁵ NIP fee also includes funds for development, marketing and distribution of National Interest Programs as required by its funding agreement with the government to produce 20 programs a year.

⁶ Source: Department of Communications, Information Technology and the Arts.

The public broadcasters, ABC and SBS, spend an estimated \$4-5 million on externally produced documentaries⁷.

In summary, government funding in all its forms provides around 62 per cent of the finance for documentaries made by production companies each year (including spending by public broadcasters on externally produced documentaries). Out of an average annual non-inhouse documentary production slate of \$41 million:

- approximately \$15 million in government subsidy was directly accessed through federal and state government film funding agencies, and Film Australia
- a further \$4-5 million of government funding was accessed indirectly through presales from the public broadcasters ABC and SBS and funding from SBS Independent and
- an additional \$4 million was accessed via the 10BA tax incentive.

Far more than the feature film or television drama sectors of the industry, the documentary sector has evolved in an ad hoc way over the last few decades. But one fact has remained constant—documentary practice in Australia is a substantially government-subsidised endeavour. Without real intervention at the market level, documentary producers will not consolidate and grow and small production companies will continue to operate at the margins, always dependent on necessarily limited amounts of cultural subsidy.

⁷ AFC estimate in consultation with the broadcasters.

Part 2: Challenges for the Sector

This second part of the paper attempts to summarise and to some extent analyse the mechanics of documentary production in Australia, and delineate the range of problems and challenges that documentary practitioners have identified with the current state of documentary practice in Australia.

A Government-Subsidised Industry

It is consistently and passionately argued that the level of government subsidy to the documentary sector is inadequate. There are many views as to an appropriate level of subsidy and the likelihood or otherwise of this being achieved.

It should also be noted that the level of subsidy provided to television drama when considered as a percentage of value of total production is also small. However, Australian television drama is underpinned by regulation which has created an environment in which the free-to-air broadcasters compete for audiences. Australian documentary is not served by an effective regulatory arrangement.

However, one thing is clear: without the current level of government subsidy, the Australian documentary production sector would cease to exist in its present form.

In this context it is useful to go back to first principles and ask just what is the role (or roles) of Australian documentary practice, and how government subsidy to the Australian documentary sector is intended to support it in carrying out its role or roles.

What is the role(s) of Australian documentary practice, and how is government subsidy intended to support it?

It is possible to identify a number of aspects to the role that Australian documentary practice fulfils, or should fulfil, and the specific function that government subsidy is expected to play in meeting the expectations associated with those roles.

A Cultural Role

Australian documentary practice fulfils a cultural role in that it reveals Australians to themselves in a way that no-one else can or will do.

Some, usually iconic, aspects of the Australian social and physical landscape are of interest to non-Australians and the subject of a seemingly endless supply of documentaries. Just think kangaroos and the Reef. On the other hand, some

uniquely Australian experiences speak to universal concerns and documentaries about them are able to attract international production finance. In addition, some Australian documentary practitioners are skilled at constructing series or individual programs that have international appeal but are strongly situated within an Australian context.

But by and large, the telling of Australian stories to ourselves and the illuminating and recording of the detail of Australian life—the cultural role of Australian documentary—has been, and always will be, a task for Australian documentary practitioners, drawing mainly on those financial resources available within Australia.

It is generally accepted worldwide that film and television production for cultural reasons depends on some level of government subsidy or regulatory regime, and Australia is no exception. Some players argue that cultural production should be the overriding role of the documentary sector in Australia, and that all government subsidy should be utilised to this end. Just what is an appropriate level of government subsidy for cultural production is a keenly-debated question. But most players accept that some level of government subsidy for cultural reasons, in the form of development and production investment, is appropriate.

Government subsidy of the cultural role of documentary practice takes both a direct form, such as Film Australia's National Interest Program, and an indirect form as many of the documentaries receiving development or production funding through the AFC and FFC have a cultural dimension. To some extent, the ABC and SBS Accords were an intervention in the marketplace designed to ensure that some cultural production takes place even within the deal-driven environment inhabited by the FFC and the Australian broadcasters.

A Local Broadcast Role

Australian documentary practice provides programming for commercial and public free-to-air TV and pay TV in Australia.

Since the battle to have Australian documentaries screened on Australian broadcast television was won 20 years ago, television networks have been major commissioners and schedulers of Australian documentaries. This has been a mutually beneficial arrangement with Australian documentaries attracting significant audiences to the networks, and documentary practitioners having their work viewed by substantial audiences. Recently however, there have been significant changes in the nature of this nexus between documentary practitioners and the broadcasters, in particular the public broadcasters.

The needs of the public broadcasters' schedules have now come to dominate the Australian documentary agenda to an extent not previously seen, and to the virtual exclusion of most other sorts of documentary production. There is increasing disquiet with this situation, both from practitioners and the broadcasters.

While government subsidy in the form of development or production finance is not specifically earmarked to service the needs of public broadcasters (with the exception of the FFC/ABC and FFC/SBS Accord programs), the industry has evolved to the position where effectively this is what is happening. If the public broadcasters' own contribution to independent documentary production in the form of presales and non-Accord production investment is factored in, it is clear that a significant amount of government subsidy to the documentary sector is tied to making programs for the public broadcasters, whether this is specifically intended or not.

For commercial broadcasters, government subsidy in the form of development and production investment through the funding agencies contributes to the cost of producing local documentary content. Access to this subsidy and the existence of the documentary quota ensures a minimum level of local documentaries are made for the commercial broadcasters.

However, the fact that cultural subsidy supports only short-form production is a major impediment to higher levels of part-subsidised documentaries being commissioned by the commercial networks. When the Commercial Television Production Fund (CTPF) existed and provided subsidy for the production of a series such as *Our Century*, the Nine Network was more than happy to commission it. The costs of promotion and presentation can be amortised when there are multiple episodes. Advertising can more easily be secured for series with wide public recognition and so on. *Our Century* (25 half-hours) rated consistently highly (usually winning its prime-time slot) and performed extremely well for the network. Currently both FFC and FA subsidy must support a number of diverse productions, thus preventing investment of limited resources into one or two productions on an equivalent scale to *Our Century*.

A Professional Development Role

Australian documentary practice provides professional development opportunities for both new and established practitioners, and can be a point of entry into the film industry for future drama and interactive media practitioners.

A healthy Australian documentary practice, at whatever level and on whatever scale, requires the continuing injection of new ideas and practitioners into the production arena, as well as the consolidation and extension of established practitioners' skills.

It is often argued that documentary funding is inappropriately skewed towards supporting new and consolidating documentary practitioners at the expense of established practitioners. If the country is to reap the benefits of its substantial public investment in fostering new and consolidating documentary practitioners, it then also requires that once they are established those practitioners can then return that investment by being able to make films on a regular basis. Practitioners, in whatever form, are expected to practice their craft. This implies, and is only possible in the context of, a significant volume—a critical mass—of ongoing local documentary production.

There are other professional development aspects that need to be taken into account. Modern documentary practice demands a high degree of practitioner adaptability in order to cope with a rapidly changing environment in terms of production techniques, newly emerging genres and financing strategies. Documentary making has in the past been a starting point for drama practitioners, with skills learnt on documentary productions being carried on to drama productions. While this is far less often the case now than it once was, more importantly in this regard it is documentary practitioners who have the skills necessary to succeed in the new media environment. The ability to research and shape stories and arguments, to navigate through complex assemblies of information, ideas and materials is essential to the filmmaker working in, say, compilation documentaries. Similarly negotiating and clearing rights to licensed materials necessary for the creation and delivery of much interactive media content are skills which documentary filmmakers possess.

In all these areas, the documentary production sector provides a significant amount of on-the-job training, which when combined with more formal courses leads to a healthy culture of exploration and innovation, and consequent professional development. But it is predicated on the existence of a base level of documentary production for practitioners to train on, and within which they can practise and extend their craft.

With the dramatic reduction in the traditional training function of organisations like the ABC and Film Australia, government subsidy for this training role now comes either directly through funding of industry training centres such as the Australian Film, Television and Radio School (AFTRS) and other educational institutions, or indirectly through development and production investment in actual productions. A shrinking production base has significant implications for the professional development role of production.

An Industrial Role

Australian documentary practice underpins a small but significant industrial base and infrastructure which cross-subsidises its other roles.

Australian documentary practice delivers a range of finished programs, not all of which fall into the categories of cultural production or local broadcaster fodder. Australian documentary practitioners are participants in significant international productions on the one hand, and a vast range of local and international educational and training materials on the other.

Across these various streams of documentary production, the Australian documentary sector employs a significant number of people, albeit mostly at inadequate salary levels; it contributes to the income stream of equipment suppliers, post-production facilities and other infrastructure entities; and it attracts significant levels of finance from sources outside itself, including from overseas. On a relatively small scale at present, it can be claimed to be at least in part an export-based industry.

While none of the various streams of documentary production are sufficient in themselves to sustain a substantial documentary industry in Australia, taken together they are necessary elements in achieving the critical mass of production the documentary sector requires in order to be creatively rich, as well as self-sustaining in terms of facilities and practitioners.

And while it is clear that the Australian documentary industry is not self-sustaining financially—hence the need for substantial government subsidy—it is questionable whether it could fulfil its cultural, broadcast or professional development roles without the existence and benefits of this broader industrial role.

Are the current mechanisms of government subsidy delivering the desired results?

It is arguable that the desired outcome of government subsidy to the documentary sector is the four roles detailed above enfolding into a single integrated documentary production industry that is effective and vigorous. (And there may well be other roles that haven't been identified by this paper.) This subsidy is provided in the knowledge that Australia is a small market and that documentary production worldwide tends to be a localised activity.

But during the course of this consultancy the question was raised whether the current mechanisms of government subsidy are delivering this desired outcome. This is not to say that documentary practitioners don't appreciate the level of government subsidy that their sector enjoys. They do, and understand that they could not exist without it. However there is a sense that cultural production in Australia has never been harder; that the broadcaster cart is now coming before the practitioner horse; that the opportunities for appropriate and effective professional development are limited; and that the current funding mechanisms are not effectively addressing the challenges of maintaining an ongoing industrial base to documentary production in Australia.

However the most common concern is that the local broadcast role has taken priority over the cultural, professional development and industrial roles.

So what's the problem?

A number of recurring contentions emerge in discussions with a range of practitioners. Some of them are supportable by existing empirical evidence, some could be tested by the obtaining of further empirical data, and some would have to remain as contentions.

They are presented here for discussion, bearing in mind that some of them are open to argument and are, by their nature, contentious.

1. **There are too many documentary practitioners in Australia expecting to be supported and sustained by the Australian documentary industry, regardless of the quality or value of their work.**

The size of the Australian documentary industry is necessarily limited by the size of the population, the size of the market for documentary material and the amount of production finance available, whether from the market or government subsidy of one form or another. It is arguable that there are too many documentary practitioners attempting to operate in what is essentially a small and heavily subsidised documentary sector in Australia. The result is that the available resources are spread too thinly and, to some extent, with less than optimum effect.

2. **The funding bodies and documentary funding policies are skewed towards supporting entry-level and consolidating practitioners at the expense of more established practitioners.**

There is a perception of an oversupply of new practitioners wanting to make documentaries, and that the industry is structured to support them at the expense of guaranteeing the ongoing viability of more experienced practitioners.

This perception is not borne out by an analysis of Accord documentaries in the last four years but may have been more applicable in previous years. In fact it is arguable that the Accords provide too few opportunities for newer filmmakers and the number of opportunities are declining as short series are being commissioned through the Accords. In 2002/03 for instance, only two out of 17 Accords were by less-experienced filmmakers. The number of Accords has been reduced from 25 to 17 as more series are funded.

Some Accord documentaries in terms of content are trying to get overseas attachments and go non-Accord. But this is a particularly hard road to go as the projects are not necessarily suited to the overseas market and that market is so fragmented that the presales that can be obtained don't meet the FFC requirements, and an increasingly disproportionate effort is required to secure them.

Unlike in some countries, there seems to be no sense of a shared responsibility for the welfare or long-term viability of a local documentary production sector among Australian broadcasters and funding bodies. This is particularly reflected in the insistence on low levels of fees and company overheads in documentary production budgets, regardless of the level of expertise or scale of infrastructure of the practitioner.

Contrary to this, FA has deliberately adopted a policy of supporting experienced talent, though its executive producer model and infrastructure also lend themselves to the appropriately supported development of emerging filmmakers. FA has also consistently provided higher levels of remuneration than are usually available under Accord budgets.

3. Documentary production in Australia is currently dominated by the requirements of the free-to-air television networks, and in particular the ABC and SBS. This leads to distortions in the total body of documentary work produced.

Free-to-air TV is a longstanding and important conduit to audiences for documentary programs. But television networks are in the TV business, not the documentary business. And despite a stated commitment from the public broadcasters towards their public broadcasting remit, all the television networks to a greater or lesser extent are in the business of delivering the highest possible ratings for the lowest total spend. Their commissioning, purchasing and scheduling policies, not surprisingly, reflect this imperative.

The broadcasters' present dominance in the exhibition of documentaries in the Australian context has led to a disproportionate emphasis by the documentary community on meeting their needs. While television content always runs in cycles and it is a brave person who predicts what will be drawing viewers in a year's time, currently the preference from broadcasters is for limited types of documentary series, docu-soap, reality-based and factual programming rather than the more traditional social or essay-style documentary making. But programming taste can change overnight with a change of commissioning editor or head of television. Documentary practitioners have to keep dealing with constant change with regard to formats, slots and perceived audience demographics.

To further compound this problem, the total programming of documentary by broadcasters appears to be in decline and there are suggestions that the total factual spend has decreased in some areas, or encompassed forms not usually thought of as documentary. There is a widespread feeling, rightly or wrongly, that the ABC has downgraded the importance of Australian documentary to its schedule, and that the scheduling of Australian documentaries later at night is a sign of this.

Either way, this dominance of the needs of the broadcasters has demonstrably led to a lessening in diversity in both the forms and content of documentary production in Australia.

Documentaries have traditionally rated well on the ABC, with a majority of programs rating seven or more and a significant number of documentaries rating in double figures. In the previous three years, there was a decrease in ratings with only one-third rating seven or more.

On the other hand, short series, screened at an early timeslot on the ABC have recently earned considerable numbers of viewers, averaging for example:

<i>Plumpton High Babies</i> (2003)	11.3
<i>Kimberly Cops</i> (2002)	11.7
<i>The Battleships</i> (2002)	11.7
<i>DIY Law</i> (2002)	11.2
<i>Bush Mechanics</i> (2001)	12

Recently, in 2003/04, there has been a tremendous increase in ratings of documentaries on the ABC in prime time as well as a boom in SBS scheduling of documentaries in prime time. The increased interest in documentary is also reflected in the popularity of documentaries at film festivals including REAL: life on film.

It has been argued that in the late 1980s (pre-FFC) there was a consensus between the broadcasters, the government agencies and the documentary practitioner community that independent documentary practitioners were in the business of making independent documentaries that were different to TV fare. The TV networks made their own inhouse documentaries for their specific needs. The independent documentary community made films that weren't specifically to meet broadcaster needs, although sometimes they would be broadcast anyway, and sometimes with broadcaster financial support. These independent documentaries were primarily intended for theatrical and non-theatrical distribution. By and large, their form was determined by their content, and their content was pretty much determined solely by the inclinations of the filmmakers and the funding bodies.

That consensus has now gone, to be replaced with the current top-down commissioning culture from the broadcasters. In a broadcaster-dominated environment, form is determined by available slots, and content is determined, by and large, by commissioning editors anticipating the tastes of their audience demographic. Structurally it is quite a different situation to that of the late 1980s, However, it should be noted that this shift is not unique to Australia.

4. **There is not enough production finance for documentaries in Australia, and this disadvantages those practitioners capable of securing overseas projects or deals.**

The networks say they would like to commission more programs than practitioners are able to find production finance for. Practitioners capable of securing overseas deals say they are continually let down by their inability to bring Australian production funds to the table. Entry-level and consolidating practitioners say they are frustrated by the difficulty of obtaining production finance generally, and for non-broadcast productions in particular. Established practitioners point to the FFC Accords as an example of a disproportionate amount of production funding being tied to one particular documentary form.

Overall, there is general consensus that there needs to be a substantial injection of extra production funding into the sector. This should occur at least in part through a significant increase in the level of direct government subsidy and in this regard it is worth noting that additional funds have been provided to the area of television drama. Recently consideration has also been given by the FFC to innovative ways of increasing levels of private investment in feature films. Some attention in this regard could also be paid to the financing of documentaries.

5. **The level of producers/directors fees and company overheads allowed in Australian documentary budgets is way below world practice and completely inadequate for sustaining ongoing businesses.**

A common complaint from established documentary practitioners is that it is impossible to establish and maintain an ongoing business and infrastructure on the level of fees and overheads generally allowed in Australian documentary production budgets. Even those entities generally considered to be successful at running ongoing documentary businesses maintain that they are struggling to keep going, and that their level of personal remuneration is in no way proportional to their workloads or level of expertise and success.

While it is essential that government subsidy is held accountable and not seen to be squandered, there seems to be no evidence of Australian documentary practitioners benefiting excessively from their involvement in documentary production. A common aphorism is that documentary practice in Australia is not a career choice, but a lifestyle choice.

Anecdotally, levels of fees and overheads in UK productions are substantially higher than in Australia. Combined with a greater overall volume of production, this has enabled a number of sizeable independent documentary production houses to be established and thrive, sometimes on the basis of output deals with local broadcasters, combined with substantial international production levels with a range of international partners.

Typically, overheads on UK productions run at 35 per cent of production budgets, allowing documentary production companies to maintain appropriate company infrastructures and strategically appropriate development slates. Australian documentary overheads are at nowhere near this level, resulting in difficulties maintaining company infrastructure, long-term strategic planning and slate development.

While Australian practitioners have learnt to do a lot with a little, this disparity in business and slate support only makes it harder for Australian documentary practitioners to compete in the international marketplace. It should also be noted that the inequality in allowable overheads between Australia and other territories can sometimes prove problematic in putting together international deals.

6. The world market for documentary is becoming more and more fractured. It is becoming increasingly difficult to access the sort of deals that the FFC expects.

In the paper entitled *The Current State of the International Marketplace for Documentary Films*, Diana Holtzberg and Jan Rofekamp provide a detailed and interesting analysis of the changes in international funding of documentary since the mid-1990s.⁸

In summary the paper posits splitting the international documentary marketplace into two markets. The 'First Market' consists of broadcast via the principal terrestrial public and private networks across a range of major territories. A sale to this market ensures a documentary good placement, exposure, reviews and decent money. As this market pays serious money it is hotly contested and the number of producers trying to get their film sold in this market has grown ten-fold over the last ten years. Australian producers are just 'faces in the mob' in this context, with no particular advantages, particularly as it is increasingly hard for them to bring Australian production finance to the table.

The 'Second Market' consists of the ever-growing cable, pay and satellite channels. While this market's hunger for documentary is substantial and there are significantly more slots than in the First Market, purchasers pay significantly lower rates per hour and the

⁸ This report is available to download from <http://www.centerforsocialmedia.org/reports.htm>

mechanics of actually securing sales and presales impose a heavy workload on an individual producer. While Australian producers have proved adept at working this market, the level of presales secured in this way is often insufficient to trigger FFC investment and out of proportion to the amount of effort expended in obtaining them.

While a number of Australian documentary entities of varying sizes and structures have had substantial and ongoing success in the international marketplace, there are no signs that the international documentary marketplace is going to get any easier for Australian documentary practitioners.

7. The FFC has had to move a long way from its market-driven remit in order to deliver an ongoing flow of investment to the documentary sector.

It is argued that the fundamental purpose and culture of the FFC is not a good fit with the essential nature of the documentary support it is required to deliver. The FFC's charter requires that it provide funding primarily on the basis of market indicators. In the absence of a strong regulatory framework there is no market as such for documentaries in Australia and in its stead the system of Accords has been developed. As a result the FFC is essentially warehousing funds for the ABC and SBS.

The FFC manages its funding on a first-come-first-served basis. Funds are being exhausted early in the financial year resulting in lack of continuity and opportunity in documentary funding. The non-Accord deals the FFC seeks are seen as very difficult to meet in the current environment, and the fees and overheads it allows in production budgets are considered unrealistically low.

The FFC is effectively operating as a broadcaster-driven project-by-project funder. With this as its primary role it is difficult to develop a broader vision for the industry, or even integrated policies that take into account the reality of the documentary environment.

8. There are no career paths for documentary makers, and therefore a lack of skills in key areas.

There is widespread acceptance that to be a documentary practitioner in Australia is to take a vow of poverty and frustration. Established documentary practitioners often have nowhere to go except keep treading the overcrowded and spasmodic government funding treadmill. It is argued that established documentary practitioners need to have career paths that can sustain them and keep them working regularly in order to improve their practice. But for most Australian documentary practitioners it is a long time between productions.

This lack of career paths can lead to focussing skills in too few areas, or even the loss of hard-won documentary craft skills. For example, it is hard to find Australian documentary practitioners who can do 13-part series but there are plenty of auteurs who have made one Accord film. This situation is compounded by a reduction in some documentary making skills associated with the domination of the observational form of documentary in the last few years, including a perceived decline in narration writing skills among the documentary practitioner community.

On top of this, opportunities to learn are diminishing. There are far fewer training opportunities at the ABC or Film Australia than previously existed, and a lack of opportunity for older players to upgrade skills. There's a perception the training that does exist is all user pays, with ad hoc program suggestions mostly oriented to new and emerging players.

9. There are challenges to the dominance of the traditional one-off linear documentary, with less and less returns to documentary practitioners or their investors from the long-term exploitation of their programs.

The days of the predominance of the stand-alone one-off documentary, of whatever length, seem long gone. Broadcasters prefer series of documentaries as they allow them to amortise promotion costs and allow an audience to build. Reversioning of series into different configurations to meet varying market requirements is increasingly commonplace, but difficult to do on existing production budgets.

Further, with the advent of new media—in particular DVDs, broadband and online educational usage—the non-theatrical market for traditional documentaries is shrinking, as evidenced by reduced Screenrights royalties for off-air copying and the difficulties experienced by traditional educational film distributors. Typically the move is towards shorter forms, increasing pressure on the traditional essay form of documentary filmmaking.

The emergence of nonlinear and online documentaries and the increasing need to meet multi-platform delivery requirements are also posing challenges to the traditional model of sole practitioner auteur documentary making as traditionally practised in Australia. Revenue streams for these adjunct materials are yet to emerge, but practitioners are expected to be familiar with them just the same. The skill set required to meet these multi-platform requirements rarely resides in one individual.

These are some of the perceived problems that Australian documentary practice is currently facing, and that documentary practitioners are expressing.

A Range of Vectors

In the context of these perceived problems, it may be useful to consider documentary practice in Australia along a number of vectors. To some extent these vectors are a distillation of a number of the constant themes and tensions that emerged during the course of discussions with practitioners, and that have been detailed above.

These vectors are not necessarily exhaustive, nor mutually exclusive, but they provide some useful yardsticks with which to consider the industry.

Diversity versus Sustainability

A liberal democracy requires a range of voices and opinions to be freely available to its citizens, and documentary practice is an important component of that process. A healthy documentary practice requires diversity in the topics, content, treatment and points of view dealt with in individual projects, and to some extent this is a function of the number of different documentary practitioners at work. Diversity of projects requires a necessary breadth of practitioner community, commissioning and funding sources, and the constant replenishment and revitalisation that comes with new entrants into the arena. Diversity is one of the benefits of a high level of first-time documentary makers.

On the other hand, for documentary practitioners to be able to sustain their practice at a business, personal income and craft level, they require a certain level of ongoing work that enables them to at least exist, and potentially thrive and grow, as documentary practitioners. This is particularly hard in an environment where there is insufficient production funding.

Within the Australian context of limited demand for Australian documentary and limited resources to fund them, there is always going to be a tension between supporting enough practitioners so as to guarantee a reasonably diverse national slate and targeting resources in such a way that a limited number of practitioners can sustain their practice on a reasonable basis.

At the moment, the perception is that the current situation is leaning too far in the direction of diversity, at the expense of sustainability. Bluntly put, there are too many documentary practitioners trying to get a big enough slice of a relatively modest pie in order to survive. The result is that no-one is surviving at an appropriate level, and certainly no-one is thriving.

Ideally an Australian documentary practice needs to sustain as diverse a cohort of practitioners as is possible within the limits of the Australian environment, but recognise that if that practice is to be ongoing and productive, it must be sustainable. Diversity of course also suffers when there are too few doors through which development or production finance can be obtained. The documentary sector is at least well served by having four federal government agencies involved in documentary—AFTRS in training, AFC in project and professional development, FFC in financing and FA as a production company which commissions, distributes and manages programs in the national interest.

Cultural versus Industrial

Australian documentary practice has a strong cultural imperative. More than ever today, no-one else will tell us Australian stories unless we tell them to ourselves, and no-one will reflect or record Australian life for us unless we do. Under the current structures of the Australian documentary industry, and into the conceivable future, this is only going to occur as a result of government subsidy. We, the people of Australia, have to pay to have documentaries made about ourselves. There has always been a strong cultural basis to documentary production in this country and there always will be.

On the other hand, documentaries are made for a range of reasons, not all of them ostensibly cultural. (Although it is arguable that all documentary practice is revelatory of the culture in which it sits, deliberately or not.) For example, Australian documentary practitioners are successful in meeting the programming needs of broadcasters for non-traditional forms of documentary such as docu-soap and magazine-style factual programming that would not (and do not) necessarily qualify for government subsidy. Australian documentary practitioners are also successful in collaborating on international documentary co-productions of various types, but which have little specific Australian content or relevance and so once again, do not necessarily qualify for government subsidy on cultural grounds. And Australian documentary practitioners are also active in producing educational and curriculum-based programming that does not attract government film subsidy, even though it may well have a cultural dimension.

However, all these forms of production, including government-subsidised production, combine to create an overall level of documentary practice that, although clearly not self-sustainable without government subsidy, is larger than it would be if it existed on government subsidy alone. This multi-faceted critical mass of the Australian documentary sector benefits all documentary practitioners in terms of sustaining production and post-production facilities, providing opportunities for training and gaining expertise, and underpinning diverse businesses that can ride out cycles in any one particular genre of documentary. (It is arguable that this critical mass of the Australian documentary production sector has not yet been reached.)

Ideally, this industrial (as opposed to cultural) documentary production can augment the base level of government-subsidised production and help sustain as diverse a range of practitioners and practice as is possible in the relatively small and contained Australian documentary environment.

Currently there seems to be some debate about whether the Australian documentary industry should be seen solely as a subsidised cultural endeavour, or as a legitimate industry. However it is unlikely that the necessary critical mass can be sustained by one end of the vector alone. Government subsidy for cultural purposes—always a vulnerable target—is unlikely to increase substantially beyond current levels, at least in the foreseeable future. A solely industrial model without government subsidy seems unsustainable at the

moment. Whether they like it or not, at the moment the two ends of the vector are symbiotically locked together.

Consequently it is likely that the best position on this vector is a balance between the two imperatives, whereby both are upheld as essential, and both benefit from the existence of the other.

Domestic versus International

Documentary production with a primarily cultural *raison d'être* finds its audience primarily, although not exclusively, in the domestic market. By and large, programs that reflect, document or probe Australian life and culture are going to be of most interest and relevance to those living it, namely Australians.

This is of course not absolutely true. Every culture has an interest in other cultures to some extent. But as with people, nothing fascinates an audience so much as itself, and this is reflected in the worldwide tendency for local production to be most successful and most easily find a market with its local audience. This is particularly true of television production.

Producing primarily for the domestic market has implications for the funding structures and sources of production finance as they tend to be more limited than projects sited in the international marketplace. This has further implications for the size of production budgets and the sort of production structures that can be supported from working primarily in this area. Historically, the predominant business model for documentary makers working in the cultural area has tended to be a sole practitioner subsistence model, and the situation is currently even more acute.

However there is a growing market for international documentary production that may or may not be sited in any one particular country's experience, but which is of more universal appeal or relevance. Typical of this sort of production are the big theme documentary series much in favour with public broadcasters and pay and cable channels. Australian practitioners have demonstrated an ability to participate in such productions, and even to initiate them.

Among a certain sector of the documentary practitioner community there is a belief (and a demonstrated intention) that their future lies substantially, although not solely, with an increased presence and engagement with international co-production. However there seems to be some disquiet about the number of Australian entities that can operate in the international environment versus the number of practitioners being generated and sustained by the domestic environment, and the resultant allocation of resources.

Typically, to operate effectively in the international environment requires building executive producer skills and establishing and maintaining key overseas relationships over periods of 10 years or more. This is done by regular overseas trips and attendance at marketplaces, typically two or three times a

year. There is clearly a limit to the number of practitioners that can be supported in this way, not least because of the financial resources required.

There is also the question of whether all documentary practitioners can acquire—or need to acquire—the skills required to operate effectively internationally. But the still-dominant sole practitioner/auteur model of documentary practice encourages practitioners to want to presell or market their films internationally, and to put together production deals by themselves. This can be demonstrably ineffective, not least as evidenced by the number of neophyte documentary makers wandering the corridors of Mip-TV and MIPCOM wondering what the hell they are meant to be doing and why no-one wants to talk to them.

This points to a need to distinguish the needs of productions primarily intended for the domestic market against those needing international elements, and to resource practitioners working in the two areas accordingly. Although there is clearly some overlap between these areas, in both projects and practitioners, different business structures are required to operate successfully in the international industrial market as opposed to making documentaries for cultural consumption in Australia.

A one-size-fits-all approach to the domestic/international vector doesn't work and is demonstrably wasteful of valuable resources, both financial and human. A better balancing of the two ends of this vector is necessary.

Practitioner Security versus Adaptability

By and large, like most humans, documentary practitioners would like a level of security in their professional practice and personal circumstances. Documentary practitioners start from a low base in terms of expectations—as mentioned previously, being a documentary maker in Australia has been described as a lifestyle choice, not a career choice.

But even so there is the very real expectation, particularly among more experienced or long-standing practitioners, that their hard work, dedication, expertise and success should be leading them to a situation where they can make a reasonable living from their documentary practice, sustain the infrastructure necessary for smooth functioning, and see a progression in the quality and ambition of their work. Similarly, new and emerging documentary practitioners have similar expectations of what should be possible should they continue to work in the field.

But even should some level of practitioner security be fully or partially achievable, it is still necessary to achieve it within structures and an environment that allows for adaptability.

Typically the production environment in which documentary practitioners operate shifts and changes constantly, both in terms of format and content, but also in terms of financing, production structures and production methods. The key to success has always been an ability to adapt to what is currently in

demand or achievable in the current circumstances. Australian documentary practitioners have been particularly adept and hard-nosed in doing this. It would be doing no-one a service to lock them into arrangements that whilst perhaps providing some level of security, don't enable them to respond to the changing needs of the commissioning sources or the documentary marketplace.

The balance between practitioners' desire for a workable level of security in their practice and personal lives has to be balanced against their need to maintain a high level of adaptability in order to thrive.

Government Regulation versus Entrepreneurial Flexibility

With the extent of government subsidy to the documentary sector in Australia comes a necessary level of regulation and accountability. Millions of dollars of taxpayers' money are distributed to documentary practitioners and their productions each year. This has to be done in a legal, transparent and financially accountable manner, free of distortions caused by favouritism or corruption. Certain minimum structures and oversight mechanisms are necessary to do this.

On the other hand, the tendency for government organisations to become over-bureaucratic and ossified in their protocols and requirements has to be resisted. A balance needs to be achieved between making sure outcomes are meeting policy, program and accountability goals and allowing practitioners to respond and adapt to the changing needs of the marketplace and environment within which they are working.

This requires designing funding structures that have the room to allow documentary practitioners the entrepreneurial flexibility and diversity that is often the hallmark of success in this arena, while at the same time satisfying the very proper demands for public money to be spent effectively and appropriately.

The Future

This paper is not designed to provide the definitive analysis or propose models for change. Rather it attempts to map the territory by providing a framework for filmmakers' concerns. An industry-wide discussion is needed about the future of the documentary sector. This industry discussion needs to engage the different groups that make up the sector—filmmakers (emerging and established), production companies, broadcasters, federal and state funding agencies, Film Australia, training institutions and industry guilds. Informed dialogue and partnerships between the different groups are needed to address these broader issues and to propose alternative approaches and solutions.

Any discussion on the role of documentary and the mechanisms that underpin its support needs to take into account a number of roles the sector fulfils, namely:

- A Cultural Role
- A Local Broadcast Role
- A Professional Development Role
- An Industrial Role.

It needs to deal with the perceived problems with the current structure, namely:

- An oversupply of practitioners
- The priorities of the free-to-air broadcasters
- The limited fiscal participation of the subscription broadcasters
- A shortage of production finance
- The unsatisfactory level of fees and overheads
- An increasingly difficult international marketplace
- The lack of career paths
- The challenge of new formats.

And it needs to find an appropriate balance between a number of vectors, namely:

- Diversity versus Sustainability
- Cultural versus Industrial
- Domestic versus International
- Practitioner Security versus Adaptability
- Government Regulation versus Entrepreneurial Flexibility.