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Foreign film and television drama production in Australia: Australia as a production destination; employment patterns; crew experience and attitudes

This presentation is based on an AFC report launched by AFC Chair Maureen Barron at Fox Studio in Sydney on 17 July 2002. The report was produced by AFC Policy Advisor, Catherine Griff, and consultant Kate Aisbett. The paper presents the objectives, methodology, context and key findings of the research. For the first time original fieldwork offers a first hand perspective of local employment on foreign productions. The paper concludes that foreign production of film and television drama in Australia is well integrated with the domestic production industry, although a careful balance must be maintained to ensure the continuing success of both sectors.

Objectives

Three main objectives underpinned the development of the report:

1. *To examine the reasons that foreign productions come to Australia, and identify key determinants and priorities.*

A better understanding was needed of how Australia rates on the extensive

set of economic factors and production requirements that play a part in production location decisions. This could provide a basis to predict further foreign production growth and inform policy formulation and marketing activities related to Australia as a production destination. In developing such an understanding, it was important to seek the views of overseas producers with experience of working in Australia.

2. *To investigate perceptions of crew capacity and depth around Australia, including whether the needs of local and foreign production are being met.*

Australia's crews are both essential to the viability of foreign production here and one of its key drawcards. However, there was no data currently available that specifically addressed employment patterns on foreign productions: the roles Australians fill, where the jobs are located and the level of overlap between foreign and domestic production. The synergy between domestic and international productions needed to be explored with a particular focus on crew aspects, to provide a better understanding of the respective roles of foreign and domestic production in building Australia's production capacity.

3. *To explore the experience of Australian crew working on foreign productions and, in particular, the role of foreign productions in crew's professional development.*

Although skills development has been highlighted as a particular benefit of foreign production activity in Australia, there appeared to be no data available on the kinds of professional development Australian crew are actually gaining on foreign productions and the nature of the learning experience. The views of the crew themselves needed to be sought on the benefits and difficulties involved in foreign production work, and the opportunities for development it offered them.

Research approach

The research used a variety of sources and methods to address the objectives, including:

- a literature search to find previous research conducted on the subject;
- a structured telephone survey of 161 Australian crew and producers with experience on foreign productions;
- interviews with eight booking service managers in four states;
- interviews conducted in Los Angeles (LA) with 18 LA producers who had recently been involved in production in Australia;
- in-depth interviews key industry figures involved with foreign production in Australia, and with representatives from state film agencies;
- analysis of data on production activity and employment patterns;
- compilation of foreign production credits of Australian freelance production personnel.

Introduction

Until the mid 1990s, foreign production in Australia was subsidiary to the area of local production. While it may have been an important source of work and revenue for some crew and facilities or post production businesses, and its spread across Australia was uneven, in terms of the overall economics of the Australian film and television industry, it was considered of marginal interest. And while some state governments developed regional incentive packages, at a federal level, funding and policy were entirely directed towards the development of the local industry.

However as the Australian dollar dropped and as Australia consolidated its reputation internationally as a nation which produced world class films and world class filmmakers, interest in Australia as a destination for foreign production began to grow. And as the total value of foreign production grew, the impact upon our crews and our infrastructure became increasingly apparent and issues surrounding funding and policy became more significant.

In recent years the role of foreign production in Australia has been controversial and surrounded by conflicting claims and arguments. The advent of the large studios, particularly Fox in Sydney, designed to cater for big-budget overseas productions, has heightened debate on the impact of such productions. Those in favour of increasing levels of foreign production point to the economic benefits for the nation as a whole and the employment opportunities arising in production and associated roles. The detractors fear that overseas production could eventually dominate the local industry even to the extent that support for our local creative talent wanes and we become mainly an adjunct to the mainstream US industry.

It was against the background of this debate that the AFC decided to undertake a research project looking at the consequences for the local industry of the growth of the foreign production sector. The results are intended to inform discussion and assist further policy development and planning. For while certain trends and developments result from forces and conditions outside of the film and television industry, choices can and must be made about the nature, the capabilities and the output of the industry we wish to have in Australia.

As the production of film and television increasingly becomes a global business, there is clearly a growing network of interconnections between the Australian production community and 'foreign' production entities: Australian providers of production services and facilities are increasingly taking advantage of foreign

production as a source of business; Australian producers are seeking funds overseas and engaging in a range of co-production arrangements, with creative control shared as part of a project's financing.

The fundamental connection between the development of an industry which has the capacity to produce Australian film and television and the potential to grow the level of foreign production is the fact that attracting foreign production requires above all a sophisticated domestic industry: ongoing levels of foreign production can only be sustained where indigenous film industries have reached a high level of sophistication and capability.

'Footloose' productions – film and television projects looking for a production home – make location decisions based on a range of factors. Australia's competitive advantages include our low exchange rate, English language, range of locations, sophisticated cities, developed infrastructure, range of State based incentives and support mechanisms, and high profile of the industry internationally derived from our local production. The financial advantage, while important, is not sufficient on its own to attract foreign projects.

Key promotional drivers, which can persuade overseas producers to select and often return to Australia, are the quality and work practices of our local crews and creative talent. These have been developed through the making of local films. It is the local production sector that creates the technical and creative skills base and the foreign production sector that uses this skills base.

In Australia State governments and more recently the Federal government have put policies in place to attract further foreign production in recognition of the potential economic benefits. Tax incentives, promotional support and studio and infrastructure development have been key policy levers. The new Federal tax rebate

scheme for offshore production companies appears to be already attracting more high budget films and mini-series to Australia.

However, in the last five years, before the Federal tax incentive was introduced, foreign production had increased 63 per cent. In the same period local production increased a mere six per cent. If growth rates of the two sectors get too out of kilter, it may weaken the local industry and also make it difficult to service the needs of foreign production.

With stronger growth in the foreign production sector likely, careful management is needed to reap the economic benefits without jeopardising the cultural benefits Australians derive from the Australian industry—or losing many of the qualities that attracted international production here in the first place. The AFC favours a healthy mix of various kinds of production activity. This research seeks to illuminate the complex, sometimes competing, but ultimately synergistic and mutually beneficial relationship between domestic film and television production and international projects attracted from offshore.

Key Findings

Background

- ‘Foreign production’ is defined as projects under foreign creative control, originated and developed by non-Australians. US projects make up the bulk of foreign projects made here.
- Spending by foreign drama productions in Australia has increased during the 90s. The rise in spending by feature films is mainly due to higher-budget productions shooting here. The rise in spending by TV drama production is mainly due to an increasing number of productions.

- Foreign drama shot in Australia in 2000/01 spent \$191 million here, accounting for 31 per cent of that year's drama production spending.

Australia as a production destination

The range of factors which influence decisions about where a production might be located, and how Australia measures up in attracting a slice of the 'global production pie'.

- Economic factors such as exchange rates and cheaper production costs were seen to be the major factors attracting drama productions to Australia.
- The new federal tax incentive was seen in a positive light by both Australian and LA producers interviewed. However, the budget range requirements and exclusion of television projects were criticised by some.
- Production infrastructure was seen as a necessary prerequisite but not a reason in itself for bringing a project to Australia.
- While economic factors initially attract foreign productions to Australia, both LA and local producers believed that what will keep them coming back is the inventiveness and efficiency of the Australian crews and the relationships formed. However, a perceived lack of crew depth was the most commonly cited deterrent.
- Seven out of 18 LA-based producers perceived a lack of crew depth as the most common difficulty with filming in Australia, although few had actually experienced problems crewing their own productions here. Sydney has the strongest reputation for supply of skilled crew.
- Other issues cited by the LA producers included Australia's distance from the US, difficulties with unions and problems with the availability of production infrastructure.
- Australia is seen as competitive with Canada (with 11 out of the 18 producers

choosing Australia as their first-choice foreign production destination) because of the exchange rate and climate. Those who placed other locations ahead cited logistical and bureaucratic reasons.

Foreign production and employment

The role of foreign production activity in the employment of Australian crew, including possible effects on local productions.

- Around 17 per cent of Australian freelance production workers have experience on a foreign feature or TV drama production. Roles where Australian crew are more likely to have a foreign production credit include: special effects (30 per cent), first assistant directors (29 per cent), grips (27 per cent), gaffers (26 per cent), sound editors (26 per cent), DOPs (24 per cent), and art directors (24 per cent).
- The crew survey indicated a high overlap between foreign feature and TV drama experience: 42 per cent of the production crew surveyed had worked on both a foreign feature and a foreign TV drama.
- NSW crew are more likely to have worked on a foreign feature, with 79 per cent having done so in the past five years, compared to 58 per cent on a TV drama. In Queensland the reverse is true: 94 per cent of Queensland crew have worked on a foreign TV drama, compared to 56 per cent on a foreign feature.
- Department heads on foreign productions tend to be sourced from offshore. Production designers, however, were more often Australian. The use of Australians as department heads was more common on television productions than features.
- There was no evidence of two separate industries within the Australian

production industry, one working mainly on foreign productions and the other on local productions. For 36 per cent of the crew surveyed, foreign productions represented a quarter or less of their work, and only 26 per cent said it represented 75 per cent or more of their work.

- The team on the project and the pay rate were most commonly cited as the key factor in the decision to take a job (although the script tended to be the most important for 'key creative' crew). Being an Australian production was the most important factor for only four per cent (five per cent of key creative crew and three per cent of others).
- 18 out of 19 Australian producers and production managers felt that foreign productions were creating opportunities for new entrants.

Australian crew's experience on foreign productions

The experience of working on foreign productions from the crew's perspective, including financial rewards, opportunities for learning new skills, career development and effects on job satisfaction.

- 78 per cent of crew interviewed acknowledged differences between foreign and local productions, with 39 per cent pointing to greater demarcation between specific roles and a more hierarchical structure. Other differences indicated include bigger budgets (noted by 36 per cent), longer hours (30 per cent) and bigger scale (21 per cent).
- 42 per cent of crew believed the major benefit of working on a foreign production was having a bigger budget to realise their creative goals. Other major benefits included an increased level of pay (38 per cent), learning of new skills (24 per cent) and continuity of employment (21 per cent).
- When specifically asked whether they had learned new skills, 64 per cent said

they had. These new skills mainly related to technology (46 per cent) and the ability to expand on their craft due to bigger budgets.

- Most local crew (86 per cent) felt foreign producers and crew had learnt egalitarian and efficient work practices from the Australian crew. This finding was strongly reiterated by interviews with LA producers.
- The majority of crew (69 per cent) found difficulties working on foreign productions, ranging from lack of respect from foreign heads of department and being treated like cogs in the wheel (45 per cent) to a lack of control or empowerment over decision-making and creative processes (28 per cent).
- 43 per cent of crew surveyed believed that foreign production was vital for maintaining employment, while 17 per cent emphasised the symbiotic relationship between foreign production and local production. Significantly though, 19 per cent commented on the poor state of local production and 10 per cent expressed concerns about the potentially damaging impact on the Australian industry.