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MINISTER FOR THE ENVIRONMENT, HERITAGE AND THE ARTS

**SCREEN AUSTRALIA BILL 2008
SECOND READING SPEECH
HOUSE OF REPRESENTATIVES
PARLIAMENT HOUSE, CANBERRA**

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This Government places a very high value on a creative and viable Australian film and television industry. Our film and television industry has world class facilities and punches well above its weight with its award winning and highly regarded productions, cast and crew. We can all be proud of the industry's international reputation for excellence, hard work and dedication. Beyond its contribution to our cultural life, the sector's input to the Australian economy is also significant, contributing some \$1.5 billion annually to GDP and employing more than 50 000 people.

In a global entertainment environment, the challenges facing the industry have been well documented. In particular, the industry has lacked sufficient private investment to provide a strong capital base. In turn, production levels and box office returns continue to fluctuate and filmmakers are unable to build strong creative businesses. The Government recognises its responsibilities to support the industry in meeting these challenges. Without strong Government support, Australian voices on our screens would be considerably muted. The Government is committed to providing a framework within which the industry can grow and prosper and establishing Screen Australia is part of that framework.

This Bill establishes a merged film agency, Screen Australia, as the key direct funding body for the Australian screen production industry. The Bill facilitates the merger of the majority of the functions of the Australian Film Commission, the Film Finance Corporation Australia and Film Australia Limited into a single statutory agency.

Whilst in Opposition, as Shadow Minister for the Arts. I called early for consideration to be given to creating through merger, a single screen authority. The Government committed to establishing Screen Australia in its 2007 Election policy, *New Directions for the Arts*. And as further evidence of its commitment to the Australian film and television industry, the government has identified the development of a globally innovative and competitive film industry for consideration at the *Australia 2020* Summit to be held in Parliament House on 19 and 20 April.

The new agency will have a strong focus on cultural objectives while also pursuing the growth of a more competitive screen production industry. The synergies created by combining the resources of the three agencies will enhance coordination, facilitate strong national leadership for the screen production industry, and enable a quicker response to changing national and international opportunities and challenges, such as technological innovations and changing audience preferences. It is anticipated the merger will free up resources which can be directed towards new industry priorities.

The Bill outlines the proposed functions and powers of the new body, together with the proposed governance and accountability arrangements. The functions largely reflect the combined functions of the existing agencies, with the principal exception being due to the establishment of the National Film and Sound Archive as a separate statutory authority, the legislation for which is also being introduced today.

The new agency will have a strong emphasis on ensuing cultural benefit and artistic merit. Its functions also emphasise the importance of improved commercial sustainability for the industry which will continue to face significant challenges due to its small size, relative isolation and difficulties in competing with imported product, notably of course from the United States. Screen Australia is to be an agency with a strong cultural mandate and one which also understands the importance of filmmakers relating to their audiences and developing their businesses.

The Bill provides Screen Australia with the following functions:

- Support and promote the development of a highly creative, innovative and commercially sustainable Australia screen production industry; and
- Support or engage in the development, production, promotion and distribution of Australian programs and the provision of access to Australian programs and other programs; and
- Support and promote the development of screen culture in Australia.

In performing its functions, Screen Australia will have a continuing responsibility for the development of areas of particular public interest and cultural merit, such as documentaries and children's programs. The Government's expectation is that the agency will continue to emphasise programs of real national significance in all fields. In particular it is expected that the National Interest Program undertaken by Film Australia will continue, and even be broadened beyond documentaries where appropriate. I expect that the agency will have an important role in promoting the work of emerging filmmakers. As well, our indigenous filmmakers have carved out a special place in Australia's cultural life and it is critical that indigenous voices, and indigenous stories, are seen and heard on Australian screens, and brought to Australian audiences.

The Government is keen for the screen production industry to move beyond what may be described as a cottage industry and for it to provide ongoing work for the many highly talented Australians who currently either have to work overseas for long periods or have to find employment in other industries to supplement their incomes. It should also seek to provide opportunities for world renowned Australians, eager to come home to work, to be able to do so.

To this end, Screen Australia will be expected to realise its cultural objectives while also being acutely conscious of the need to promote the development of commercially focussed screen businesses. While funding will be available for single projects and individuals, significant funding will also need to be directed to sector capacity building and supporting industry professionals willing to build businesses rather than move from one project to the next. The continuing trends of rapid technological, cultural and political change mean the Australian industry in coming years is likely to be a different industry to the one we have now.

The recently introduced Producer Offset will provide a significant avenue for funding for many films and television projects and will enable producers to retain equity in their projects while, at the same time, attracting higher levels of private investment. This provides opportunities and challenges for Screen Australia.

Because the Producer Offset can be the primary vehicle of Government support for many productions, Screen Australia will be able to invest more funding in activities not directly

associated with production. These include individual and project development activities, and those activities which provide the wider Australian community, including regional Australians, with access to Australian audiovisual product. Many have advocated the need for more Government support during the development phases of projects to ensure that those films which go into production have the best chances of success. The extent to which Screen Australia should support marketing and distribution is also an important issue. I expect the engaged discussion on how Screen Australia will evolve from its predecessors will pay a great deal of attention to identifying new priorities.

The degree to which Screen Australia should provide investment funding to projects which also receive the Producer Offset also needs close attention. It is important that the agency respond to this new incentive in a way which ensures substantial cultural product and does not result in the agency simply replacing funding which should be provided by the marketplace.

With the introduction of the legislation, I call for an active debate to start now, from all interested in this sector, on how Screen Australia should best be positioned to meet these challenges, to ensure that the new organisation has clarity of purpose, a genuine sense of integration, and the ability to respond quickly to industry priorities.

These new directions for the screen production industry have been warmly welcomed by the industry. The establishment of Screen Australia is a key plank in the strategy to revitalise the industry, restore investor confidence and deliver exciting productions to Australian audiences and beyond.